

A2Z INFRA ENGINEERING LTD.

(Previously Known as A2Z Maintenance & Engineering Services Limited)
CIN NO. L74999HR2002PLC034805



REF. No. :- A2ZINFRA/SE/2016-17/0094

BY E-FILING

4th October, 2016

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Rotunda Building, Dalal Street,
Mumbai-400 001

Fax-022-22722039

BSE Code-533292

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor
Plot No. C/1 G Block, Bandra Kurla Complex,
Bandra (E), Mumbai-400051
Fax- 022-26598237/38

NSE Code-A2ZINFRA

Sub: Annual Report for the Financial Year 2015-16

Dear Sir(s),

Pursuant to provision of Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, We, **A2Z INFRA ENGINEERING LIMITED** (formerly known as A2Z Maintenance & Engineering Services Limited), hereby submit the Annual Report for the Financial Year 2015-16. The said report was approved and adopted by the shareholders of the company in the 15th Annual General Meeting duly held on September 24, 2016 (Saturday).

This is for your information & records please.

Thanking you,

Yours Truly

FOR A2Z INFRA ENGINEERING LTD.
(Formerly known as A2Z Maintenance & Engineering Services Ltd.)

Atul Kumar Agarwal
Company Secretary
FCS-6453
Plot No. B-38, Institutional Area,
Sector-32, Gurgaon- Haryana



Resilient TODAY.
Resurgent TOMORROW



A2Z INFRA ENGINEERING LIMITED

15th Annual Report 2015-16



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Caution regarding Forward Looking Statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Resilient today. Resurgent tomorrow.

At A2Z Group, our story has been that of staying resilient in one of the most testing times for economies across the globe and industries across sectors. We had stayed true to our strengths and took some really unpopular and tough decisions. At a time when order books were considered assets, we decided to execute what was at our hands rather than increasing our order book. The result is a resilient A2Z Group today in the core infrastructure industry which tested every player with extreme force. Post years of working with Governments, Government Departments and Civic Authorities, it was not a popular decision to go for consumer business. We decided to work towards seeing the opportunities in serving end consumers. Today, we have successfully launched consumer facing businesses under our sleeve – Magic Genie Home Services and Magic Genie Eco-friendly Toilets. These tough decisions along with our strong fundamentals intact, make us believe that we will be able to accelerate our growth in coming years. The economy has started showing some positive direction with 7.6% growth in FY16, highest among the world's major economies. Government's boost to infrastructure projects and various policy decisions are going to present us with immense opportunities of growth.

We believe that our resilience today is going to give us resurgence tomorrow.





Strategic acumen, long-term vision.
Resilient today, resurgent tomorrow.

Long-term vision, analytical thought-process and industry insight form the basis of strategic acumen. And it goes without saying that strategic acumen has been the biggest strength for A2Z Group. It has been the building block of our past and has shaped our future, and made our corporate journey eventful.

We started off as a Facility Management Services company, and in the last 14 years, we have become a force to reckon with in power and telecom EPC business besides gaining a strong foothold in two crucial domains – municipal solid waste management and waste-to-energy. We believe that our prudent decisions to focus on execution, to diversify, to grow inorganically and to build capacity building have played an instrumental role in our success story. We are yet to rest on our laurels. The zeal and ardour to deliver on our promises has kept us on our toes.

During FY16, we added end-consumer facing retail products and services business to our already strong business portfolio. We launched Magic Genie Home Services for the facility, maintenance and repair services for individual households. This services is all geared to serve small business enterprises as well for 'on-demand professionally managed services'. These services can be availed through our own app-based online platform and are ably supported by in-house resources. Another notable



venture included the successful launch of Magic Genie — Eco-Tech Smart Green Toilet. It is a zero percent affluent discharging, IT-enabled, self-maintained wonder piece of public convenience.

Thanks to our long-sighted vision, our customer profile is highly diversified across the board, from the governments to civic authorities, and from corporate entities to retail consumers.

Another, feather in our vision's success was the strategy of execution and delivery. In the last few years of economic turbulence, we had focused ourselves on delivering the projects in hand and not going over the top to add projects to our order book. The strategy paid off and today we are comfortably placed after sustaining recent economic and industry headwinds. Towards building a strong financial position and positive cash-flows, the Company has been focusing on realizing old outstanding dues from already executed projects. Going forward, we believe that we have built a strong platform to reap benefits of opportunities expected out of improving economy and industry. In FY15, the Company bagged a large order in telecom EPC which was under execution during FY16. We had successfully won two orders in Nepal and one in Uttar Pradesh, in Power EPC business in FY17. Our strategic acumen and clear vision have helped us sail through the turbulent times.

Immaculate execution, prudent operations.
Resilient today, resurgent tomorrow.



A fine strategy and long-term vision need a finer execution and seamless implementation. We, at A2Z Group, realized that the latter two are important pillars on which we could build and deliver our strategy and vision.

When we embarked upon our corporate journey with our core business of facility management, we offered a broad gamut of services under its umbrella that included not just facility management, but also security, operations support, and repair and maintenance to large corporate entities.

When it comes to project execution in our EPC business, we have delivered some of the most typically critical projects in some of the most difficult terrains to our credit. The successful execution of our projects in Leh-Ladakh, Kargill, Bhutan and Arunachal Pradesh, under extreme & challenging conditions, stands testimony to our project execution prowess. Our edge to seamlessly deliver projects almost at any location has seen us executing projects in Uganda, Kenya and Zambia in African region. Our execution track has not only helped us deliver to our existing client but has also helped us win a couple of other orders such as optical fibre cable laying for a defence establishment.





When we had carved out a separate entity for our Facility Management business, our vision was to create a sizeable business. Our implementation of this strategy has today reached an altogether different level wherein we are the country's leading facility management and security company, with a sizeable presence in the retail market also.

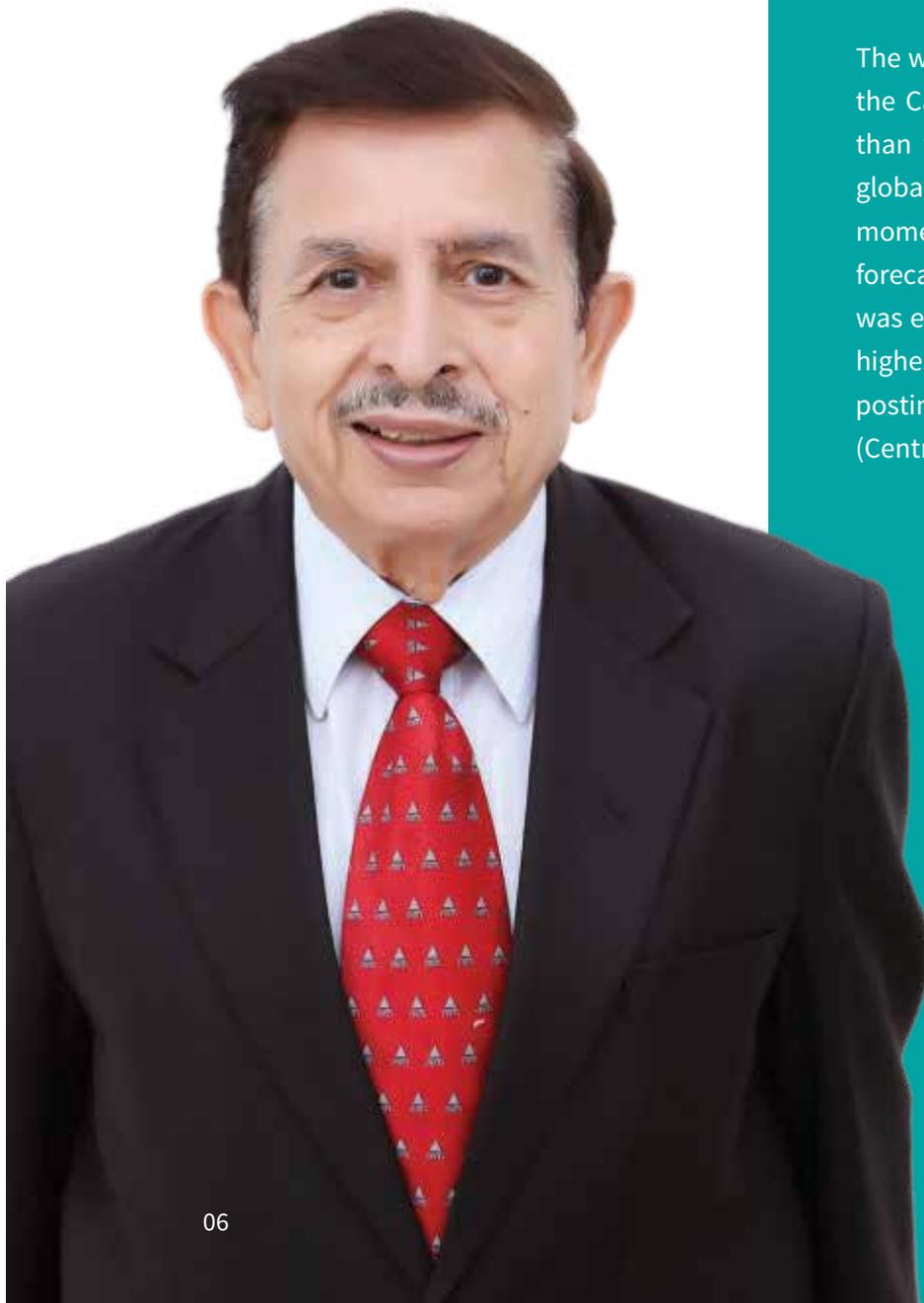
When we had decided to execute existing projects and not chase new orders, our focus was to build a financially stable organization with a near perfect delivery track record. With our team's support, we were able to sustain the tough period with execution as our core focus. Today we are well positioned to garner a larger opportunity landscape substantiated by present day government's policy and program implementation measures to boost growth. The most notable of these measures include Smart Cities, Swachh Bharat, Make in India, Rural Electrification, FDI relaxation across many sectors. With these developments and a slowly stabilizing financial position, A2Z has prepared itself for future challenges and opportunities. Our efficient project management, prudent operations management and seamless strategy execution are our real strengths.

From the Desk of Chairman

Dear Shareholders

It gives me immense pleasure to announce that your Company made significant progress in its corporate journey during the Financial Year 2015-16 (FY16). As we look forward to brighter years ahead, I welcome you all, to glance through our performance and outlook.

The world economy recorded a growth of 3.1% in the Calendar Year 2015 (CY15), which was lower than the 3.4% growth in CY14. The outlook for global economy indicates a marginal but steady momentum, which is evident from 3.2% growth forecast in CY16 (International Monetary Fund). It was encouraging to see our economy grow at the highest pace among the world's major economies, posting 7.6% growth in FY16 against 7.2% in FY15. (Central Statistics Office)



During FY16, the Government continued to announce and implement various policy and program initiatives for strengthening manufacturing, ease of doing business and encouraging investments. Some of the Government's flagship programs include '100 Smart Cities', 'Housing for all by 2022', 'Atal Mission for Rejuvenation & Urban Transformation', 'National Urban Housing Mission', and 'Make In India', among many other such initiatives. The Foreign Direct Investments (FDI) norms were relaxed in 15 sectors, including mining, defence, civil aviation, broadcasting, and construction. The Reserve Bank of India slashed the interest rates by 1.5% during FY16, indicating a shift in focus now towards inducing growth.

The impact of positive sentiments and momentum in the economy and various sectors is likely to benefit a majority of industries including those wherein we operate. The Rs 56.3 trillion outlay for infrastructure sector in the Twelfth Five Year Plan is expected to strengthen overall EPC sector prospects. However, the spill-over effects of previous years' slowdown and policy paralysis are likely to pose challenges for a few more years. In power generation, India has the fifth largest capacity in the world that is 302.83 gigawatts (GW). There is a welcome shift towards increasing the pie of renewable energy to the overall capacity and improving the transmission & distribution infrastructure. The telecom sector, too, is gearing up for the next phase of its lifecycle wherein quality, value added services and deeper penetration are in focus. The recent spectrum sale, the launch of 4G services, the increase in rural telecom penetration, and the need for better infrastructure are at the centre of telecom industry's operating environment. These developments in power and telecom sectors are set to benefit EPC players like us. The pricing and implementation policy for solid waste management and waste to energy sectors were reviewed and revisited during the year. The Facility Management Industry in India is expected to grow at a CAGR of 17%, between 2015-2020, and expected to touch USD 19.5 billion by 2020. This positive finding by a Global Infrastructure Facilities and Project Managers Association (GIFPMA) report augurs well for your Company's and its Group's business.

It is satisfying to see the initial results of our strategic realignment over the past few years wherein we took some tough decisions to ensure long-term sustainability. Our focus on executing existing projects has stood us in a good stead within our industry and opened the doors for opportunities in future. During the year, your Company posted 338% growth in revenues and 64% decrease in net losses. These are the bright spots where we see the real results of our knowledge, commitment, and vision.

We are working on our well thought out strategy with precision to build a promising future for ourselves. I would like to thank our shareholders, customers, investors, suppliers, the exchequer and employees for the continued trust in our long-term success story.

Best regards

Surender Kumar Tuteja
Chairman

Message from the Managing Director

Dear Shareholders



I am pleased to share your Company's performance for the financial year 2015-16 (FY16). The year under review was another milestone year wherein we witnessed results of our strategic realignment, operational efficiency, business diversification and the improving macro environment.

During FY16, we witnessed stability in global economy and impressive growth in Indian economy. The policy strengthening, together with synergistic program implementation at the Government's level have helped build positive sentiments and some momentum in major sectors including infrastructure.

For the last few years, we had been working on a strategy of building a sound financial structure and enhanced operations capabilities. We had our focus on execution as a priority compared to large order book that could have well worked against us in the recent economic slowdown. The last fiscal reinforced the precision of this strategy. During FY16, we started the operations of prestigious order of Telecom EPC. Our success streak continued in, FY17, as well, wherein we bagged two orders worth INR 178 Crores from Nepal besides another order from the Uttar Pradesh Rajkiya

Vidyut Vitaran Nigam. This is also a result of our focus on delivery in recent past due to which we were able to tap newer opportunities today.

At the Group level, we have been relentlessly working for the past few years towards gradually diversifying our product mix and customer mix. Today, our customers are spread across governments, civic authorities, corporate entities, and now we serve the end-consumer as well with our retail products and services. Our geographic spread, too, has widened all these years. Now we serve markets across outside India including Uganda, Kenya, Zambia, Bhutan, and, we recently added Nepal also.

In FY16, we witnessed our consumer business taking wings with on-ground operations. Our Magic Genie Green Toilets, installed in Gurgaon, Faridabad, Noida and Indore, have been able to fulfill the aspirations of a cleaner, greener India with zero effluent discharge and IT-enabled operations. We received the Swachh Bharat Samman by India CSR. Our technology was recognized as one of the best innovative technologies in the field of sanitation by the prestigious “Skoch Foundation”. Magic Genie Home Services, on the other hand, is revolutionizing the facility and maintenance management business. Magic Genie Home Services has the unique advantage of having the online digital platform and the operations resources, both in-house, unlike some pure service aggregators.

During FY16, the Company posted revenues of Rs 961 crores as against Rs 219 crores in FY15, a 338% growth. At the Group level, our revenues grew by 127% from Rs 584 crores in FY15 to Rs 1,349 crores in FY16. We significantly reduced our Net Loss, at the company level, from Rs 124 crores in FY15 to Rs 45 crores in FY16. Our market capitalization increased from Rs. 132.37 crores in FY15 to Rs. 252.53 crores in FY16, a 90.76% growth. Our long-term growth story was further testified by a preferential allotment of 2,46,95,780 share warrants convertible into equal number of equity shares of the Company. In our quest to build an agile and value-creating organization, we initiated cost rationalization measures, which included the closing of certain unviable business operations and subsidiary companies.

We are committed to building a stable and sustainable tomorrow for all our stakeholders, and I believe that we are progressing well in that direction.

I thank our shareholders, investors, and partners for their support and trust. I would like to place on record my gratitude to the Board of Directors for their ample support and guidance. I also thank our wonderful team for taking the dream of a diversified and sustainable enterprise of tomorrow towards realization.

Sincerely yours

Amit Mittal
Managing Director



Dr. Ashok Kumar Saini
Whole Time Director

**Mr. Suresh Prasad
Yadav**
Non-Executive
Independent Director

Dr. Ashok Kumar
Non-Executive
Independent Director

Mr. Amit Mittal
Managing Director



Mr. Surender Kumar Tuteja
Non-Executive
Independent
Chairman

Ms. Dipali Mittal
Whole Time Director

Mr. Rajesh Jain
Whole Time Director &
CEO

Mr. Gaurav Jain
Non-Executive Non-
Independent Director

Corporate Information

BOARD OF DIRECTORS

Mr. Surender Kumar Tuteja

Non-Executive Independent Chairman

Dr. Ashok Kumar

Non-Executive Independent Director

Mr. Suresh Prasad Yadav

Non-Executive Independent Director

Mr. Amit Mittal

Managing Director

Ms. Dipali Mittal

Whole Time Director

Mr. Rajesh Jain

Whole Time Director & CEO

Dr. Ashok Kumar Saini

Whole Time Director

Mr. Gaurav Jain

Non-Executive Non-Independent Director

CHIEF FINANCIAL OFFICER

Mr. Lalit Mohan Gulati

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Atul Kumar Agarwal

STATUTORY AUDITORS

Walker Chandiok & Co LLP

(formerly Walker, Chandiok & Co)

Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

M/s. Alankit Assignments Limited

Alankit Heights

1E/21, Jhandewalan Extension

New Delhi - 110 055

Ph.: +91 11 42541234, 23541234

Fax: +91 11 2355200

REGISTERED OFFICE

O-116, 1st Floor, DLF Shopping Mall,
Arjun Marg, DLF Phase I, Gurgaon-122002
Haryana (India)

CORPORATE OFFICE

Plot No. B-38, Institutional Area,
Sector -32, Gurgaon-122001 Haryana (India)

Website : www.a2zgroup.co.in

BANKERS/FINANCIAL INSTITUTIONS

1. State Bank of Patiala
2. State Bank of India
3. State Bank of Mysore
4. State Bank of Hyderabad
5. State Bank of Travancore
6. Standard Chartered Bank
7. IDBI Bank Limited
8. ICICI Bank Limited
9. Axis Bank Limited
10. IndusInd Bank Limited
11. Allahabad Bank
12. Union Bank of India
13. Kotak Mahindra Bank Limited
14. YES Bank Limited
15. DBS Bank Limited
16. The Hongkong and Shanghai Banking Corporation Limited (HSBC Bank)
17. SICOM Limited

Director's Report

To,
The Members of
A2Z Infra Engineering Limited
(Formerly known as A2Z Maintenance & Engineering Services Limited)

The Directors take pleasure in presenting the Fifteenth Annual Report together with the annual audited financial statements for the year ended March 31, 2016.

1. Financial summary or highlights/Performance of the Company

The highlights of financial results on Standalone and Consolidated basis for the financial year ended on March 31, 2016 are as follows:

(Rs. in Million)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations	9,613.88	2,191.67	13,488.15	5,944.39
Add : Other Income	275.33	94.65	335.91	235.30
Total Income	9,889.21	2,286.32	13,824.06	6,179.69
(Loss)/Profit before Interest, Tax & Depreciation	808.78	(915.34)	1058.35	(824.92)
Less : Interest	1,086.69	1,085.33	1,877.15	1,700.34
Profit before Tax & Depreciation	(277.91)	(2,000.67)	(818.80)	(2,525.26)
Less : Depreciation/ Amortization	165.73	102.84	457.84	405.75
(Loss)/Profit before Tax & Extra Ordinary Items	(443.64)	(2,103.51)	(1,276.64)	(2,931.01)
Less : Tax Expenses	9.26	(819.32)	59.10	(790.83)
Net Profit/(Loss) after Tax but before Extraordinary item	(452.90)	(1,284.19)	(1,335.74)	(2,140.18)
Add : Prior Period Item	6.08	-	6.08	-
Add : Extraordinary Item - Gain	-	45.36	-	45.65
Net Profit/(Loss) after Tax & before Minority Interest	(446.82)	(1,238.83)	(1,329.66)	(2,094.53)
Less : Share in Minority Interest	-	-	0.80	(7.21)
Net Profit/(Loss) after Tax & Minority Interest	(446.82)	(1,238.83)	(1,330.46)	(2,087.32)
Balance brought forward from previous year	(676.49)	575.82	(2,996.13)	(941.01)
Less : Adjustment on account of further acquisition/ dilution in Subsidiaries	-	-	3.21	(53.02)
Less : Tax on Preference Dividend	-	-	-	0.01
Less : Adjustment due to depreciation	-	13.48	0.09	18.68
Less : Share in Minority Interest on change in holding	-	-	0	2.13
Net Profit/(Loss) available for appropriation	(1,123.31)	(676.49)	(4,329.89)	(2,996.13)

Operations Review

Standalone:

During the year under review, the turnover of the Company has shown a phenomenal increase as compared to that of the previous year figure by 338.66%. The Company has achieved turnover of Rs. 9,613.88 Million as against Rs. 2,191.67 Million in the previous year. The Company has made net loss after tax of Rs. 446.82 Million as against a loss of Rs. 1,238.83 Million in the previous year.

The Net Worth of the Company has increased to Rs. 8,066.86 Million as at the end of the current year from Rs. 7,904.64 Million as at the end of the previous year representing a marginal increase in Net Worth by 0.93%.

The Debt Equity ratio of the Company has gone up to 1.17 as at the end of the current year as compared to 1.15 as at the end of the previous year.

Consolidated:

The consolidated Turnover of the Company for the current financial year is Rs. 13,488.15 Million as against Rs. 5,944.39 Million in the previous year representing an increase in Turnover by 126.91%. The Company on consolidated basis has made a net Loss after minority interest and extra ordinary items of Rs. 1330.46 Million as against Rs. 2,087.32 Million in the previous year.

The consolidated Net Worth of the Company has come down to Rs. 4,850.88 Million as at the end of the current year from Rs. 5,569.05 Million as at the end of previous year.

The consolidated Debt Equity ratio of the Company has gone up to 3.29 as at the end of the current year compared to 2.73 as at the end of previous year.

2. Consolidated Financial Statements

The Audited Consolidated Financial Statements of your Company as on March 31, 2016, have been prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India and Regulation 33 of Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

In accordance with Section 129(3) of the Companies Act, 2013 and schedule V of Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015 entered into with the Stock Exchanges, the Consolidated Financial Statements of the Company, including the financial details of all the subsidiary companies of the Company, forms part of this Annual Report.

3. Dividend

On account of the losses reported by the Company during the current year, no operational profit was generated for recommendation of dividend for the financial year ended March 31, 2016.

4. Operational highlights

The key highlights of the Company's various businesses are as follows:

Power Transmission & Distribution:

Your Company is one of the leading players in India's Engineering & Urban Infrastructure Services sector. As part of the services, the Company provides integrated design, testing, installation, construction and commissioning services on a turn-key basis to its clients. The Company's projects include rural electrification, railway overhead electrification, reduction of AT&C losses, feeder renovation, underground cabling, feeder segregation, installing High Voltage Distribution System ("HVDS") and Low Voltage

Distribution System ("LVDS") distribution lines and transmission lines. The Company has strong capabilities to build:

- Substations & Switchyards up to 765 kV
- Transmission lines up to 765 kV
- 11 / 33 kV distribution lines comprising of Feeder Renovation Projects, High Voltage Distribution System, AT&C Loss Reduction, Tube Well Connection, Segregation of Domestic and Agriculture load, Augmentation of Lines, Providing Laying of HT & LT Aerial Bunched Cables and Offering BPL Connections.

Company has its presence out of India in Zambia, Uganda and Kenya.

Telecom Infrastructure EPC

The Company has a strong presence in this potential business of Telecom Infrastructure projects on EPC basis. Your Company is currently executing orders for EPC work for trenching laying, Installation, Testing of Optical Fiber Cable, PLB Duct and Accessories for construction of Exclusive Optical NLD Backbone and Optical Access routes on turnkey basis for Defense Networks.

Waste to Energy

The Company being an Infrastructure Company provides solutions that promote Clean and Green Energy. The Company is attempting to build scale in Green Technology solutions in all areas of the power sector, starting from generation of power to its distribution to end consumers. Towards it, the Company has taken significant steps for generation of power from renewable energy sources like RDF & biomass. The Company has entered into collaboration with sugar mills for setting up three power plants on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years in the state of Punjab.

5. Change in the nature of business

There has been no change in the nature of business of the Company during the year under review. However, after the period under review, the Memorandum of Association ("MoA") of the Company has been amended by inserting new sub-clauses 9 & 10 in the Main object clause under Part- A of Clause III to undertake the manufacture or production, and otherwise dealing in all kinds of telecom equipment's for all type of wireline and wireless networks etc.

6. Material Changes and Commitments

There were no Material changes and commitments affecting the financial position of the Company, Which have occurred between the end of the financial year of the Company and the date of the report.

7. Updates on Corporate Debt Restructuring (CDR)

As approved by Corporate Debt Restructuring Empowered Group ("CDR EG"), Corporate Debt Restructuring (CDR) package of Company for restructuring of its debts has been successfully implemented. Company has duly complied and continues to comply with the terms and conditions of approved CDR package. The CDR Lenders of the Company have appointed SBICAP Trustee Company Limited (SBICAP)

as their Security Trustee on the terms and conditions contained in Security Trustee Agreement executed on March 27, 2014 among the Company, Lenders, and the Security Trustee. For securing the due repayment, discharge and redemption of all the Facilities by the Company to the CDR Lenders together with interest, additional interest, liquidated damages, and other monies in accordance with the Master Restructuring Agreement (MRA), the security creation by way of charge on the assets of the Company and pledge of shares of the Promoter/Promoter Group in favour of the security trustee for and on behalf of the CDR Lenders have been successfully completed.

Your Company is committed to honour its debt obligation in time and has always maintained very good relations with all its lenders but due to delayed realization of past receivables from Govt Agencies/ PSUs and also slowdown in its operations and fall in revenue caused severe liquidity crunch at times and as a result, there has been delay at times in debt servicing to Lenders. However, the management of the Company is exploring various options and is making its best effort for meeting debt service obligations.

8. Scheme of Arrangement / Reconstruction / Re-Organization

The Scheme of Arrangement/Reconstruction/Re-Organization ("the Scheme") between your Company and its Secured Creditors under Sections 391 to 394 of the Companies Act, 1956 for implementation of the Corporate Debt Restructuring Package ("CDR Package") as approved by the Corporate Debt Restructuring Empowered Group ("CDR EG") on all the Secured Creditors of the Company was earlier approved by the Board of Directors during the F.Y. 2014-15.

The Company's Petition for first Motion has been disposed of by the Hon'ble High Court of Punjab & Haryana at Chandigarh and the Company has filed a Petition for second Motion in connection with the Company's earlier Petition in this matter.

The matter is presently sub-judice with the Hon'ble High Court of Punjab & Haryana at Chandigarh.

9. Deposits

During the year under review, the Company has not accepted any deposits within the meaning of Sections 2(31) and 73 of the Companies Act, 2013, and the Rules framed thereunder and any re-enactments thereof, and as such no amount of principal or interest was outstanding as of the Balance Sheet date.

10. Significant and Material Orders passed by the Regulators or Courts or Tribunals

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operations.

11. Internal Financial Controls and systems:

Your Company has in place adequate financial control system and framework in place to ensure:

- The orderly and efficient conduct of its business;

- 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.

Significant observations including recommendations for improvement of the business processes are reviewed by the Management before reporting to the Audit Committee. The Audit Committee then reviews the Internal Audit reports and the status of implementation of the agreed action plan. This system of internal control facilitates effective compliance of Section 138 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015.

The internal auditor of the company checks and verifies the internal control and monitors them in accordance with the policy adopted by the company. The Board regularly reviews the effectiveness of controls and takes necessary corrective actions where weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls. Based on this evaluation, there is nothing that has come to the attention of the Directors to indicate any material break down in the functioning of these controls, procedures or systems during the year. There have been no significant events during the year that have materially affected, or are reasonably likely to materially affect, our internal financial controls.

12. Secretarial Standards of ICSI

Pursuant to the approval given on April 10, 2015 by Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from July 01, 2015. The Company is in compliance with the same.

13. Share Capital

Authorised Share Capital:

During the year under review, the Authorised Share Capital of the Company has been increased from Rs.1,260,000,000 (One Billion Two Hundred and Sixty Million) divided into 126,000,000 (One Hundred Twenty Six million) equity shares of 10/- (Rupees Ten only) each to Rs.1,600,000,000 (One Billion Six Hundred Million) divided into 160,000,000 (One Hundred Sixty million) equity shares of Rs. 10/- (Rupees Ten only) each ranking pari-passu with the rights and liabilities of the existing Equity Shares pursuant to the ordinary resolution passed by the shareholders of the Company in the Extra Ordinary General Meeting duly held on August 17, 2015.

Paid Up Share Capital:

During the year, following allotments were made: -

1. The Board of Directors in their meeting duly held on May 09, 2015 have allotted 22,200,000 (Twenty Two Million Two Hundred Thousand) Equity Shares at a price of Rs. 10/- (Ten) per share to M/s. Mestric Consultants Private Limited (a Promoter Group Company), pursuant to approved CDR package of the Company under the Preferential Issue.

2. (a) The Board of Directors in its meeting duly held on September 17, 2015, has allotted 8,100,000 (Eight Million One Hundred Thousand) Equity Shares on preferential basis to ICICI Bank Limited as per SEBI (ICDR) Regulations, 2009 as amended from time to time, on the conversion of Funded Interest Term Loan (FITL) as per approved CDR Package of the Company and in terms of approval granted by the shareholders of the Company by the way of Postal Ballot, the result of which were declared on June 24, 2014.
- (b) The Nomination & Remuneration Committee of the Board of Directors of the Company in its meeting duly held on September 17, 2015 has allotted 1,648,000 (One Million Six Hundred Forty Eight Thousand) equity shares of face value of Rs. 10/- each to the eligible Employees of the Company who have exercised their stock options under the A2Z Employee Stock Option Plan 2013.
- (c) Further the Board of Directors in its meeting duly held on September 17, 2015 has allotted 24,695,780 (Twenty Four Million Six Hundred Ninety Five Thousand Seven Hundred and Eighty) warrants convertible into equal no. of equity shares of Rs. 10/- each (exercisable in one or more tranches) at the option of the holder thereof at any time within 18 (eighteen) months after the allotment i.e. September 17, 2015 at an issue price of Rs. 21.66/- each on preferential basis to persons other than the promoters and Promoter group as per SEBI (ICDR) Regulations, 2009 as amended from, time to time in terms of approval granted by the shareholders of the Company in the extra ordinary general meeting duly held on August 17, 2015.

As at March 31, 2016 out of the issued warrants, 8,250,786 (Eight Million Two Hundred Fifty Thousand Seven Hundred and Eighty Six) Warrants were converted into equal no. of the Equity shares of the Company.

3. Further, the Nomination & Remuneration Committee of the Board of Directors of the Company in their meeting duly held on March 19, 2016 has allotted 177,500 (One Hundred Seventy Seven Thousand Five Hundred) equity shares of face value of Rs. 10/- each to the eligible Employees of the Company who have exercised their stock options under the A2Z Employee Stock Option Plan 2013.

Consequent to the allotments as above, the paid up share capital of the Company was increased to Rs. 1,268,939,800 (One Billion Two Hundred Sixty Eight Million Nine Hundred Thirty Nine Thousand Eight Hundred) divided into 126,893,980 (One Hundred Twenty Six Million Eight Hundred Ninety Three Thousand Nine Hundred and Eighty) equity shares of Rs. 10/- each as at March 31, 2016.

14. Subsidiaries, Joint Ventures, and Associate Companies

As on March 31, 2016, the Company had 31 (Thirty One)

direct and step down subsidiary Companies. Further the Company has entered into joint venture agreements with un-incorporated JV's for bidding of tenders & contracts the details of which is given in the note no. 37 & 38 to the standalone and note no. 37 & 38 to the consolidated financial statements. Also the Company is a member of an association of person (AOP) in which Company is having 60% sharing in profits.

As per sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements and performance of the Company's subsidiaries and associate company for the year ended March 31, 2016, is included as per the prescribed format in this Annual Report. The Annual Accounts of these subsidiaries are uploaded on the website of the Company in compliance with Section 136 of the Companies Act, 2013. The Annual Accounts of these subsidiaries and the other related detailed information will be made available to any Member of the Company/its subsidiary(ies) seeking such information at any point of time and are also available for inspection by any Member at the Registered Office of the Company on all working days during business hours upto the date of the Annual General Meeting.

During FY 15-16, there has been no major change in the nature of business of your Company and its subsidiaries. During the year under review, two direct subsidiaries i.e. A2Z Singapore Waste Management Holdings Private Limited & A2Z Maintenance & Engineering Services (Uganda) Private Limited, have ceased to be a subsidiary of the Company.

In terms of the Regulation 46(2)(h) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy for determining material subsidiaries is placed on the website of the Company at www.a2zgroup.co.in.

Report on the performance and financial position of each of the subsidiaries has been provided in **Form AOC-1** and is forming part of the Annual Report as **Annexure A**.

15. Auditors

Statutory Auditors and Auditors' Report

M/s. Walker Chandiook & Co LLP (Firm Registration No. 001076N/N500013), Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the Thirteenth Annual General Meeting (AGM) of the Company held on September 27, 2014 to the conclusion of the Eighteenth Annual General Meeting to be held for the Financial Year 2018-19, subject to ratification of their appointment at every Annual General Meeting (AGM). In view of the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the Company has received a letter from Walker Chandiook & Co LLP to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and the Rules framed there under and that they are not disqualified for such appointment within the meaning of the said Act.

The Board of Directors recommends to the Members to pass

the resolution ratifying the appointment of Walker Chandio & Co LLP as the Statutory Auditors of the Company as stated in Item No. 3 of the Notice, convening the ensuing Annual General Meeting.

The auditor's report presented by M/s Walker Chandio & Co LLP, Statutory Auditors on the accounts of the company for the financial year ended March 31, 2016 is self-explanatory and requires no comments and the Management replies to the audit observations are as under:

Explanation to Para 9(i) of Auditor's report on Consolidated Financials of A2Z Infra Engineering Limited, its subsidiaries, joint ventures and associates & Para 9(i) of Auditor's report on Standalone Financials of A2Z Infra Engineering Limited

The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2016, such plants have a power generation capacity of 15 MW each. The assessment has been done on the basis of assumptions of useful life of assets, discounted cash flows with significant underlying assumptions, achievement of certain operating capacity and the ability of new technology to perform on a consistent basis.

Based on the assessment and advice from an independent legal counsel on the availability of concession period, including renewal period by exercising the option for renewal/ extension of the concession period, the management, is confident, that there exists reasonable certainty that arrangement shall be extended for a term of five (5) years. The management believes that the estimates of the useful lives are reasonable and no impairment exists in the carrying value of power generation plants.

Explanation to para 9(ii) of Auditor's report on Consolidated Financials of A2Z Infra Engineering Limited, its subsidiaries, joint ventures and associates & para 9(ii) of Auditor's report on Standalone Financials of A2Z Infra Engineering Limited

Contract revenue in excess of billings include unbilled receivables amounting to Rs. 1,204,118,263/- pertains to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing of these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/ survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussions with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to bill and recover the amounts owing to completion of certain administrative and contractual matters, no adjustments are required in respect of these unbilled receivables.

Explanation to para 9(iii) of Auditor's report on Consolidated Financials of A2Z Infra Engineering Limited, its subsidiaries, joint ventures and associates & para 9(iii) of Auditor's report on Standalone Financials of A2Z Infra Engineering Limited

The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the Assessment Orders for the assessment years 2007-08 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of Rs.199,216,987. The Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority has granted partial relief to the Company. The Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the Orders for these assessment years.

Based on their assessment and upon consideration of advice from the independent legal counsel, the management believes that the Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending final decision on these matters no adjustment has been made in the financial statements.

Explanation to Point (vii)(a), (b) & (viii) of Auditor's report on Standalone Financials of A2Z Infra Engineering Limited

In respect of auditor's observation in Standalone financial statements regarding certain default in payment of interest and repayment of dues of banks and delay in depositing statutory dues.

It is clarified that the delay arose on account of delayed realization of trade receivables coupled with delays in commencement of commercial production at its biomass based power generation plants. The approved CDR package of the Company which got implemented in March 2015 only, envisages the due payment towards statutory dues of the Company. Further, the Company has requested all its lenders to expedite the GAP funding proposal and has also fasten its process for realization of fund from old completed projects, which will result in better cash flow position from the projects. The management believes that by that way Company shall be able to regularise the Bank's dues and depositing of Statutory dues.

Branch Auditors

In terms of Section 143(8) of the Companies Act, 2013 read with Rule 12 of the Companies (Audit and Auditors) Rules, 2014, the audit of the accounts of the branch offices of the Company located outside India is required to be conducted by the person(s) or firm(s) qualified to act as Branch Auditors in accordance with laws of that country. The Board of Directors seeks approval of the Members to authorize the Audit Committee to appoint Auditors for the branch office(s) of the Company and also to fix their remuneration. The Board of Directors recommends to the Members to pass the resolution, as stated in Item No. 5 of the Notice, convening the forthcoming Annual General Meeting.

Secretarial Auditor

In terms of the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. DR Associates, Practising Company Secretaries as Secretarial Auditors to conduct

Secretarial Audit for the Financial Year 2015-16. The Secretarial Audit Report given by Mr. Suchitta Koley, a partner of M/s DR Associates, Company Secretaries in practice, New Delhi is given as an **Annexure B** (Form MR-3) which forms part of this report.

The said Secretarial Audit Report does not contain any qualification, reservation or adverseremark or disclaimer made by the secretarial auditor.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records in respect of road and construction activity need to be audited. In compliance to the above, the Board of Directors upon the recommendation of the Audit Committee had appointed M/s H A M & Associates, as the Cost Auditors of the Company for the Financial Year ended March 31, 2016. In accordance with the above provisions the remuneration payable to the cost auditor should be ratified by the Members. Accordingly, the Board of Directors recommends to the Members to pass the resolution, as stated in Item No. 6 of the Notice convening the forthcoming Annual General Meeting.

16. Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules framed thereunder, the Company has constituted a Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors on August 14, 2014. The CSR Committee comprises of three Directors viz. Mr. Amit Mittal, Mr. Surender Kumar Tuteja and Ms. Dipali Mittal as members of the committee.

The average net profits calculated as per provisions of Section 198 of the Companies Act, 2013 for of the preceding three (3) financial years being negative, and also due to the financial crunches in the last few years, the Company was not under any obligation to spend any amount on CSR.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment & Resignation of Directors/KMP's

1. Mr. Ratan Kishore Bajaj, who was appointed as an Additional Director of the Company w.e.f. February 10, 2015 in the category of Independent Director, resigned from his position w.e.f. July 06, 2015 on account of his preoccupation. The Board placed on record its appreciation for the valuable services rendered by Mr. Ratan Kishore Bajaj during his short stint with the Company.
2. Mr. Gaurav Jain, who was working as a Chief Financial Officer (KMP) of the Company resigned from his position as such on September 22, 2015. The Board of Directors of the Company, in recognition to his excellent performance during his service period, on the recommendation of the Nomination and Remuneration Committee, at its meeting duly held on September 17, 2015, appointed Mr. Gaurav Jain as an Additional Director of the Company to hold office upto the date of the ensuing Annual General Meeting. Your Company has received notice from a member of the Company

under section 160 of the Companies Act, 2013, proposing the candidature of Mr. Gaurav Jain as Director of the Company, liable to retire by rotation.

3. Mr. Lalit Mohan Gulati has been appointed as Chief Financial Officer (KMP) of the Company effective from September 23, 2015.
4. Ms. Dipali Mittal has been appointed as Whole-time Director of the Company effective from April 01, 2015.
5. **Retire by Rotation**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh Jain, Director retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

6. Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Companies Act, 2013 read with the Rules framed thereunder, the Key Managerial Personnel's (KMP's) of the Company are:
 1. Mr. Amit Mittal, Managing Director
 2. Mr. Rajesh Jain, Whole Time Director and CEO
 3. Mr. Lalit Mohan Gulati, Chief Financial Officer
 4. Mr. Atul Kumar Agarwal, Vice President & Company Secretary

18. Policy on Directors' appointment and Remuneration

As on March 31, 2016, the Board consists of eight members, four of whom are executive or whole time directors, one is non-executive and non-independent director and other three are independent directors.

The Policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub section (3) of section 178 of the Companies Act, 2013, is available on the Company's website. There has been no change in the policy since the last financial year. We affirm that the remuneration paid to directors is as per terms laid out in the nomination and remuneration policy of the Company.

19. Declaration by Independent Director(s)

The Company has received necessary declaration from each of the Independent Directors under section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as laid down in section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

20. Annual evaluation of Board Performance and Performance of its committees and Individual Directors

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Listing Regulations.

The performance of the Board was evaluated by the

members of the Board on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders etc. Feedback was also taken from every director on his assessment of the performance of each of the other Directors.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination & Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

21. Number of meetings of the Board of Directors

During the year ten meetings of the members of Board and one meeting of independent directors were held, the details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and Listing Regulations were adhered to while considering the time gap between two consecutive meetings.

22. Disclosures Related to Committees and Policies

a. Audit Committee

The composition of the Audit Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Audit Committee comprises of:

1. Mr. Surender Kumar Tuteja, Chairman
2. Dr. Ashok Kumar, Member
3. Mr. Suresh Prasad Yadav, Member
4. Ms. Dipali Mittal, Member

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Directors was reconstituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Companies Act, 2013 & Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Nomination and

Remuneration Committee comprises of the following directors:

1. Mr. Suresh Prasad Yadav, Chairman
2. Mr. Surender Kumar Tuteja, Member
3. Dr. Ashok Kumar, Member

c. Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements), 2015, the Board of Directors of the Company has constituted the Stakeholders Relationship Committee, comprising of the following Directors:

1. Dr. Ashok Kumar, Chairman
2. Mr. Suresh Prasad Yadav, Member
3. Ms. Dipali Mittal, Member

23. Remuneration Policy for the Directors, Key Managerial Personnel and other employees

In terms of the provisions of Section 178(3) of the Act and Para A of Part D under Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Nomination & Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has, on the recommendation of the Nomination & Remuneration Committee has framed a policy for selection and appointment of Directors, KMP and Senior Management and their remuneration.

The Remuneration Policy of the Company is attached herewith and marked as **Annexure C**.

24. Vigil Mechanism / Whistle Blower Policy

The Board has, pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, framed "Vigil Mechanism (Whistle Blower) Policy" ("the Policy") to deal with instances of fraud and mismanagement, if any. This Policy has formulated to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The said policy is placed on the website of the Company and may be accessed at a link http://a2zgroup.co.in/pdf/Whistle_Blowe_13_Apr_2015.pdf.

This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and directors who avail of the vigil mechanism and also provide direct access to the Chairperson of the Audit Committee in exceptional circumstances.

25. Particulars of Loans, Guarantees or Investments under Section 186

Particulars of loans, guarantees, investments covered under section 186 of the Companies Act, 2013 form part of the

notes to the Financial Statements provided in this Annual Report. All the loans, guarantees and investments made are in compliance with the provisions of the Companies Act, 2013.

26. Related party transactions:

Related party transactions that were entered into during the financial year were in the ordinary course of business and on an arm's length basis.

The particulars of the contract or arrangements with related parties during the financial year 2015-16 are disclosed in **Form No. AOC -2** which forms part of the Annual Report as an **Annexure D**. Except as stated in the disclosure, there were no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Policy on materiality of related party transactions as also dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://a2zgroup.co.in/pdf/Related_Party_Policy_13_Apr_2015.pdf.

All Related Party Transactions which were in the ordinary course of business and on arm's length basis were placed before the Audit Committee for their approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

27. Employee Stock Option Plan

The Nomination & Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the A2Z Stock Option Plan 2010 (ESOP 2010), A2Z Employees Stock Option Plan 2013 (ESOP 2013) and A2Z Employees Stock Option Plan 2014 (ESOP 2014) of the Company in accordance with the applicable SEBI Guidelines.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31st March 2016 with regard to the ESOP 2010, ESOP 2013 and ESOP 2014 are provided in **Annexure E** to this Report.

The certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines / SEBI SBEB Regulations and the resolution passed by the members would be placed at the Annual General Meeting for inspection by members.

28. Extract of Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2016 made under the provisions of Section 92(3) of the Act is attached as **Annexure F** which forms part of this Report.

29. Prevention of Sexual Harassment at Workplace:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, your Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

30. Particulars of Employees and Related Disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure G**.

31. Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached as **Annexure H** which forms part of this report.

32. Disclosure requirements

- As per Clause 27 of the listing regulations, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of as this report.
- Details of the familiarization programme of the independent directors are available on the website of the Company ([URL: www.a2zgroup.co.in](http://www.a2zgroup.co.in)).
- In terms of Regulation 17(8) of the Listing Regulations, the Chief Executive Officer and the Chief Financial Officer furnished a certificate to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

33. Listing

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. Accordingly all listed entities were required to comply the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 within six months from the effective date. The Company entered into fresh Listing Agreement with BSE Limited and the National Stock Exchange of India Limited as required under LODR. The stipulated listing fees for FY 2015-16 has been paid to the Stock Exchanges.

34. Risk Management Policy

Risk management forms an integral part of the business planning and review cycle. The Company's Risk

Management Policy is designed to provide reasonable assurance that objectives are met by integrating management control into the daily operations, by ensuring compliance with legal requirements and by safeguarding the integrity of the Company's financial reporting and its related disclosures.

Therefore, in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management policy for the company in their meeting held on November 13, 2014.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

35. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the annual accounts for the Financial Year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2016 and of the profit and loss of the company for that period;
- c. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d. The directors have prepared the annual accounts on a going concern basis; and
- e. The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

36. Fraud Reporting

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of directors during the year under review.

37. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/instances on these items during the year under review:

1. No profits were transferred to any Reserves.
2. Voluntary revision of Financial Statements or Board's Report.
3. No director is in receipt of commission from the Company and Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiary Companies.

38. Acknowledgement

Your Directors wish to place on record the support, assistance and guidance provided by the financial institutions, banks, customers, suppliers and other business associates. We would like to thank our Company's employees for their tireless efforts and high degree of commitment and dedication. Your Directors especially appreciate the continued understanding and confidence of the Members.

For and on behalf of Board of Directors

**Sd/-
(Surender Kumar Tuteja)
Chairman
DIN-00594076**

Date : August 23, 2016
Place: Gurgaon

Form No. AOC-1
Salient features of the financial statement of the Subsidiaries/Associate/Joint ventures as per Companies Act, 2013
PART "A" : Subsidiaries

S. No.	Name of the Subsidiary Company	Date Since When Subsidiary was acquired	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Investments	Total Assets	Total Liabilities	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	Extent of Shareholding (in percentage)
1	AZZ Green Waste Management Limited (Formerly Known as AZZ Infrastructure Limited)	22/03/2007	2015-16	INR	1,939,500,000	2,453,398,744	558,580,000	5,589,351,806	6,103,250,549	250,452,247	(566,474,744)	-	(566,474,744)	-	71.87%
2	AZZ Infra Services Limited	15/04/2008	2015-16	INR	38,159,780	542,638,783	-	2,046,116,655	1,465,318,092	2,959,013,941	125,825,854	42,960,287	82,865,567	-	93.83%
3	AZZ Powerloom Limited	28/04/2008	2015-16	INR	1,250,000	16,543,672	-	568,241,627	550,447,955	273,256,865	6,828,865	131,619	6,897,246	-	100.00%
4	AZZ Powertech Limited	28/04/2008	2015-16	INR	14,000,000	(57,683,600)	-	15,079,822	58,763,422	-	(4,135,715)	-	(4,135,715)	-	95.00%
5	Mansi Bijlee & Rice Mills Limited	10/06/2010	2015-16	INR	150,080,000	1,147,928	-	152,804,997	1,577,059	-	12,021,890	2,877,362	9,144,528	-	100.00%
6	Magic Genie Services Limited (Formerly Known as AZZ Water Solutions Limited)	10/02/2011	2015-16	INR	800,000	(1,926,670)	-	5,908,704	7,035,374	2,659,429	(3,670,359)	-	(3,670,359)	-	75.00%
7	Chavan Rishi International Limited	01/12/1989	2015-16	INR	11,463,260	15,334,953	-	105,802,524	79,004,311	9,000,000	(3,230,677)	1,251,700	(4,482,377)	-	100.00%
8	Selligence Technologies Services Private Limited	12/08/2008	2015-16	INR	10,000,000	1,815,258	-	12,303,500	488,241	-	491,412	151,846	339,566	-	80.00%
9	Star Transformers Limited	21/01/2011	2015-16	INR	20,204,090	187,604,054	-	252,854,956	45,046,812	130,426,089	7,286,995	2,464,284	4,822,711	-	49.00%
10	AZZ Waste Management (Nainital) Private Limited	28/10/2011	2015-16	INR	500,000	(75,776)	-	137,031,686	137,289,444	-	173,742	-	173,742	-	68.69%
11	AZZ Waste Management (Aligarh) Limited*	04/12/2009	2015-16	INR	65,000,000	(157,428,137)	-	375,848,919	468,277,056	28,989,959	(46,875,604)	-	(46,875,604)	-	57.50%
12	AZZ Waste Management (Moradabad) Limited*	04/12/2009	2015-16	INR	75,000,000	(195,597,987)	-	415,457,553	536,055,540	4,199,312	(63,078,886)	-	(63,078,886)	-	57.50%
13	AZZ Waste Management (Meerut) Limited*	04/12/2009	2015-16	INR	160,000,000	(101,104,348)	-	620,203,286	561,307,614	-	(31,179,515)	-	(31,179,515)	-	57.50%
14	AZZ Waste Management (Varanasi) Limited*	04/12/2009	2015-16	INR	70,000,000	(200,050,545)	-	1,064,347,718	1,194,398,263	-	(90,877,299)	-	(90,877,299)	-	57.50%
15	AZZ Waste Management (Jaunpur) Limited*	09/11/2010	2015-16	INR	7,500,000	570,093	-	36,369,265	28,299,172	-	(279,661)	-	(279,661)	-	71.87%
16	AZZ Waste Management (Badaun) Limited*	10/11/2010	2015-16	INR	25,000,000	(12,574,094)	-	143,496,622	131,070,716	-	(6,638,643)	-	(6,638,643)	-	71.87%
17	AZZ Waste Management (Sambhal) Limited*	10/11/2010	2015-16	INR	15,150,000	(11,763,949)	-	139,171,965	135,785,914	-	(6,071,125)	-	(6,071,125)	-	71.87%
18	AZZ Waste Management (Mirzapur) Limited*	10/11/2010	2015-16	INR	25,000,000	(15,796,189)	-	179,302,301	170,098,490	-	(8,418,679)	-	(8,418,679)	-	71.87%
19	AZZ Waste Management (Loni) Limited*	10/11/2010	2015-16	INR	500,000	(384,166)	-	400,217	284,383	-	(46,408)	-	(46,408)	-	71.87%
20	AZZ Waste Management (Balia) Limited*	10/11/2010	2015-16	INR	20,000,000	(4,001,687)	-	126,046,195	110,047,882	-	(4,251,420)	-	(4,251,420)	-	71.87%
21	AZZ Waste Management (Fatehpur) Limited*	10/11/2010	2015-16	INR	20,000,000	(42,580,288)	-	186,404,603	208,984,891	692,600	(15,359,240)	-	(15,359,240)	-	71.87%
22	AZZ Waste Management (Ranchi) Limited*	01/03/2011	2015-16	INR	63,500,000	(52,002,433)	-	599,372,250	587,874,683	-	(23,550,263)	-	(23,550,263)	-	71.87%
23	AZZ Waste Management (Ludhiana) Limited*	14/07/2011	2015-16	INR	10,000,000	(18,947,755)	-	423,448,425	432,395,820	195,698,198	(13,874,025)	-	(13,874,025)	-	71.87%
24	AZZ Waste Management (Dhanbad) Private Limited*	28/10/2011	2015-16	INR	100,000	(3,605,302)	-	81,451,675	84,956,977	-	804,027	-	804,027	-	71.87%
25	Shree Hari Om Pottery Private Limited*	30/04/2012	2015-16	INR	100,000	(1,582,297)	-	2,323,983	3,806,280	-	(382,455)	-	(382,455)	-	71.87%
26	Shree Hari Om Pottery Private Limited*	30/04/2012	2015-16	INR	100,000	(1,538,100)	-	2,323,983	3,762,083	-	(384,143)	-	(384,143)	-	71.87%
27	AZZ Waste Management (Jaipur) Limited*	10/07/2012	2015-16	INR	500,000	(87,823,667)	-	32,909,747	19,833,414	-	(13,321,659)	-	(13,321,659)	-	57.50%
28	AZZ Mayo SNT Waste Management (Nanded) Private Limited*	07/08/2012	2015-16	INR	500,000	(273,244)	-	14,077,996	13,851,240	-	(238,074)	-	(238,074)	-	43.12%
29	AZZ Waste Management (Ahmedabad) Limited*	15/10/2012	2015-16	INR	500,000	(221,279)	-	16,219,814	15,941,093	-	(198,981)	-	(198,981)	-	71.87%
30	Earth Environment Management Services Pvt.Ltd*	30/06/2014	2015-16	INR	500,000	(101,584,811)	-	488,133,743	568,218,554	-	(69,918,053)	-	(69,918,053)	-	71.87%
31	Green Waste Management Private Limited (Formerly Known as AZZ Waste Management (Haridwar) Private Limited)	17/11/2011	2015-16	INR	100,000	(100,000)	-	-	-	-	(9,297)	-	(9,297)	-	71.87%

* Indirect Subsidiaries through AZZ Green Waste Management Limited (formerly Known as AZZ Infrastructure Limited)

Names of subsidiaries which are yet to commence operations

1. Mansi Bijlee & Rice Mills Limited
2. A2Z Waste Management (Badaun) Limited
3. A2Z Waste Management (Balua) Limited
4. A2Z Waste Management (Jaunpur) Limited
5. A2Z Waste Management (Loni) Limited
6. A2Z Waste Management (Mirzapur) Limited
7. A2Z Waste Management (Sambhal) Limited
8. Green Waste Management Private Limited (formerly A2Z Waste Management (Haridwar) Private Limited)
9. A2Z Waste Management (Jaipur) Limited
10. Shree Balaji Pottery Private Limited
11. Shree Hari Om Utensils Private Limited
12. A2Z Mayo SNT Waste Management (Nanded) Private Limited
13. A2Z Waste Management (Ahmedabad) Limited
14. Earth Environment Management Services Private Limited

Name of subsidiary which has been sold during the year-

1. A2Z Singapore Waste Management Holdings Private Limited
2. A2Z Maintenance & Engineering Services (Uganda) Private Limited

Note: The Company has no Associate companies and joint Ventures, therefore Part B relating to Associates and Joint Ventures is not applicable.

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March 2016**

The Members,
A2Z Infra Engineering Limited
O-116, 1st Floor, DLF Shopping Mall,
Arjun Marg, Gurgaon– 122 002

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by A2Z Infra Engineering Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) The Listing Agreements entered into by the Company with Stock Exchange(s);
- (j) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (k) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (vi) and other applicable laws like Industrial Dispute Act, 1947, Minimum Wages Act, 1948, Payment of Wages Act, 1936 and Rules made thereunder, Payment of Bonus Act, 1965 as amended from time to time, Equal Remuneration Act, 1976, The Payment of Gratuity Act, 1972 and Rules made thereunder, Employees Provident funds and Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948, Maternity Benefit Act, 1961, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996, Punjab Shops & Commercial Establishments Act, 1958, and various rules made thereunder and other laws as are specifically applicable to the company.

Our report is to be read along with the noting as mentioned herein-under:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.
4. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.
5. During the year under review:
 - a) Board of directors in their meeting duly held on 9th May, 2015 have allotted 2,22,00,000 Equity shares of Rs. 10/- each to Mestric Consultants Private Limited, a promoter group company, on preferential basis, in pursuance of the approved CDR Package.
 - b) Board of directors in their meeting duly held on 17th September, 2015 have allotted 2,46,95,780 warrants convertible into equal number of equity shares of Rs. 10/- each (exercisable in one or more tranches) at the option of the holder there of at any time within 18 (eighteen) months to the persons other than the Promoters and Promoter group on August 17, 2015 at an issue price of Rs. 21.66 (including a premium of Rs. 11.66/- per share) and out of which the 82,50,786 equity shares were issued on conversion of 82,50,786 warrants.
 - c) Board of directors in their meeting duly held on 17th September, 2015 have allotted 81,00,000 Equity shares of Rs. 10/- each to ICICI Bank Limited, in pursuance of the approved Corporate Debt Restructuring package.
 - d) Nomination & Remuneration Committee of the company in their meeting duly held on 17th September, 2015 & 19th March, 2016 have allotted 16,48,000 & 1,77,500 Equity shares respectively pursuant to the exercise of ESOP's by the eligible employees under A2Z Employee Stock Option Plan, 2013

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following matter of emphasis:

1. Legal Proceedings against the Company

There are instances of legal cases filed against the Company under the various laws applicable to the Company. These cases are filed before various courts of the Country under various statutes.

2. Default in payment of Statutory Dues

There are instances of defaults and late payment of statutory dues under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, Employee's State Insurance Act, 1948, Payment of Wages Act, 1936 and other state taxes.

3. Late Filing of E-forms:

The Company has been generally filing the forms and returns with the Registrar within the prescribed time. However, there are few instances where there have been delays.

We report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notices are given to all directors for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.
3. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that, subject to the matter of emphasis as mentioned in the report, during the audit period the company has generally complied with the requirements of various Act, Rules and Regulations, guidelines and standards as are applicable to the Company.

For **DR Associates**
Company Secretaries

Sd/-
Suchitta Koley
Partner
CP No.: 714

Place : New Delhi
Date : 26th May, 2016

ANNEXURE-C

Remuneration Policy
A2Z Infra Engineering Limited
(Formerly known as A2Z Maintenance & Engineering Services Limited)

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration cum Compensation Committee comprising of three non-executive Independent Directors as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 6th May, 2014 changed the nomenclature of the "Remuneration cum Compensation Committee" as "Nomination and Remuneration Committee" and reconstituted the Committee with three non-executive Independent Directors as Member of the Committee.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules there to and revised Clause 49 of the Listing Agreement.

II. OBJECTIVE

The Key Objectives of the Committee would be:

- a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

III. DEFINITIONS

- “Board” means Board of Directors of the Company.
- “Company” means “A2Z Maintenance & Engineering Services Limited.”
- “Employees’ Stock Option” means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- “Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.
- “Key Managerial Personnel” (KMP) means
 - i. Chief Executive Officer;
 - ii. Managing Director;
 - iii. Company Secretary;
 - iv. Whole-time Director;
 - v. Chief Financial Officer, and
 - vi. Such other officer as may be prescribed.
- “Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement (including any amendment thereof).
- “Policy or This Policy” means, “Nomination and Remuneration Policy.”
- “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- “Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

VI. INTERPRETATION

Terms that have not been defined in this Policy shall have

the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that

- The level and composition is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- a. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b. Formulate criteria for evaluation of Independent Directors and the Board.
- c. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d. To carry out evaluation of every Director’s performance.
- e. To recommend to the Board the appointment and removal of Directors and Senior Management.
- f. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h. To devise a policy on Board diversity.
- i. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- j. To perform such other functions as may be necessary or appropriate for the performance of its duties.

VII. MEMBERSHIP

- a. The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d. Membership of the Committee shall be disclosed in the Annual Report.

- e. Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

- a. Chairman of the Committee shall be an Independent Director.
- b. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

X. COMMITTEE MEMBERS' INTERESTS

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

XI. VOTING

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XXI. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**1. Appointment criteria and qualifications:**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended

beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term / Tenure:

- i. Managing Director/Whole-time Director/Manager (Managerial Person):
 - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- ii. Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
 - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

3. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

4. Removal:

Due to reasons for any disqualification mentioned in the Companies Act 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

1. General:

- i. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- iii. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
- iv. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

2. Remuneration to Managerial Person, KMP and Senior Management:

- i. Fixed pay:
Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

ii. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

iii. Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3. Remuneration to Non-Executive / Independent Director:

i. Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

ii. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

iii. Limit of Remuneration / Commission:

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

iv. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

XIV. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minutes and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

XV. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

Annexure D

Related Party Transaction Disclosure as per Section 188 of the Companies Act, 2013

Form No. AOC – 2

(Pursuant to clause (h) of sub - section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub - section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis: The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2016 are as follows:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the/ contracts arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/ Audit Committee, if any	Amount paid as advance, if any
1	Ms. Sudha Mittal (Relative of Mr. Amit Mittal, Managing Director)	Lease Deed (Manhattan-2, bearing no. MA-2/ 1A, Building No. 2, Garden Estate, Gurgaon-122002, Haryana)	Tenure of the deed is 11 months starting from 01.05.2015	The amount of lease rent paid is 44,000/- Per month.	26.05.2015	NIL
2	A2Z Infrservices Limited	Availing Facility Management Services	F.Y. 2015-16	Annual amount is up to Rs. 2,50,00,000/- (Exclusive of Service Tax)	26.05.2015	NIL
3	Chavan Rishi International Limited	Leasing Services	F.Y. 2015-16	Annual amount is up to Rs. 30,00,000/-	26.05.2015	NIL
4	Star Transformers Limited	Purchase of Goods/Services: Purchase of transformers	F.Y. 2015-16	Annual amount is up to Rs. 10,00,00,000/- only through competitive bidding and best price basis	26.05.2015	NIL
5	M/s. A2Z Powercom Limited	Hire Agreement	Tenure of the Hire Agreement is June 16, 2015 to March 31, 2016	Hire agreement for temporary let out/lease out equipment's for works related to lying of OFC cables in Package A on a monthly rent of Rs. 2,25,000/- (Rupee Two Lac Twenty Five Thousand) per month.	26.05.2015	Monthly rent as an advance
6	M/s A2Z Powercom Limited	Hire Agreement	Tenure of the Hire Agreement is from the date of execution to March 31, 2016	Hire Agreement for temporary let out/lease out 3 no's of Hydra Crane Machines for works related to lying of OFC cables in Package A. on monthly rent of Rs. 80,000/- (Rupee Eight Thousand) Per month per machine.	26.05.2015	Net amount of Rs. 55,000/- paid by A2Z Powercom Limited to the A2Z Infra Engineering Limited as an advance rent.
7	Ms. Dipali Mittal, Whole time director of the Company	Lease Deed (T1, 1706, Valley View estate, Gurgaon Faridabad Road)	Tenure of the deed is 11 months starting from 01.12.2015 to 31.10.2016	The amount of lease rent paid is 36,600/- Per month.	09.11.2015	NIL
8	M/s. A2Z Waste Management (Ludhiana) Ltd. (Indirect Subsidiary of A2Z Green Waste Management Ltd.)	Fuel Purchase Agreement	Four (4) Years and 6 months from the date of execution/ Commencement	Purchase/ Sale/ Supply of goods or material or render service of any nature upto an amount not exceeding Rs. 12,00,00,000/- (Rupees Twelve Crores Only)	11.02.2016	NIL

Disclosure regarding Employees Stock Option Plans of the Company for the year ended March 31, 2016

A2Z STOCK OPTION 2010: STATUS AS ON 31.03.2016

S.NO	PARTICULARS	A2Z STOCK OPTION PLAN 2010
1.	Number of Stock options granted	4,77,250
2.	Pricing Formula	Rs. 314.13
3.	Option Vested	2,76,750
4.	Number of Option exercised	NIL
5.	Number of Shares arising as a result of exercise of option	NIL
6.	Variation of terms of options	NONE
7.	Number of option lapsed	67,500
8.	Money realized upon exercise of options	NIL
9.	Total number of option in force	2,76,750
10.	(a) Options granted to senior managerial personnel	As per Appendix–A
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	As per Appendix–A
	c) Identified employees who were granted options during any 1 year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	None
11.	(i) Method of calculation of employee compensation cost	Intrinsic Value Method
	(ii) Difference between the employee compensation cost so computed at 11(i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	Rs. 2,10,33,913
	(iii) The impact of this difference on profits and on EPS of the Company	-
	Loss/ Profit including extra-ordinary items, as reported	Rs. (44,68,25,938)
	Add: Employee stock compensation under intrinsic value method	-
	Less: Employee stock compensation under fair value method	Rs. 2,10,33,913
	Pro-forma (loss)/profit	Rs. (46,78,59,851)
	Earnings Per Share	
	Basic	
	As reported (including extra-ordinary items)	(3.92)
	Pro-forma	(4.11)
	Diluted	
	As reported (including extra-ordinary items)	(3.92)
	Pro-forma	(4.11)
12.	a) Weighted average exercise prices of option granted	
	b) Weighted average fair value of options granted on the date of grant	
13	Method and significant assumptions used to estimate the fair values of options	Black Scholes Valuation Model
	(i) Weighted average share price / Fair value of share	Rs. 221.75
	(ii) Exercise Price	Rs. 314.13
	(iii) Annual Volatility (Standard Deviation – Annual)	34.93%
	(iv) Time To Maturity - in years	5.51
	(v) Dividend Yield	2.25%
	(vi) Risk free Rate – Annual	7.45%

A2Z EMPLOYEES STOCK OPTION PLAN, 2013: STATUS AS ON 31.03.2016

S. NO	PARTICULARS	A2Z EMPLOYEES STOCK OPTION PLAN 2013			
		Trench I		Trench II	
1.	Number of Stock options granted	16,95,000	19,05,000		
2.	Pricing Formula	Rs. 10.35	Rs. 19.95		
3.	Option Vested	15,70,000	3,83,500		
4.	Number of Option exercised	14,70,000	3,55,500		
5.	Number of Shares arising as a result of exercise of option	14,70,000	3,55,500		
6.	Variation of terms of options	NONE	NONE		
7.	Number of option lapsed	80,000	2,10,000		
8.	Money realized upon exercise of options	1,52,14,500	70,92,225		
9.	Total number of option in force	20,000	11,79,500		
10.	(a) Options granted to senior managerial personnel	As per Appendix-A	As per Appendix-A		
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	As per Appendix-A	As per Appendix-A		
	(c) Identified employees who were granted options during any 1 year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	None	None		
11.	(i) Method of calculation of employee compensation cost	Intrinsic Value Method	Intrinsic Value Method		
	(ii) Difference between the employee compensation cost so computed at 11(i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	Rs. 2,10,33,913	Rs. 2,10,33,913		
	(iii) The impact of this difference on profits and on EPS of the Company	-	-		
	Loss/Profit including extra-ordinary items, as reported	Rs. (44,68,25,938)	Rs. (44,68,25,938)		
	Add: Employee stock compensation under intrinsic value method	-	-		
	Less: Employee stock compensation under fair value method	Rs. 2,10,33,913	Rs. 2,10,33,913		
	Pro-forma (loss)/profit	Rs. (46,78,59,851)	Rs. (46,78,59,851)		
	Earnings Per Share	-	-		
	Basic	-	-		
	As reported (including extra-ordinary items)	-	-		
	Pro-forma	(3.92)	(3.92)		
	Diluted	(4.11)	(4.11)		
	As reported (including extra-ordinary items)	-	-		
	Pro-forma	(3.92)	(3.92)		
12.	a) Weighted average exercise prices of option granted	Rs. 10.35	Rs. 19.95		
	b) Weighted average fair value of options granted on the date of grant	Rs. 7.23	30%	30%	40%
			13.14	13.97	14.69
13	Method and significant assumptions used to estimate the fair values of options	Black Scholes Valuation Model	Black Scholes Valuation		
	(i) Weighted average share price / Fair value of share	Rs. 7.23	30%	30%	40%
			13.14	13.97	14.69
	(ii) Exercise Price	Rs. 10.35	Rs. 19.95		
	(iii) Annual Volatility (Standard Deviation – Annual)	65.19%	61.15%		
	(iv) Time To Maturity - in years	6	6		
	(v) Dividend Yield	0.00%	0.00%		
	(vi) Risk free Rate – Annual	8.90%	8.65%		

A2Z STOCK OPTION 2014: STATUS AS ON 31.03.2016

S.NO	PARTICULARS	A2Z STOCK OPTION PLAN 2014		
1				
1.	Number of Stock options granted	45,00,000		
2.	Pricing Formula	Rs. 15.50		
3.	Option Vested	NIL		
4.	Number of Option exercised	NIL		
5.	Number of Shares arising as a result of exercise of option	NIL		
6.	Variation of terms of options	NONE		
7.	Number of option lapsed	NIL		
8.	Money realized upon exercise of options	NIL		
9.	Total number of option in force	45,00,000		
10.	(a) Options granted to senior managerial personnel	As per Appendix–A		
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	As per Appendix–A		
	c) Identified employees who were granted options during any 1 year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	None		
11.	(i) Method of calculation of employee compensation cost	Intrinsic Value Method		
	(ii) Difference between the employee compensation cost so computed at 11(i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	Rs. 2,10,33,913		
	(iii) The impact of this difference on profits and on EPS of the Company	-		
	Loss/ Profit including extra-ordinary items, as reported	Rs. (44,68,25,938)		
	Add: Employee stock compensation under intrinsic value method	-		
	Less: Employee stock compensation under fair value method	Rs. 2,10,33,913		
	Pro-forma (loss)/profit	Rs. (46,78,59,851)		
	Earnings Per Share			
	Basic			
	As reported (including extra-ordinary items)	(3.92)		
	Pro-forma	(4.11)		
	Diluted			
	As reported (including extra-ordinary items)	(3.92)		
	Pro-forma	(4.11)		
12.	a) Weighted average exercise prices of option granted			
	b) Weighted average fair value of options granted on the date of grant			
13	Method and significant assumptions used to estimate the fair values of options	Black Scholes Valuation Model		
	(i) Weighted average share price / Fair value of share	30%	30%	40%
		10.48	11.14	11.67
	(ii) Exercise Price	Rs. 15.50		
	(iii) Annual Volatility (Standard Deviation – Annual)	65.50%		
	(iv) Time To Maturity - in years	30%	30%	40%
		6	7	8
	(v) Dividend Yield	0.00%		
	(vi) Risk free Rate – Annual	8.19%		

APPENDIX – A
Details of options granted to and accepted by Senior Managerial Personnel

Sr. No.	Name of Senior Managerial Personnel	Designation	A2Z Stock Option Plan 2010		A2Z Stock Option Plan 2013		A2Z Stock Option Plan 2014		
			Granted on June 02, 2010 & Status as on 31.03.2016	Exercised	Granted on February 03, 2014 & Status as on 31.03.2016	Exercised	Granted on July 03, 2014 & Status as on 31.03.2016)	Exercised	Granted on July 06, 2015 & Status as on 31.03.2016
1	Mr. Rajesh Jain	Whole-time Director & CEO	25,000*	-	1,25,000*	120,000	4,00,000*	10,00,000*	-
2	Dr. Ashok Kumar Saini	Whole-time Director	33,750*	-	3,50,000*	-	-	4,00,000*	-
3	Mr. Gaurav Jain	Additional Director under Category of Non-Executive and Non-Independent Director	10,000	-	25,000	25,000	2,00,000*	4,00,000*	-
4	Mr. Atul Kumar Agarwal	Company Secretary	5,000	-	25,000	25,000	2,00,000*	4,00,000*	-
5	Mr. Manoj Gupta	President	33,750*	-	350,000*	350,000	-	4,00,000*	-
6	Mr. Sanjeev Sharma	President	33,750*	-	250,000*	250,000	-	4,00,000*	-
7	Mr. Manoj Tiwari	President	-	-	50,000	50,000	40,000	1,00,000	-
8	Mr. Vikas Guliani	President	-	-	-	-	40,000	2,00,000	-
9	Mr. Vaibhav Seth	Vice President	21,500	-	50,000	50,000	100,000	1,00,000	-

*In all these cases, the stock options granted exceeded 5% of the total stock options granted during the respective years.

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS:

CIN	L74999HR2002PLC034805
Registration Date	January 07, 2002
Name of the Company	A2Z INFRA ENGINEERING LIMITED (formerly known as A2Z Maintenance & Engineering Services Limited)
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-Government Company
Address of the Registered office and contact details	O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF Phase-I, Gurgaon – 122002, Haryana, Telephone No.: +91 124 4517600 Fax No.: +91 124 4380014 E-mail: investor.relations@a2zemail.com Website: www.a2zgroup.co.in
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Alankit Assignments Limited Alankit House, 2E/21 Jhandewalan Extension, New Delhi – 110055 Ph.: +91-11-42541234, 2351234 Fax: - +91 11 23552001 Email ID: - info@alankit.com

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Engineering Services	42202	96.20%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Subsidiary/ Associate/ Joint Venture	% of Shares Held	Applicable Section
1	A2Z Infrservices Limited O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U74140HR2008PLC037820	Subsidiary	93.83%	2(87)
2.	A2Z Green Waste Management Limited* 28/142, Ground Floor, West Patel Nagar, New Delhi - 110008	U45200DL2007PLC160927	Subsidiary	71.87%	2(87)
3	A2Z Powercom Limited O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U45204HR2008PLC037877	Subsidiary	100%	2(87)
4	Magic Genie Services Limited (Formerly known as A2Z Water Solutions Limited) O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U74999HR2011PLC042055	Subsidiary	75%	2(87)
5	A2Z Powertech Limited O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U72900HR2008PLC037875	Subsidiary	95%	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Subsidiary/ Associate/ Joint Venture	% of Shares Held	Applicable Section
6	Chavan Rishi International Limited Plot No- B. 38, Institutional Area, Sector -32 , Gurgaon- 122001, Haryana	U51909HR1989PLC053273	Subsidiary	100%	2(87)
7	Mansi Bijlee & Rice Mills Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U74140HR2010PLC040670	Subsidiary	100%	2(87)
8	Selligence Technologies Services Private Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002 Haryana	U72300HR2008PTC038259	Subsidiary	80%	2(87)
9	Star Transformers Limited** O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002 Haryana	U29190HR2011PLC041947	Subsidiary	49%	2(87)
10	A2Z Waste Management (Nainital) Private Limited*** O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2010PTC040688	Subsidiary	66.69	2(87)
11	A2Z Waste Management (Merrut) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90001HR2009PLC039773	Indirect Subsidiary	57.50	2(87)
12	A2Z Waste Management (Moradabad) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2009PLC039779	Indirect Subsidiary	57.50	2(87)
13	A2Z Waste Management (Varanasi) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2009PLC039772	Indirect Subsidiary	57.50	2(87)
14	A2Z Waste Management (Aligarh) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2009PLC039778	Indirect Subsidiary	57.50	2(87)
15	A2Z Waste Management (Badaun) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90001HR2010PLC041512	Indirect Subsidiary	71.87	2(87)
16	A2Z Waste Management (Balua) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90001HR2010PLC041511	Indirect Subsidiary	71.87	2(87)
17	A2Z Waste Management (Fatehpur) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90002HR2010PLC041517	Indirect Subsidiary	71.87	2(87)
18	A2Z Waste Management (Jaunpur) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2010PLC041501	Indirect Subsidiary	71.87	2(87)
19	A2Z Waste Management (Loni) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2010PLC041510	Indirect Subsidiary	71.87	2(87)
20	A2Z Waste Management (Mirzapur) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90002HR2010PLC041513	Indirect Subsidiary	71.87	2(87)
21	A2Z Waste Management (Ranchi) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2011PLC042254	Indirect Subsidiary	71.87	2(87)
22	A2Z Waste Management (Sambhal) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002 Haryana	U90002HR2010PLC041520	Indirect Subsidiary	71.87	2(87)
23	A2Z Waste Management (Ludhiana) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90002HR2011PLC043415	Indirect Subsidiary	71.87	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Subsidiary/ Associate/ Joint Venture	% of Shares Held	Applicable Section
24	Green Waste Management Private Limited (formerly known as A2Z Waste Management (Haridwar) Private Limited) O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90001HR2010PTC040675	Indirect Subsidiary	71.87	2(87)
25	A2Z Waste Management (Dhanbad) Private Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2010PTC040698	Indirect Subsidiary	71.87	2(87)
26	A2Z Waste Management (Jaipur) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90009HR2012PLC046455	Indirect Subsidiary	57.50	2(87)
27	Shree Balaji Pottery Private Limited Plot No- B. 38, Institutional Area, Sector -32 , Gurgaon- 122001, Haryana	U36101HR2010PTC053098	Indirect Subsidiary	71.87	2(87)
28	Shree Hari Om Utensils Private Limited Plot No- B. 38, Institutional Area, Sector -32 , Gurgaon- 122001 ,Haryana	U28998HR2010PTC053099	Indirect Subsidiary	71.87	2(87)
29	A2Z Mayo SNT Waste Management(Nanded) Pvt. Ltd O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90001HR2012PTC046684	Indirect Subsidiary	43.12	2(87)
30	A2Z Waste Management (Ahmedabad) Limited O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002 Haryana	U90000HR2012PLC047428	Indirect Subsidiary	71.87	2(87)
31	Earth Environment Management Services Pvt Ltd 28/142, Ground Floor, West Patel Nagar, New Delhi - 110008	U74140DL2014PTC268424	Indirect Subsidiary	71.87	2(87)

*During the year F.Y. 2015-16, 45,75,015 equity shares of A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited) has been invoked by the IL&FS Financial Services Ltd. out of 1,29,67,500 equity shares pledged to it, to set off the outstanding dues.

**The Company holds 49% stake in the Star Transformer Limited. However, Star Transformer Limited is treated as a subsidiary company of the Company as the Company has control over the composition of the board of Star Transformer Limited.

***The Company holds 48% stake in A2Z Waste Management (Nainital) Private Limited and 26% shares are held by A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited), hence the same is classified as subsidiary as per section 2(87)(ii) of Companies Act, 2013.

During the financial year, A2Z Singapore Waste Management Holdings Private Ltd & A2Z Maintenance & Engineering Services (Uganda) Private Limited were transferred, hence ceased to be subsidiaries.

Subsequent to the financial year the name of the A2Z Waste Management (Loni) Limited has been changed to Ecogreen Envirotech Solutions Ltd. effective from May 06, 2016.

4. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) as on March 31, 2016

a. Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2015)				No. of Shares held at the end of the Year (31.03.2016)				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	43403640	0	43403640	50.17	40518640	0	40518640	31.93	(18.24)
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	-
(c)	Bodies Corporate	1911000	0	1911000	2.21	22486000	0	22486000	17.72	15.51
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	-
	Sub Total(A)(1)	45314640	0	45314640	52.38	63004640	0	63004640	49.65	(2.73)

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2015)				No. of Shares held at the end of the Year (31.03.2016)				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Foreign									
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	-
b	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	-
c	Institutions	0	0	0	0.00	0	0	0	0.00	-
d	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
e	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	-
	Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	45314640	0	45314640	52.38	63004640	0	63004640	49.65	(2.73)
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	-
(b)	Financial Institutions / Banks	0	0	0	0.00	8239561	0	8239561	6.49	6.49
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	-
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(f)	Foreign Institutional Investors	220000	0	220000	0.25	1200317	0	1200317	0.95	0.70
(g)	Foreign Venture Capital Investors	5449627	0	5449627	6.30	5449627	0	5449627	4.29	(2.01)
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	-
	Sub-Total (B)(1)	5669627	0	5669627	6.55	14889505	0	14889505	11.73	5.18
B 2	Non-institutions									
(a)	Bodies Corporate	7668812	0	7668812	8.86	13364687	0	13364687	10.53	1.67
(b)	Individuals									
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	15162429	7497	15169926	17.53	13348519	7497	13356016	10.53	(7.00)
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	10738261	0	10738261	12.41	19297584	0	19297584	15.21	2.80
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(d)	Any Other (specify)									
(d-i)	Non Resident Indian	1956428	0	1956428	2.26	2978498	0	2978498	2.35	0.09
(d-ii)	Corporate Body (Foreign Body)	0	0	0	0.00	0	0	0	0.00	-
(d-iii)	Trust	0	0	0	0.00	0	0	0	0.00	-
(d-iv)	NBFCs registered with RBI	0	0	0	0.00	3050	0	0	0.00	0.00
	Sub-Total (B)(2)	35525930	7497	35533427	41.07	48992338	7497	48999835	38.61	(2.46)
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	41195557	7497	41203054	47.62	63881843	7497	63889340	50.35	2.73
	TOTAL (A)+(B)	86510197	7497	86517694	100.00	126886483	7497	126893980	100	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	-
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0	-
2	Public	0	0	0	0.00	0	0	0	0	-
	Sub-Total (C)	0	0	0	0.00	0	0	0	0	-
	GRAND TOTAL (A)+(B)+(C)	86510197	7497	86517694	100.00	126886483	7497	126893980	100	-

b. Shareholding of Promoters/Promoters Group:-

Sl. No.	Shareholder's/ Promoter Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Mr. Amit Mittal*	3,90,57,301	45.14	45.14	3,61,72,301	28.51	28.51	(16.63)*
2.	Mrs. Babita Shivswaroop Gupta	12,30,155	1.42	0.00	12,30,155	0.97	0.97	—
3.	Ms. Dipali Mittal	11,70,000	1.35	1.35	11,70,000	0.92	0.92	—
4.	Ms. Priya Goel	10,382	0.01	0.00	10,382	0.01	0.01	—
5.	Shivswaroop Gupta (HUF)	19,35,802	2.24	0.00	19,35,802	1.53	1.53	—
6.	Devdhar Trading and Consultants Pvt. Ltd.**	19,11,000	2.21	2.21	2,86,000	0.23	0.23	(1.98)**
7.	Mestric Consultants Private Limited***	-	-	-	2,22,00,000	17.49	17.49	17.49**
	Total	4,53,14,640	52.38	48.70	6,30,04,640	49.65	49.65	

* During the F.Y. 2015-16, 28,85,000 Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged Shares to set off the outstanding dues of the promoter group company(s).

** During the F.Y. 2015-16, 16,25,000 Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged Shares to set off the outstanding dues.

*** 2,22,00,000 Equity Shares allotted to M/s. Mestric Consultants Private Limited on May 09, 2015 pursuant to approved CDR Package.

c. Change in Promoters' Shareholding (please specify, if there is no change):-

	Shareholding at the beginning of the year (01.04.2015)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
At the beginning of the year	4,53,14,640	52.38	09/05/2015	2,22,00,000	Equity Shares allotted to M/s. Mestric Consultants Private Limited Pursuant to approved CDR Package.	6,75,14,640	62.11
			30/11/2015	16,25,000	Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged Shares of the Devdhar Trading and Consultants Pvt. Ltd. ("promoter group Company") to set off the outstanding dues.	6,58,89,640	53.54
			26/02/2016	28,85,000	Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged Shares of Mr. Amit Mittal ("promoter") to set off the outstanding dues of the promoter group company(s).	6,30,04,640	49.65
At the end of the year	6,30,04,640	49.65	31/03/2016	-	-	6,30,04,640	49.65

d. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	Increase	Decrease	No. of Shares	% of total Shares of the company
1	Beacon India Investors Limited	5449627	6.30	-	-	5449627	4.29
2	J G Securities Private Limited**	740000	0.86	-	140000	600000	0.47
3	Vivek Bhim saria	730000	0.84	300000	-	1030000	0.81
4	Pawan Kumar Gupta**	600000	0.69	-	200000	400000	0.32
5	Shri Parasram Holdings Private Limited**	516864	0.60	-	182837	334027	0.26
6	Nipa Utpal Sheth**	405865	0.47	-	-	405865	0.32
7	Globe Fincap Limited**	397125	0.46	225	-	397350	0.31

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	Increase	Decrease	No. of Shares	% of total Shares of the company
8	Alibahadur Abdulla Moosa**	352602	0.41	-	352602	-	0.00
9	Varun Gupta**	300000	0.35	-	-	300000	0.24
10	Multiplex Capital Limited**	280625	0.32	-	165973	114652	0.09
11	ICICI Bank Ltd.*	-	-	8160141	-	8160141	6.43
12	IL and FS Financial Services Ltd.*	-	-	4510000	-	4510000	3.55
13	Sangeeta Khandelwal*	-	-	2500000	-	2500000	1.97
14	Kamal Visaria*	-	-	2100000	-	2100000	1.65
15	Naveen Kumar Kedia*	-	-	1750000	-	1750000	1.38
16	Saraswati Commercial (India) Ltd.*	-	-	1480000	-	1480000	1.17
17	Aspire Emerging Fund*	-	-	1200317	-	1200317	0.95
18	Jane Sequeira Pinto*	93496	0.11	90752	-	1001028	0.79

Notes:

The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

*Not in the list of Top 10 shareholders as on April 01, 2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2016.

**Ceased to be in the Top 10 shareholders as on March 31, 2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on April 01, 2015.

e. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (01.04.2015)		Cumulative in Shareholding during the year (31.03.2016)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. Surender Kumar Tuteja	Nil	Nil	Nil	Nil
2.	Dr. Ashok Kumar	Nil	Nil	Nil	Nil
3.	Mr. Suresh Prasad Yadav	Nil	Nil	Nil	Nil
4.	Mr. Amit Mittal	3,90,57,301	45.14	3,61,72,301	28.51
5.	Ms. Dipali Mittal	11,70,000	1.35	11,70,000	0.92
6.	Mr. Rajesh Jain	480	Negligible	2,45,480	0.19
7.	Dr. Ashok Kumar Saini	13,980	0.02	3,63,980	0.29
8.	Mr. Ratan Kishore Bajaj*	10,000	0.01	N.A.	N.A.
9.	Mr. Gaurav Jain	100	Negligible	85,100	0.07
10.	Mr. Atul Kumar Agarwal	480	Negligible	25,480	0.02
11.	Mr. Lalit Mohan Gulati**	N.A.	N.A.	4,700	Negligible

* Mr. Ratan Kishore Bajaj has ceased to be director of the Company w.e.f. July 06, 2015.

** Mr. Lalit Mohan Gulati has been appointed as Chief Financial Officer of the Company effective from September 23, 2015.

5. Indebtedness
Indebtedness of the Company including interest outstanding / accrued but not due for payment (In INR)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,114,494,457	5,012,939,113	-	9,127,433,570
ii) Interest due but not paid	419,022,258	-	-	419,022,258
iii) Interest accrued but not due	13,514,044	-	-	13,514,044
Total (i+ii+iii)	4,547,030,759	5,012,939,113	-	9,559,969,872
Change in Indebtedness during the financial year				
Addition	718,183,903	254,774,832	-	972,958,735
Reduction	349,052,942	-	-	349,052,942
Net Change	369,130,961	254,774,832	-	623,905,793
Indebtedness at the end of the financial year				
i) Principal Amount	4,138,632,806	5,267,713,945	-	9,406,346,751
ii) Interest due but not paid	762,102,239	-	-	762,102,239
iii) Interest accrued but not due	15,426,675	-	-	15,426,675
Total (i+ii+iii)	4,916,161,720	5,267,713,945	-	10,183,875,665

6. Remuneration to Directors and Key Managerial Personnel
a. Remuneration of Managing Director, Whole-time Directors and / or Manager:- (In INR)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Amit Mittal (Managing Director)	Ms. Dipali Mittal (Whole time Director)	Mr. Rajesh Jain (Whole time Director & CEO)	Dr. Ashok Kumar Saini (Whole time Director)	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,32,30,000*	18,00,000*	18,00,000	18,00,000	1,86,30,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	39,600*	39,600	39,600	118,800
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-	-
2.	Stock Option**	-	-	11,93,750	44,45,000	56,38,750
3.	Sweat Equity	-	-	-	-	-
4.	Commission- as % of profit	-	-	-	-	-
5.	Others, Allowances	-	-	-	-	-
	Total (A)	1,32,30,000	18,39,600	30,33,350	62,84,600	2,43,87,550
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)	-	-	-	-	-

* The remuneration for a period of three years to be paid to Mr. Amit Mittal as Managing Director w.e.f. January 01, 2015 and Ms. Dipali Mittal as Whole time Director w.e.f. April 01, 2015, has been approved by the shareholders vide Postal Ballot Notice dated December 12, 2014, the results of which were declared on March 25, 2015. However, the Company has not paid any remuneration to Mr. Amit Mittal & Ms. Dipali Mittal due to pending approval from the Central Government.

**During the Financial year 2015-16, 2,45,000 Equity Shares were allotted to Mr. Rajesh Jain & 3,50,000 Equity shares were allotted to Mr. Ashok Kumar Saini pursuant to exercise of options under A2Z Employee Stock Option Plan, 2013.

Salary includes Basic Salary, House Rent Allowance, Special Allowance, use of Company's Car, perquisites, the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder but does not include Company's Contribution to Gratuity Fund, Contribution of Provident Fund and Superannuation Fund and annuity fund etc.

b. Remuneration to other directors:

(In INR)

Sr. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Others, please specify	Total Amount
	Independent Directors				
1.	Mr. S. K. Tuteja	2,80,000	NIL	NIL	2,80,000
2.	Dr. Ashok Kumar	2,40,000	NIL	NIL	2,40,000
3.	Mr. Suresh Prasad Yadav	2,20,000	NIL	NIL	2,20,000
4.	Mr. Ratan Kishore Bajaj	20,000	NIL	NIL	20,000
5.	Mr. Gaurav Jain	50,000	NIL	NIL	50,000
	Total	8,10,000			8,10,000

c. Remuneration to Key Managerial Personnel (other than MD / Manager / WTD):-

(In INR)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Mr. Gaurav Jain (Chief Financial Officer)*	Mr. Lalit Mohan Gulati (Chief Financial Officer)**	Mr. Atul Kumar Agarwal (Company Secretary)	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	14,96,114	16,17,564	28,75,800	59,89,478
	(b) Value of perquisites u/s 17(2) of the Income taxAct, 1961	-	-	39,600	39,600
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	NIL
2.	Stock Option*	4,41,500	-	3,17,500	7,59,000
3.	Sweat Equity	-	-	-	-
4.	Commission- as % of profit	-	-	-	-
5.	Others, Allowances	-	-	-	-
	Total (A)	19,37,614	16,17,564	32,32,900	67,88,078

* Mr. Gaurav Jain has resigned as Chief Financial Officer of the company effective from September 22, 2015. Hence, the salary has been taken from April 01, 2015 to September 22, 2015.

** Mr. Lalit Mohan Gulati has been appointed as Chief Financial Officer of the Company on September 23, 2015. Hence the salary has been taken from September 23, 2015 to March 31, 2016.

#Salary includes Basic Salary, House Rent Allowance, Special Allowance, use of Company's Car, perquisites the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder but does not include Company's Contribution to Gratuity Fund, Contribution of Provident Fund and Superannuation Fund and annuity fund etc.

f. Penalties / Punishment/ Compounding of Offences:

Type	Section of Companies Act	Brief description	Details of penalty/ punishment/Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any give details
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
A. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

Particulars of employees

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the directors	Ratio to median remuneration
Non-executive directors	
Mr. S. K. Tuteja	1.55
Mr. Ashok Kumar	1.33
Mr. Suresh Prasad Yadav	1.22
Mr. Gaurav Jain	0.28*
Mr. Ratan Kishore Bajaj	0.11**
Executive directors	
Mr. Amit Mittal	NA***
Ms. Dipali Mittal	9.97***
Mr. Rajesh Jain	16.58
Mr. Ashok Kumar Saini	34.58

* Mr. Gaurav Jain was appointed as Additional Director under category of Non Executive Non Independent Director of the Company effective from September 23, 2015.

** Mr. Ratan Kishore Bajaj had resigned from the company w.e.f July 06, 2015.

*** Nil Remuneration has been paid to Mr. Amit Mittal & Ms. Dipali Mittal during the Financial Year 2015-16 due to pending approval from the Central Government.

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer & Company Secretary	% increase in remuneration in the financial year
Mr. Amit Mittal	NA
Ms. Dipali Mittal	NIL
Mr. Rajesh Jain*	NIL
Mr. Ashok Kumar Saini*	NIL
Mr. S.K. Tuteja	NA
Mr. Suresh Prasad Yadav	NA
Dr. Ashok Kumar	NA
Mr. Atul Kumar Agarwal (Company Secretary)	18.26%

* Company has not paid any amount to Mr. Rajesh Jain & Mr. Ashok Kumar Saini during the F/Y 2014-15 due to pending approval from the central government. During the F/Y 2015-16 The approval for payment of minimum remuneration was received vide Central Government (Ministry of Corporate Affairs) vide letter dated January 08, 2016.

Mr. Ratan Kishore Bajaj has resigned from the company w.e.f. July 06, 2015 therefore not considered for the increase in remuneration.

Mr. Gaurav Jain has resigned from the position of the Chief Financial Officer of the Company w.e.f. September 22, 2015, therefore not considered for the increase in remuneration.

Mr. Lalit Mohan Gulati has been appointed as Chief Financial Officer of the Company effective from September 23, 2015, therefore not considered for the increase in remuneration.

C. The percentage increase in the median remuneration of employees in the financial year: - (0.33%)
D. The number of permanent employees on the rolls of Company: 791

- E. The explanation on the relationship between average increase in remuneration and Company Performance: N.A.***
- F. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: N.A.***
- g. Variations in the market Capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year: N.A.***
- h. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was (13.35) and there are no exceptional circumstances for increase in the managerial remuneration.
- i. Comparison of Each Remuneration of the Key Managerial Personnel against the performance of the Company. N.A.***
- j. The key parameters for any variable component of remuneration availed by the directors:**
Due to the financial crunches in the company the remuneration paid to the director is pursuant to the approval granted by the Central Government and there is no variable component in the remuneration.
- k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: N.A.***
- l. Affirmation that the remuneration is as per the remuneration policy of the Company:**
The Company affirms remuneration is as per the remuneration policy of the Company.
- m. The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.**

**The disclosure requirement in the annual report on said clauses has been omitted vide notification dated June 30, 2016 of the Ministry of Corporate Affairs.*

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. Conservation of energy:

The Company continues its endeavor to improve energy conservation and utilization. Some of the steps taken by the Company for energy conservation during the financial year 2015-16 at its Corporate Office and at its Power plant sites are outlined below:

- Reduction in Power consumption at office premises/Power Plant site through Installation of Energy efficient equipment's such as:
 - High Efficiency Boilers;
 - High Efficiency Centrifugal Chillers;
 - Conventional Tube light replaced with LED Tube Light LED which saves energy to the extent of 35%;
 - Improved Coefficient of performance of Cooling tower and efficiency of HVAC Systems;
 - VFD's has been installed on the selected High Power Motors to save the power and to optimize the process;
 - Automatic Power factor controller (179 KVAR) has been installed for improving power factor and reducing the wastage of electricity, resulting in less consumption of electricity;
 - Installed two Variable Frequency Drive in Chilled water pump to control the temperature of chilled water in HVAC system at corporate house, to save the energy consumption up to approximately 30%;
 - Additives are being used in DG Set for improvement the efficiency of DG Sets;
 - Most of the Air Conditioners are replaced with star rating AC's for conservation of energy.

The impact of above measures undertaken by the Company result in optimization of energy consumption, savings in energy cost and environment protection.

- i) Steps taken for reduction in water consumption through reuse of treated water for road cleaning, flushing, plantation, and gardening.

Dust Collectors are provided in the fuel handling system to suppress the dust. These measures have also led to better pollution control, reduced the impact on environment, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.
- ii) The capital investment on energy conservation equipment's: Nil

(B) Technology Absorption:

Timely completion of the projects as well as meeting the budgetary requirements are the two critical areas where different techniques help to a great extent. Many innovative techniques have been developed and put to effective use and the efforts to develop new techniques continue unabated.

- (i) The efforts made towards technology absorption at power plant site;
 - Regular and timely identification and accordingly preventive maintenance of the Power Plant;
 - Replacement of HSD Fuel Boiler with the conventional start up method using biomass and charcoal;
 - Fuel feeding handling system modification/improvements compatible with RDF and other low density biomass;
 - Modifications in Fuel feeding system by increasing diameter of the Chutes to handle Low density biomass and RDF;
 - Modification for additional secondary air (SA) nozzles for fuel spreading within furnace;
 - Additional Air venturies are provided along with fuel chutes for even spreading and free flow of Biomass & RDF in to the Boiler;
 - New arrangement of air pre heater (APH) by increasing Tube ID from existing ϕ 38 mm to ϕ 63.5 mm;
 - Designed, developed and installed successfully shredder for Refused derived fuel (RDF).
- (ii) Benefits derived like product improvement, cost reduction, product development, import substitution.
 - Cost reduction in Fuel cost;
 - Green Energy Initiative by using RDF as fuel in the power plant;
 - Reduction in manpower cost;
 - Reduction in annual operating cost using RDF as fuel.
- (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

The details of technology imported: Nil

The year of import: Not Applicable

Whether the technology been fully absorbed: Not Applicable

If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable
- iv. The Expenditure incurred on Research and Development: Nil

(C) Foreign Exchange earnings and outgo:

Earnings: Revenue from Engineering Services	Rs. 178.29 Million
Outgo: Expenditure in Foreign Currency	Rs. 0.30 Million
CIF value of Imports	Nil

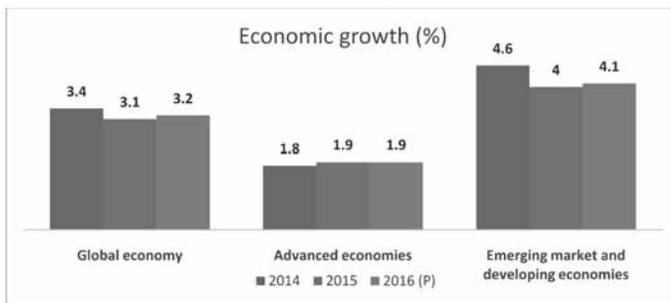
Management Discussion & Analysis (FY 2015-16)

Management Discussion & Analysis

1. Economic overview

a. Global economy

The global economy grew at a lower rate of 3.1% in 2015 as compared to the growth rate of 3.4% registered in 2014. The weakness was driven by a combination of factors like falling commodity prices, weak external demand, tighter financial conditions, low productivity growth, slower trade growth and sharp decline in crude oil prices, among various other factors. The advanced economies grew at a moderate rate of 1.9% in 2015 as against 1.8% in 2014 while the emerging market and developing economies grew at a weaker than expected rate of 4% in 2015 as compared to 4.6% in 2014.



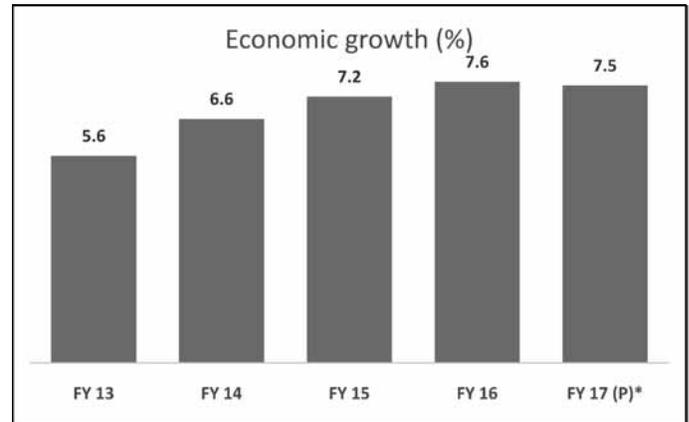
Source: International Monetary Fund, April 2016

Looking forward, the global economy is projected to grow at a modest rate of 3.2% in 2016, supported by rising growth in the emerging market and developing economies. The advanced economies are expected to grow moderately in 2016 which will be supported by lower energy prices, higher domestic demand and accommodative monetary policies.

b. Indian economy

India registered a robust gross domestic product (GDP) growth rate of 7.6% in 2015-16, becoming the world's fastest growing economy. This growth was driven mainly by a sharp rise in manufacturing sector growth at 9.5% in 2015-16 (compared to 5.5% growth in 2014-15), consolidated services sector growth of 8.8% during the same period, decline in overall subsidy bill (supported by falling global crude oil prices) and decreasing CPI inflation at 4.83% (owing to falling commodity prices).

Looking forward, the Indian economy is expected to grow at a modest rate of 7-7.5% in 2016-17. This growth will be supported by better monsoon which will boost agricultural incomes and expected implementation of the Seventh Pay Commission that will lead to increased spending from higher wages and allowances of government workers. In addition, on the policy front, the government's initiatives of improving the ease of doing business, anticipated implementation of GST reforms and liberalization of foreign direct investment (FDI) in the infrastructure sector will also be a contributing factor for the growth of the economy.



*P = Projected

(Source: Central Statistical Office)

2. Industry overview

a. Engineering Procurement & Construction (EPC)

Infrastructure

Infrastructure development has been fueling India's economic growth over the past decade. It has been seen that increasing population, rapid industrialization and urbanization as well as global trade are driving the demand for consistent investment in infrastructure development. Recognizing these requirements, the Government plans to invest INR 56.3 trillion in infrastructure during the Twelfth Five Year Plan (2012-17) and approximately 50% of the investments are to be contributed by the private sector. As per the 12th Plan Working Group Report, the Government has target to increase the total National Highways length from 71,772 KM to 85,000 Km by 2017, a ~9% growth rate. The Government has ambitious plan to connect all villages by Optical Fibre Cable, strengthening the poor distribution network by initializing Rural and Urban internet infrastructure development system. Considering these major potential opportunities in the infrastructure segment, the EPC sector is likely to be benefited.

The EPC market in India has evolved over the last few years with increased project size and complexity, increasing private clients and entry of several foreign players. However, the construction industry as a whole and the infrastructure sector, in particular, are currently on a crossroad in the country as interest from the private sector has declined significantly in the last couple of years due to the economic slowdown and a legacy of unresolved challenges. Issues impacting projects — right from planning to operation stage — have made several of them unviable. These difficult scenarios have even put some small- large industry players to survival test wherein only the fundamentally robust players could survive. Significant cost overruns, regulatory bottlenecks and aggressive bidding positions taken by a few market players are some of the key concerns affecting the EPC sector.

However, the Government has set the ball rolling once again with several announcements to reform the sector and boost investor sentiments. It has laid down its agenda to resurrect infrastructure development. Bids are being invited again for stalled projects and new infrastructure projects have been announced including smart cities, high speed rail corridors, Greenfield airports, Greenfield major ports, port-based SEZs, and housing for all by 2022. The government is also taking steps on removing the bottlenecks in the infrastructure sector by initiatives such as setting up of institution to provide support to mainstreaming PPPs, Infrastructure Investment Trusts, Make in India programme and permitting banks to raise long-term funds for lending to the infrastructure sector with minimum regulatory constraints for the sector.

Power

India has the fifth largest power generation capacity in the world. India's installed capacity stood at 302.83 gigawatts (GW), as on 30 April 2016. Thermal power, the largest component, was 211.42 GW, followed by hydro 42.78 GW, renewable energy 42.84 GW and nuclear 5.78 GW (*Source: Central Electricity Authority*). The Indian power sector is undergoing a significant change that has redefined the industry outlook. As natural resources are scarce and are depleting very fast, power generation from renewable energy sources is gaining momentum throughout the world as well as in India. Renewable energy is fast emerging as a major source of power and wind energy is the largest source of renewable energy in India. It accounts for an estimated 60 per cent of total installed capacity (21.1GW). (*Source: IBEF*).

Transmission & Distribution (T&D)

Despite having proper infrastructure for transmission and distribution (T&D) of power, losses happen in transmission between sources of supply and points of distribution as well as during power supply to consumers. The Government is targeting to bring down transmission and distribution (T&D) losses in the power sector to 15 per cent by 2019 from 22 per cent at present. In order to meet the target, the government has launched various schemes such as *Deen Dayal Upadhyaya Gram Jyoti Yojana* and Integrated Power Development Scheme (IPDS) that will help bring down the T&D losses in the coming years (*Source: Business Standard, September 20th, 2015*).

Telecom

India's is world's second largest telecommunications market. The rural market is expected see a near 46.14% growth in mobile penetration between 2014 and 2017. As per a Microsoft Report India is going to have 700 million internet users by 2025 whereas the world is going to reach 4.7 billion by then. The recent launches of 3G, 4G, Wimax and NGN services is going to need a robust physical infrastructure. The recent proposal to auction mobile telecom spectrum is likely to expand the sector's horizon further. From Power, Electricity Transmission & Distribution (T&D), the EPC sector has immense potential in providing telecom wires and cables laying

projects. This sub-sector has started finding some momentum, due to higher end-consumer usage and more connectivity penetration requirement.

b. Facility Management Services (FMS)

The Indian facilities management services market is highly fragmented with few organized players and mostly unorganized small operators, who control the majority of the market share. Over the years, this sector has grown swiftly and is set to witness significant growth momentum over the next five years. As per the latest report by Global Infrastructure Facilities and Project Managers Association (GIFPMA), the sector is expected to grow at a CAGR of around 17% during 2015-2020 and reach around USD 19.4 billion by 2020 (*Source: Economic Times, 22 July 2015*). The major factor driving the growth of the industry is the growth of the commercial and residential real estate segment. The commercial segment has been observing massive development with rapid construction activities of hotels, malls, offices and hospitals. This has increased the demand of the facility management services throughout the country since managing all the facilities is a majorly complex task for all the companies. The demand for FMS is coming majorly from IT/ITES, BPO/KPO and banking and finance sectors. Similarly, in the residential sector there has been a huge demand for FMS such as housekeeping, security, cleaning, electrical, mechanical and civil engineering services. The demand is also expected to rise from the tier 2 and tier 3 cities due to increased business activities in these areas. It is expected that there would be keen interest in sustainability of resources. Thereby it would be required by the facility management companies to track building performance related to energy consumption and sustainability policies. The higher emphasis on energy management could help change the complete management process and also the life cycle of the assets utilized.

Looking ahead, the outlook of facilities management services in India is shaping up to be highly optimistic mainly due to the growing maturity of end users and the need for improved safety, comfort and professional maintenance of assets. With the rapid technological improvements the FMS sector in the country will undergo a transformation from labour-led industry to technology driven industry, which in turn will present immense opportunities for growth of the sector.

c. Municipal Solid Waste Management (MSW)

With the ever increasing population and urbanization, waste management has emerged as a huge challenge in the country. Not only the waste has increased in quantity, but the characteristics of waste have also changed tremendously over a period, with the introduction of new gadgets and equipment. As per the latest government data, India generates about 62 million tonnes of solid waste annually, out of which 5.6 million is plastic waste and 0.17 million is biomedical waste. In addition, hazardous waste generation is 7.90 million TPA and e-waste is 15 lakh tonne. The per capita waste

generation in Indian cities range from 200 grams to 600 grams per day (as of 2011). Of the total waste generated, only about 75- 80% of the municipal waste gets collected and out of this only 22-28 % is processed and treated while the remaining is disposed of indiscriminately at dump yards (*Source: Ministry of Environment and Forests, Government of India*).

The Municipal Solid Waste (MSW) segment is at a very nascent stage in India and it has been facing immense challenges with respect to the segregation, storage, collection, relocation, carrying, processing, and disposal of solid waste. Further, the involvement of multiple government and civic authorities in the process of collection of municipal waste makes it even more difficult for companies who provide waste management services to operate freely. The rapid urbanization and uncontrolled growth rate of population of the country are main reasons for MSW to become an acute problem. It is projected that by the year 2031 the MSW generation shall increase to 165 million tonnes and to 436 million tons by 2050. This will create tremendous growth opportunities for companies who are present in the MSW segment. The MSW sector is further poised to improve with the government initiative, 'Swachh Bharat Abhiyan' (SBA), which is aimed at promoting cleanliness of streets, roads and infrastructure of the country.

During 2015-16, the Union Ministry of Environment, Forests and Climate Change (MoEF&CC) revised the Solid Waste Management Rules to promote the growth of the MSW sector. Some of the major highlights of the new rules include source segregation of waste in order to channelize the waste to wealth by recovery, reuse and recycle; collection and disposal of sanitary waste; collect back scheme for packaging waste; power to the local bodies across India to decide the user fees for waste collection; processing, treatment and disposition of bio-degradable waste; promoting use of compost; promotion of waste to energy; management of waste in hilly areas; and constitution of a Central Monitoring Committee, among other factors. These initiatives will provide the much needed boost towards the growth and sustainability of the Waste Management sector.

3. Business segment review

Company overview

A2Z Group is one of the leading players in India's Engineering & Infrastructure Services sector. A2Z Infra Engineering is the flagship company of A2Z Group. The Group has wide presence across multiple sub-sectors of the industry. A2Z Group is one of the successful players in the Engineering Procurement & Construction (EPC) sector for Infrastructure projects. The Group has professional expertise and proven track-record in EPC projects in Power Transmission & Distribution and Telecom Infrastructure Development projects. The Group had started its operations, 14 years back by venturing in Facility Management Services. Today the Group is one of the foremost player in this business segment providing housekeeping, security, hospitality and related services. A2Z Group's other businesses include Renewable Power Generation (Waste-to-energy) and Solid

Waste Management (MSW). With consistent innovations across its journey, A2Z Group has developed a synergistic business model. Its Solid Waste Management and Waste-to-energy projects are backward and forward integrated with the MSW business residue working as fuel for Power Generation.

Business segments

The group operates its business across four strategic business units (SBUs) – Engineering Services (ES), Facility Management Services (FMS), Waste-to-Energy - Power Generation Projects (PGP) and Municipal Solid Waste (MSW). The Engineering Services (ES) segment primarily constitutes the entire infrastructure EPC business. Facility management business falls under the Facility Management Services (FMS). The Power Generation Projects (PGP) segment manages the waste-to-energy or renewable energy business. The Municipal Solid Waste (MSW) specializes in solid waste management which includes collection, processing and disposing-off of municipal waste materials. In addition, the Others business segment looks after the ancillary, service and equipment needs of all the above mentioned businesses.

1. Engineering Services (ES)

The engineering Services segment is the primary business of the Group which contributed 71.71% of the total revenue of the Group in FY 2015-16. During the year under review, the revenue from this segment was Rs. 967.27 crore, an increase of 317.56%, compared to Rs. 231.65 crore in the previous year. The standalone unexecuted order book from this segment during the FY 2015-16 stands at Rs. 1410.91 crores. This segment is further divided into two segments – Power Transmission & Distribution (T&D) EPC and Telecom Infrastructure EPC.

a. Power Transmission & Distribution (T&D) EPC

The Group is a renowned player in the T&D EPC segment with proven capabilities in building Substations & Switchyards up to 765 kV; Transmission lines up to 765 kV; 11 / 33 kV distribution lines comprising of Feeder Renovation; Projects, High Voltage Distribution System, AT&C Loss Reduction, Tube Well Connection, Segregation of Domestic and Agriculture load, Augmentation of Lines, Providing Laying of HT & LT Aerial Bunched Cables and Offering BPL Connections; Railway Overhead Electrification; Operation and Maintenance of Electrical Utilities; System integration for IT projects under R-APDRP.

With the infrastructure sector of the country going through a slowdown since the past couple of years, the Group's focus has been on completing existing on-going projects. As a result, the revenue and profitability of the Group was impacted. In order to improve the revenues, the Group is selectively pursuing the potentially profitable EPC projects for Power T&D segment, wherein the SBU expects positive cash flows. Further, in order to improve the revenues, the Group started capitalizing on its capabilities by acting as engineering consultant in various infrastructure projects including road transport and metro lines in select cities.

b. Telecom Infrastructure EPC

The Group has a strong presence in the business of Telecom infrastructure projects on EPC basis. The projects under this segment includes mainly supplying and laying of Optical Fibre Cables (OFC) and Annual Maintenance Contract (OMC) of the OFC networks. The Group's services under this segment includes: Material Planning & Project Management; Radio Frequency Engineering Services; Engineering Construction & Infrastructure Services; Optical Fiber Cable NLD / Access Networking Construction & Maintenance; Network Integration; and Telecom Infrastructure Operation & Maintenance Services.

2. Facility Management Services (FMS)

The FMS segment of the Group offers services in Corporate Facility Management, Railways Facility Management - stations & coaches, Airports and Ports Facility Management. The group has a decade long experience and expertise in providing soft services, security and technical services under a single platform. The major growth driver of the FMS segment has been the growth of commercial and residential real estate. Further, the Group has a leadership position in providing cleaning services for railways and it has successfully forayed into the airports and ports segments. It is also bidding aggressively for getting projects in airports segment in the Middle-East region. Over the years, the FMS segment has been growing on a self-performing sustainable model and the group is optimistic on expanding the same on the back of improved demand in the real estate sector.

During FY16 A2Z Group took a major leap in changing its opportunity landscape by adding end-consumer facing retail businesses. During the year, the group invented and launched a revolutionary self-sustaining and self-cleaning toilet product named "Magic Genie Eco Tech Smart Green Toilet" which does not require any external or running water supply and sewage lines. This is a first of its kind product in the world. The toilet boasts of innovative technology features such as automatic floor cleaner, real time recycling of water and supply and conversion of solid waste into compost. For the innovative product, the group was awarded the "Swachh Bharat Samman" by India CSR and the technology was also recognized as one of the best innovative technologies in the field of sanitation by 'Skoch Foundation'. The Group also launched Magic Genie Home Services – a mobile application based facility and maintenance services for end-consumer and small & medium businesses. The Group has unique advantage of having the online delivery platform and requisite delivery resources – both in-house.

3. Municipal Solid Waste (MSW)

The MSW segment specializes in collecting, processing and disposing of solid waste and it contributed to 3.5% of the Group's total revenues in FY 2015-16. The MSW segment's primary activity is focused on waste separation after collecting it. The objective of this activity is to maximize the usability of the waste residue by marketing it both in the form of organic compost as well

as fuel for waste-to-energy plans. The group's MSW business has Collection & Transportation capacity of 7,962 TPD and Processing & Disposal capacity of 8,507 TPD. Also, the Group enjoys a concession period of up to 30 years in most of the cities in which it has MSW projects. Further, the segment also actively supports the government initiative to clean up major rivers and nation-wide cleanliness programme.

Keeping up with the advancements in technology, the MSW segment also developed a revolutionary direct-to-customer service offering called the 'SafaiMitra'. It is an application which facilitates the collection of waste directly from households and offices through the use of a smart phone app. The application also provides real time update on the status of garbage pickup and delivery to the customers.

Apart from the rich operational experience in MSW management, the Group has also developed an in-house sustainable indigenous technology for production of FCO compliant compost and RDF. The growth potential of the FCO compliant compost products is very optimistic as the government is aggressively promoting the usage of organic compost alongside chemical fertilizers in agriculture. And the government's thrust on clean and green energy provides a lucrative market for the RDF residue product.

During FY 2015-16, the government declared the final tariff for RDF based Waste-to-Energy projects at Rs. 7.90/kwh (levelized tariff at 7.59/kwh) and the tariff for MSW based Waste-to-Energy projects at Rs. 7.04/kwh (levelized tariff at 6.50/kwh). And with respect to City Compost, the government fixed an amount of Rs. 1500/MT of City Compost for fertilizer marketing companies and 100% offtake of City Compost at Rs. 2500/MT(ex-factory) for Lead fertilizer marketing companies.

4. Waste-to-Energy - Power Generation Projects (PGP)

The PGP segment is focused on the Group's renewable energy projects under Waste-to-Energy generation business. This segment recorded Rs. 0.95 crores as total revenues during the year, a 100% growth since previous year this segment did not contribute any revenues. The Group has commissioned four waste-to-energy plants with a cumulative capacity of 60 MW (4 X 15 MW). Of the four, three plants are installed in Punjab's major sugar producing hub, in partnership with the state authorities and manufacturing units association. These plants run on multiple fuel sources which includes bagasse, RDF, agri-waste etc. The fourth plant was successfully commissioned as 15 MW RDF based Waste-to-Energy Plant at Kanpur. This plant uses the most efficient Circulating Fluidized Bed Combustion (CFBC) Boiler along with Fuel Preparation Unit comprising of Dryer, Ballistic Separator and Shredder.

4. Financial review

The Group's revenues from operations for FY 2015-16 stood at Rs. 1,348 crore, up 127% from Rs. 594 crore in the previous year. The substantial increase in revenues was primarily on account execution of the orders received in

FY15. During the year under review, the Group recorded an operating profit of Rs. 36.88 crore as compared to Rs. (130.81) crore in the previous year. This was owing to the fact that the Company was focused on execution, recovery from debtors. The operating profit margin stood at 2.73% in the current fiscal compared to (22%) in the previous fiscal. The net profit/loss of the Group stood at Rs. (133.04) crore in FY 2015-16 as against Rs. (208.73) crore in FY 2014-15, a decrease in losses by 36.26%. This was the result of realization of old outstanding dues from executed projects and also the cost effective & timely execution of ongoing projects.

5. Business strengths

- **Strong sector knowledge and expertise**
The Group has strong knowledge of the sector with an experience ranging over one and a half decade in delivering projects in some of the most challenging situations. The group's strong expertise is reflected by its track record of on-time delivery of projects which meets the highest quality standards.
- **Diversified business and clientele**
The Group's business is highly diversified with interests ranging from Power Transmission & Distribution, Telecom EPC, Facility Management Services, and Municipal Solid Waste Management to Power Generation. In sync with its business, the Group's customers are also equally diversified which include government departments, private sector corporate businesses and retail consumers.
- **Presence in high potential sectors**
The Group is present in some of the high potential sectors wherein the present and future prospects get a push from the industry as well as the government. These include Power Transmission & Distribution, Municipal Solid Waste, Renewable Energy and Facility management.
- **Business synergy**
The Group enjoys economies of scale with its highly integrated businesses and operations. The Group's Municipal Solid Waste business is forward integrated with renewable power generation. While the waste-to-energy business gets the residue of Municipal Solid Waste business as fuel input. In addition, the group's offerings "*Magic Genie*" and "*SafaiMitra*" are retail roll-out from the existing Facility Management Services (FMS) business and Municipal Solid Waste (MSW) businesses, respectively.

6. Managing business uncertainties

Risk is the face of business uncertainty, affecting corporate performance and future growth prospects. In order to de-risk itself and the future business prospects, the Group identifies and evaluates the key risk factors and draws out appropriate mitigation strategies to hedge against the same. Some of the key risks affecting its businesses and the mitigation measures to check the same, are as under:

1. Economic risk

A decline in the domestic economic growth, rising interest rates, changes in fiscal policy, changes in government regulation and other unprecedented

adverse economic situation affecting the country can affect the various businesses of the group.

Risk mitigation

- In order to reduce its dependency on one market or country, the group is geographically diversifying its business by actively tying up with overseas airport apex bodies in Middle-East region to expand the FMS business.
- The group has deleveraged its business operations by focusing on positive cash flow and better profitability projects in EPC domain and expanding its presence in facility management services.

2. Dependency risk

Depending heavily on State Electricity Boards (SEBs) and other state PSUs for projects affects the payments receivable cycle consistently as most of these government bodies remain under liquidity constraints, which in turn affects the liquidity of the Group.

Risk mitigation

- The Group has changed its customer-mix from largely Business-to-Government projects to fairly distribute among Business-to-Business (Corporate) and Business-to-Customer (Retail) to mitigate the dependency risk.

3. Working capital risk

The Group's businesses are capital intensive which requires timely availability of funds to execute projects faster. Any delay in securing funds for working capital may affect the profitability of the Group.

Risk mitigation

- The Group is enhancing and diversifying its business-mix with equitable contribution from various businesses by focusing on increasing revenue contribution from the Facility Management, Waste-to-Energy and MSW businesses.
- The Group has ventured into retail businesses and E-commerce by launching two innovative products '*Magic Genie*' and '*SafaiMitra*', which is helping the Group to become less capital intensive.

4. Execution risk

Most of the projects of the group are long term in nature and involve a variety of issues such as construction delay, disruption in supply of raw materials, delay in availability of skilled manpower etc. which can lead to cost overruns.

Risk mitigation

- The Group reformulated its business strategy and started completing EPC projects which were in progress, rather than taking new orders which helped it to check its cost overruns and losses.
- The Group has also resumed taking interest in picking up projects with selective customers, better resource planning and better payment terms in EPC segment including Power, T&D and Telecom.
- The group employs well defined standard operating procedures right from project planning to delivery and adheres to rigorous internal checks and balances with regard to every project.

5. Talent risk

Lack of talented people with prudent skills might affect the overall business objectives and operations which in turn might make it difficult for the Group to attract, retain and develop the right talent.

Risk mitigation

- The Group provides regular training & development and reward & recognition programs to its employees to keep them motivated;
- The Group provides competitive remuneration to its employees and has in place a strong human resource policy for attracting and retaining the best talent;
- The Group's Performance Management System provides fair, transparent and objective assessment of employees, along with mechanism to identify future career path and development opportunities for employees;
- The Group had put in place a comprehensive ESOP (Employee Stock Option Plan) wherein eligible employees are given equity options, convertible to equity shares on certain parameters and conditions which includes certain tenure of stay for being eligible.

The tendering process for large infrastructural projects of the Company is carried out by an internal Project Tendering Team which usually identifies and quantifies potential impact on risks such as state and political environment risk, local site risks, right of way risk, tax risks, change in law, price variation risk, etc. Upon evaluation of each risk and factoring an appropriate weight therefor, the final price for bid will be arrived at after adjusting for risk factors.

7. Human resources

The group strongly believes that employees are the most crucial element of the business and it is imperative that they get a positive work environment in which they can nurture, learn and grow. With this philosophy, the Group ensures that a cordial relationship is maintained with its employees and they are kept updated on all important developments happening in the company or made by the Group.

The management strongly supports to create a healthy workplace environment, and firmly believes that employees should continue to retain trust in the Group. For technical advancement in all the fields in which the Group has business interests, it takes extra efforts to give advanced training to employees from various business verticals. In order to focus on the strengths and improve on the developmental areas of employees, the Group has formulated and implemented a comprehensive Performance Management System. This system provides fair, transparent and objective assessment of performance together with mechanism to identify future career path and development opportunities for employees. As on 31st March 2016, the group has a total of 14950 employees, of which 2137 are trained technical employees.

8. Information & Technology

The Group continuously remains focused on upgrading its

Information and Technology systems by upgrading them frequently as per requirements. Further it is committed to build up on the changes in Information Technology by making use of services like introduction of mobile apps in FMS business vertical, where it has deep roots. It has been upgrading its MSW methods by the process of learning with experience to make the same profitable.

9. Corporate Social Responsibility

The Group remains out of the ambit of providing Corporate Social Responsibility (CSR) activities by virtue of the moderate size of the business, and challenging past three years. However, by virtue of the very nature of its business verticals, the Group is indirectly participating in activities which are similar to CSR activities. The group's innovative service offering, "SafaiMitra" closely contributes to the "Swachh Bharat Abhiyan" programme promoted by the government. In addition, the Group offers MSW services and focuses on re-use of its own solid wastes. Even under its EPC business, the Group has facilitated providing power through its power T&D activities to below poverty line families. It hopes to continue returning back to the community by participating and promoting in the government programmes in future. Once the company starts making profits from its operations it will start participating actively in Corporate Social Responsibility activities.

10. Internal control systems

The group has laid down internal control systems to ensure that these are adequate and are followed diligently. The internal financial controls defines the policy and procedure adopted by the Group for ensuring the orderly and efficient conduct of its business including adherence to Group 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.

The Group's policies are periodically reviewed and refreshed in line with the change in business and regulatory requirements. The Audit Committee, on a quarterly and annual basis, reviews the adequacy and effectiveness of the internal controls being exercised by various business and support functions. It is generally expected that serious frauds will not take place by virtue of such controls being in place in the Group. The financial information of the Group is verified by the Statutory Auditors / Internal Audit Committee on a periodic basis as per the requirements of Companies Act, Listing agreement, ICAI guidelines, etc.

Forward looking statement

Statements in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectations of future event, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, finish goods prices, changes in Government Regulations and Tax regime etc. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

Report on Corporate Governance

Annexure to the Director's Report

This Report states the compliance status as per the requirements of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR, 2015") as to be made by the Listed entities in Corporate Governance section of the Annual Report as prescribed under Part C of Schedule V of the said Regulations.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company has always practiced Corporate Governance of the highest standard and follows a culture that is built on core values and ethics. Corporate Governance philosophy is the collective efforts to achieve business excellence, improving efficiency as well as enhancing investor confidence. Your Directors are committed to practice sound governance principles and believe endlessly. Strong Governance practices and transparency in the Company will be helpful to boost the stakeholder's confidence and is critical to enhance and retain trust of stakeholders which will result in improved market capitalization. We, at A2Z, follows core principle of governance like integrity, fairness, equity, transparency, accountability, disclosure, commitment to values and compliances to enhance the value for all stakeholders. The Company has complied with all the requirements of SEBI LODR, 2015 and listed below is the status in respect to the same.

2. BOARD OF DIRECTORS

The Company believes that an effective, well informed and Independent Board ("the Board") is necessary to ensure highest standard of Corporate Governance.

The Composition of Board of Directors of the Company is in accordance with the Companies Act, 2013 and Regulation 17 of the SEBI LODR, 2015. Your Company has an appropriate combination of Executive, Non-Executive and Independent Directors to maintain independence and efficiency of the Board including its functions of governance & management.

The Board has professional expertise and desired experience in finance, commercial, technology and other related field, which impart the desired level of independence to the Board. The Board reviews and admires the strategy and oversees the action and results of management to ensure the achievement of long term objectives.

The Board's Role, functions, responsibilities and accountability are clearly defined. The day-to-day management of the Company is entrusted with the senior management personnel of the Company and is headed by Managing Director who does overall supervision, direction and control of the Board of Directors. The Board of Directors comply with the provisions of listing regulations in regards to the meeting of the Board and Committee thereof. The Management and Board of the Company continuously and actively supervise the Arena of Corporate Strategy, planning, external contracts another board matters on continual basis. The Senior Management Personnel heading separate division are responsible for day to day operation of their respective division.

2.1 COMPOSITION AND CATEGORY OF DIRECTORS

The Company has a balanced Board with optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2016, the Board comprises of Eight (8) Directors. Out of the total strength, three (3) are Non-Executive Independent directors and one (1) Non-Executive Non Independent director. The Chairman is a Non-Executive Independent Director. Further four (4) are Executive Directors, one of whom is Managing Director and one is Women Director.

The Independent Directors neither have any pecuniary relationship or transactions with the company, nor with the promoters, and management, which may affect independence or judgment of the directors in any manner. All the Independent Directors have satisfied the criteria/conditions of independence as laid down in Regulation 16(1)(b) of the SEBI LODR, 2015. The Board periodically evaluates the needs for change in its composition and size.

The members of our Board are from diverse back grounds with exceptional skills and experience in critical areas like technology, finance, entrepreneurship and general management. Many of them have worked extensively in senior management positions in global corporations and have deep understanding of the Indian business environment. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

2.2 NUMBER OF BOARD MEETINGS

The Board of Director oversees the overall functioning of the Company and take the strategic decisions and define the management policies in the best interest of the Company and its stakeholders and, for this, Members of the Board of Directors of the Company meet frequently, as the occasion(s) arise and as per the statutory requirement. In case of any exigency/ emergency, resolutions are passed by circulation. The Board of Directors met Ten (10) times during the financial year 2015-16 ended on March 31, 2016 i.e. on May 09, 2015, May 26, 2015, July 16, 2015, August 14, 2015, September 17, 2015, November 09, 2015, November 20, 2015, January 18, 2016, February 11, 2016, and March 19, 2016. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under regulation 17(2) of the SEBI LODR, 2015.

Directors' Attendance Record and other directorship(s)

As mandated by Regulation 25 of the SEBI LODR, 2015 as on March 31, 2016, none of the independent directors of the company served as an independent director in more than seven listed entities and as per Regulation 26 of the SEBI LODR, 2015, none of the Director is a member of more than 10 committees or acting as Chairperson of more than 5 committees of the Companies in which he/she is a director. Requisite information as per the requirements of Regulation 26 of the SEBI LODR, 2015 is provided in the following table:

Name of the Director	Category	No. of other Directorships and Committee memberships/ chairmanships ¹			Attendance Particulars		Whether attended last AGM
		Other Directorships	Committee Memberships ²	Committee Chairmanships ²	No of Board Meeting held	No of Board Meeting Attended	
Mr. Surender Kumar Tuteja	Non-Executive & Independent Director	9	3	5	10	10	Yes
Dr. Ashok Kumar	Non-Executive & Independent Director	1	1	1	10	7	Yes
Mr. Suresh Prasad Yadav	Non-Executive & Independent Director	1	2	-	10	9	Yes
Mr. Amit Mittal	Executive & Non-Independent Director	3	-	0	10	10	Yes
Ms. Dipali Mittal	Executive & Non-Independent Director	1	2	-	10	10	Yes
Mr. Rajesh Jain	Whole time Director cum Chief Executive officer	1	-	-	10	10	Yes
Dr. Ashok Kumar Saini	Whole time Director	-	-	-	10	8	Yes
Mr. Gaurav Jain ³	Additional Director under the category of Non Executive and Non-Independent Director	-	-	-	10	5	Yes
Mr. Ratan Kishore Bajaj ⁴	Additional Director under the category of independent director	-	-	-	10	2	N.A.

1. Directorships held by directors as mentioned above, do not include directorship held in foreign companies, private limited companies and companies under section 8 of the Companies Act, 2013.
2. Represents Membership / Chairmanship of two Committees viz. Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1) of the SEBI LODR, 2015.
3. Mr. Gaurav Jain has been appointed as Non-Executive Non Independent Director of the Company on September 23, 2015.
4. Mr. Ratan Kishore Bajaj has resigned from the company on July 06, 2015.

Except Mr. Amit Mittal and Ms. Dipali Mittal, who are husband and wife, none of the directors are relative of any other director.

The details of the shareholding of Directors as on March 31, 2016 are as follow:

S. No	Name of the Director	No. of Shares	Percentage (%) of Holding
1.	Mr. Amit Mittal	3,61,72,301	28.51
2.	Ms. Dipali Mittal	11,70,000	0.92
3.	Mr. Rajesh Jain	2,45,480*	0.19
4.	Mr. Ashok Kumar Saini	3,63,980	0.29
5.	Mr. Gaurav Jain	85,100*	0.07

* 1,20,000 & 20,000 Equity shares have been allotted as on March 19, 2016 to Mr. Rajesh Jain and Mr. Gaurav Jain respectively, pursuant to the exercise of ESOP's under A2Z Employee Stock Option Plan, 2013 and the said shares were credited in the month of April, 2016.

Except the equity shares as stated above no other directors hold any equity shares of the Company and none of the Directors hold any convertible instruments issued by the Company.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company: http://a2zgroup.co.in/pdf/Details_Familiarization_Programme_Independent_Directors.pdf

3. BOARD COMMITTEES

In compliance with the SEBI LODR, 2015 and to focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted various committees with specific terms of reference and scope. The committees operate as empowered agents of the Board as per their charter/ terms of reference. Constitution and charter of the board committees are given herein below:

3.1 Audit Committee

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee’s purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

(a) Constitution and Terms of Reference

The Audit Committee comprises of Four (4) Directors, three (3) of them are Non -Executive Independent Directors. The Chairman of the Audit Committee is an Independent Director.

The terms of reference and scope of the activities of the Audit Committee are as set out in Regulation 18 of the SEBI LODR, 2015, as well as in Section 177 of the Companies Act, 2013.

The Brief terms of reference of the audit committee are as under:

1. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of payment to statutory auditors for any other services rendered by the statutory auditors;
3. Reviewing, with the management, the annual financial statements and auditors’ report thereon before submission to the board for approval;
4. Significant adjustments made in the financial statements arising out of audit findings;
5. Disclosure of any related party transactions;
6. Qualifications in the draft audit report;
7. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. All other duties, responsibilities as defined under section 177 of the Companies Act, 2013 & Regulation 18 of the SEBI LODR, 2015.

(b) Meeting and Attendance

During the financial year 2015-16 ended on March 31, 2016, the Committee met Four (4) times i.e. on May 26, 2015, August 14, 2015, November 09, 2015 & February 11, 2016. The CFO, Internal Auditor and Statutory Auditors are permanent invitee of the Meetings.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2016 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Mr. Surender Kumar Tuteja	Chairman	Non- Executive & Independent Director	04
Dr. Ashok Kumar	Member	Non- Executive & Independent Director	02
Mr. Suresh Prasad Yadav	Member	Non- Executive & Independent Director	04
Ms. Dipali Mittal	Member	Executive & Non Independent Director	04

- *Mr. Atul Kumar Agarwal, Company Secretary cum Compliance Officer acts as the Secretary to the Audit Committee.*
- *Mr. Surender Kumar Tuteja, Chairman of the Audit Committee was present at the previous Annual General Meeting held on September 26, 2015.*

3.2 Nomination & Remuneration Committee

(a) Constitution and Terms of Reference

The Nomination & Remuneration Committee comprises of (3) Three Non-Executive Independent Directors. The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI LODR, 2015 read with Section 178 of the Companies Act, 2013.

Terms of Reference:-

The brief terms of reference of the Nomination & Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
4. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
5. All other duties, responsibilities as defined under section 178 of the Companies Act, 2013 & Regulation 19 read with part D(A) of Schedule II of the SEBI LODR, 2015.

(b) Meeting and Attendance

During the financial year 2015-16 ended as on March 31, 2016, the committee met Five (5) times i.e. on September 17, 2015 (2 times in a day), November 09, 2015, February 11, 2016 & March 19, 2016.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2016 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Mr. Suresh Prasad Yadav	Chairman	Non- Executive & Independent Director	05
Dr. Ashok Kumar	Member	Non- Executive & Independent Director	05
Mr. Surender Kumar Tuteja	Member	Non- Executive & Independent Director	05

(c) Performance Evaluation Criteria for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of the SEBI LODR, 2015, the Nomination & Remuneration Committee of the Board had carried out the evaluation of every Director's Performance based on specified criteria. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

Details of the performance evaluation criteria for Independent Directors of the Company is provided in the Directors' Report forming part of the Annual Report of the Company.

(d) Remuneration Policy

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results.

Remuneration Policy of your Company is in conformity with the provisions under the Companies Act, 2013 and SEBI LODR, 2015. It is directed towards rewarding performance, based on review of achievements.

The policy ensures that

- The level and composition is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and;
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Remuneration Policy of the Company is placed on the website of the company at: http://a2zgroup.co.in/pdf/Remuneration_Policy.pdf

Remuneration to Non-Executive Directors

The Non-executive & Independent Directors are paid sitting fees of Rs. 10,000/- (Rupees Ten Thousand only) for attending each Board and Committee meeting respectively.

The details of sitting fees paid for attending the Board/committee meeting held during the year and commission payable for financial year 2015-16 ended March 31, 2016 is as under:

(Amount in Rs.)

S.No.	Name	Sitting Fees paid	Commission payable
1.	Mr. Surender Kumar Tuteja	2,80,000	NIL
2.	Dr. Ashok Kumar	2,40,000	NIL
3.	Mr. Suresh Prasad Yadav	2,20,000	NIL
4.	Mr. Ratan Kishore Bajaj ¹	20,000	NIL
5.	Mr. Gaurav Jain ²	50,000	NIL
	Total	8,10,000	NIL

1. Appointed on February 10, 2015 and resigned on July 06, 2015.

2. Appointed on September 23, 2015 as Additional Director under category of Non-Executive Non Independent Director of the Company.

Remuneration to Executive Directors

The remuneration of the Executive Directors is recommended by the Nomination & Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organizations and is decided by the Board of Directors.

The present remuneration structure of Executive Directors comprises of salaries, perquisites, allowances, commission (if any), contribution to provident fund and gratuity.

Remuneration paid to Managing Director and Whole Time Director and commission payable for financial year 2015-16 ended March 31, 2016 is as follows:

(Amount in Rs.)

Name	Salaries	Benefits Perquisites and Allowances	Commission	ESOP
Mr. Amit Mittal ¹ Managing Director for 3 Years (till December 31, 2017)	1,32,30,000	NIL	NIL	NIL
Ms. Dipali Mittal ¹ Whole time Director for 3 Years (till March 31, 2018)	18,00,000	39,600	NIL	NIL
Mr. Rajesh Jain Whole time Director for 3 Years (till November 12, 2017)	18,00,000	39,600	NIL	11,93,750*
Dr. Ashok Kumar Saini Whole time Director for 3 Years (till February 14, 2018)	18,00,000	39,600	NIL	44,45,000*

1. The remuneration for a period of three years to be paid to Mr. Amit Mittal as Managing Director w.e.f. January 01, 2015 and Ms. Dipali Mittal as Whole time Director w.e.f. April 01, 2015 has been approved by the shareholders vide Postal Ballot Notice dated December 12, 2014, the results of which were declared on March 25, 2015. However, the Company has not paid any remuneration to Mr. Amit Mittal & Ms. Dipali Mittal due to pending approval from the Central Government.

* During the Financial year 2015-16, 2,45,000 Equity Shares were allotted to Mr. Rajesh Jain & 3,50,000 Equity shares were allotted to Mr. Ashok Kumar Saini pursuant to exercise of options under A2Z Employee Stock Option Plan, 2013.

3.3 Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI LODR, 2015 and Part (D) of Schedule II read with section 178 of the Companies Act, 2013. The Committee is responsible for assisting the Board of Directors in relating to attending and redressal of the grievances of the Shareholders of the Company.

The Stakeholders Relationship Committee comprises of three (3) Directors out of which two (2) are Non-Executive Independent Directors and one (1) Executive Director. The functions of the Committee are to review and look into redress

of shareholders' and investors' complaints in relation to transfer of shares, non-receipt of balance sheets or declared dividend etc.

During the Financial year 2015-16 ended on March 31, 2016, the Committee met three (3) times i.e. on July 16, 2015, November 09, 2015 & February 11, 2016.

The composition and attendance of the members of the Stakeholders Relationship Committee at the meetings held during the financial year ended March 31, 2016 are given below:

S. No.	Name of the Director	Designation	Category	No of Meetings Attended
1.	Dr. Ashok Kumar	Chairman	Non-Executive & Independent Director	3
2.	Mr. Suresh Prasad Yadav	Member	Non-Executive & Independent Director	3
3.	Ms. Dipali Mittal	Member	Executive & Non Independent Director	3

Name and designation of compliance officer: Mr. Atul Kumar Agarwal - Vice President and Company Secretary.

Details of investor complaints received and redressed during the year 2015-16 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NA	NA

3.4 Separate Independent Directors' Meetings

As per the Schedule IV of the Companies Act, 2013 & Regulation 25(3) of SEBI LODR, 2015, the Independent Directors duly held their separate meeting on March 19, 2016, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

1. Review the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. Assess the quality, quantity and timelines of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent Directors were present at the meeting.

3.5 Other Committee of the Board of Directors

In addition to the above referred committees which are constituted pursuant to SEBI LODR, 2015, the Board has duly constituted Finance Committee, CSR Committee and Warrant Fund Utilization Committee, to consider various business matters and delegated their powers and responsibilities with respect to specific purposes.

4. SUBSIDIARY COMPANY

The Company has one material non-listed Indian subsidiary company accordingly, an Independent Director of the Company has been duly appointed on the Board of Directors of the material subsidiary company.

Further, the financial statements, in particular the investments made by the unlisted subsidiary company are reviewed by the Audit Committee of the Company, and the minutes of the meetings of subsidiary companies are placed before the Company's Board regularly.

The Board of Directors also reviews statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies.

The policy for determining Material Subsidiary as approved by the Board may be accessed on the Company's website at the link http://a2zgroup.co.in/pdf/Policy_on_material_subsiidiary.pdf

5 GENERAL BODY MEETINGS

A. ANNUAL GENERAL MEETING

Location, time and place where last 3 (Three) Annual General Meetings were held along with the Special Resolution passed by the members:

Financial Year ended March 31	Venue	Date	Time	Special Resolution passed in last three Annual General Meetings
2015	HSI IDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana	September 26, 2015	10:30 AM	No special resolutions were passed

Financial Year ended March 31	Venue	Date	Time	Special Resolution passed in last three Annual General Meetings
2014	HSI IDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana	September 27, 2014	10:30 AM	<ol style="list-style-type: none"> Approval of change in the name of Company from "A2Z Maintenance & Engineering Services Limited" to "A2Z INFRA. ENGINEERING LIMITED" Adoption of the newly substituted Articles of Association of the Company containing regulations in line with the Companies Act, 2013. Approval of waiver of the recovery of the excess amount paid as managerial remuneration to Mr. Amit Mittal as a Managing Director. To consider and approve A2Z Employees Stock Option Plan, 2014 for the eligible employee(s) of the Company. To consider and approve A2Z Employees Stock Option Plan, 2014 to the eligible employee(s)/ directors of the subsidiary Companies.
2013	HSI IDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana	September 28, 2013	10:30 AM	<ol style="list-style-type: none"> Approval of A2Z Employee Stock Option Plan, 2013 to the employees of the Company. Approval of A2Z Employee Stock Option Plan, 2013 to Employees of the Subsidiary Company(ies).

B. POSTAL BALLOT

During the FY 2015-16, Special Resolution for Ratification of relevant date for issue of equity warrants on preferential basis to persons other than the promoters and promoter group as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (the "SEBI ICDR Regulations") was passed by shareholders through Postal Ballot Notice dated September 17, 2015, result of which was declared on November 10, 2015.

The Board of Directors has appointed Mr. Deepak Gupta, Practicing Company Secretary (a partner of DR Associates, Company Secretaries) as scrutinizer for the above postal ballot to conduct the process in a fair and transparent manner. The details of voting pattern are given hereinbelow:

Category	No. of Shares held(1)	No. of votes polled*(2)	% of Votes Polled on outstanding shares(3)= [(2)/(1)]*100	No. of Votes – In favor(4)	No. of Votes - against(5)	% of Votes in favor on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	67,514,640	67,514,640	100.000%	67,514,640	0	100.000%	0
Public-Institutional holders	6,776,986	0	0	0	0	0	0
Public-Others	3,44,26,068	3,11,720	0.905 %	3,06,118	5,602	98.203%	1.797%
Total	1,08,717,694	67,826,360	62.388%	67,820,758	5,602	99.992%	0.008%

* The numbers of votes polled do not include the invalid votes and votes not polled.

Whether any resolutions are proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

Procedure for postal ballot:

The Company followed postal ballot process in compliance with Regulation 44 of the SEBI Listing Regulations, 2015 (earlier clause 35 B of the listing agreement) and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules. Electronic voting facility was provided to all members, to enable them to cast their votes

electronically. The Company engaged the services of National Security Depository Limited (NSDL) for the purpose of providing e-voting facility to all its members. The members had the option to vote either by physical ballot or e-voting.

5.1. MEANS OF COMMUNICATION

- I. The Quarterly and Annual Results are published in at least one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated, viz. Business Standard (English & Hindi dailies) and also uploaded on the website of the company i.e. <http://a2zgroup.co.in/financialResults.html>.
- II. The Company also intimates the Stock Exchanges all price sensitive matters or such matters which, in opinion of Board, are material and of relevance to the shareholders, and subsequently issues a Press Release on the matter, wherever necessary.
- III. Up-to date financial results, shareholding pattern, official news release and other general information and events about the Company are available on the Company's web-site, viz. **www.a2zgroup.co.in**.
- IV. Communication to shareholders on email: As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, etc. were sent to the shareholders at their email address, as registered with their depository participants/Company/RTA. This helps in prompt delivery of documents, reduce paper consumption, save trees and avoid loss of documents in transit.
- V. NEAPS (NSE Electronic Application Processing system):- NEAPS is web based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, Corporate Governance Report, Media Releases, among others are filed electronically on NEAPS.
- VI. BSE Corporate Compliance & Listing Centre: BSE has launched its Online Portal - BSE Corporate Compliance & Listing Centre for submission of various filings by the Listed Companies. It is web based facility which is designed to make Corporate filings easy, convenient and environment friendly. The Company has electronically filed data such as shareholding pattern, Corporate Governance Report, etc. on the aforesaid portal.
- VII. SCORES (SEBI complaints redressal system):- SEBI has commenced processing of Investor complaints in Centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and Investor can seek and provide clarification online to each other.
- VIII. Annual Report: The Annual Report containing, inter alia, Audited Annual Financial Statement, Consolidated Financial Statements, Boards' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report. The Annual Report is also available on the Company's website (**www.a2zgroup.co.in**).

6. GENERAL SHAREHOLDER INFORMATION

6.1 The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is L74999HR2002PLC034805.

6.2 15th Annual General Meeting

Date	: September 24, 2016
Day	: Saturday
Time	: 10.30 AM
Venue	: HSIIDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana, India

6.3 Financial Calendar

Financial year	: April 1 to March 31
Results for the quarter ending	: Actual/Tentative Date for approval
30 th June, 2016	: On or before September 14, 2016*
30 th September, 2016	: Mid of December, 2016*
31 st December, 2016	: Mid of February, 2017
31 st March, 2016	: Latest by May 30, 2017

** As per the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 the timeline for submitting the financial results is extended by one month. The results for the quarter ending June 30, 2016 and September 30, 2016 may be submitted on or before September 14, 2016 and on or before December 14, 2016 respectively.*

6.4 Date of Book Closure

The Register of members and Share Transfer books of the Company will remain closed from Saturday, September 17, 2016 to Saturday, September 24, 2016 (both days inclusive) for the purpose of Annual General Meeting.

6.5 Dividend Payment date: Not Applicable. The Company has incurred losses in the financial year 2015-16 and does not recommend any dividend for the shareholders.

6.6 Listing on Stock Exchanges: The names of Stock Exchanges at which Company's Shares are listed and scrip code is as below:

Name and Address of the Stock Exchange	Scrip Symbol/Code	Status of fee paid
National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1,G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	A2ZINFRA	Paid
BSE Limited (formerly The Bombay Stock Exchange Limited) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	533292	Paid

6.7 International Securities Identification Numbers (ISIN)

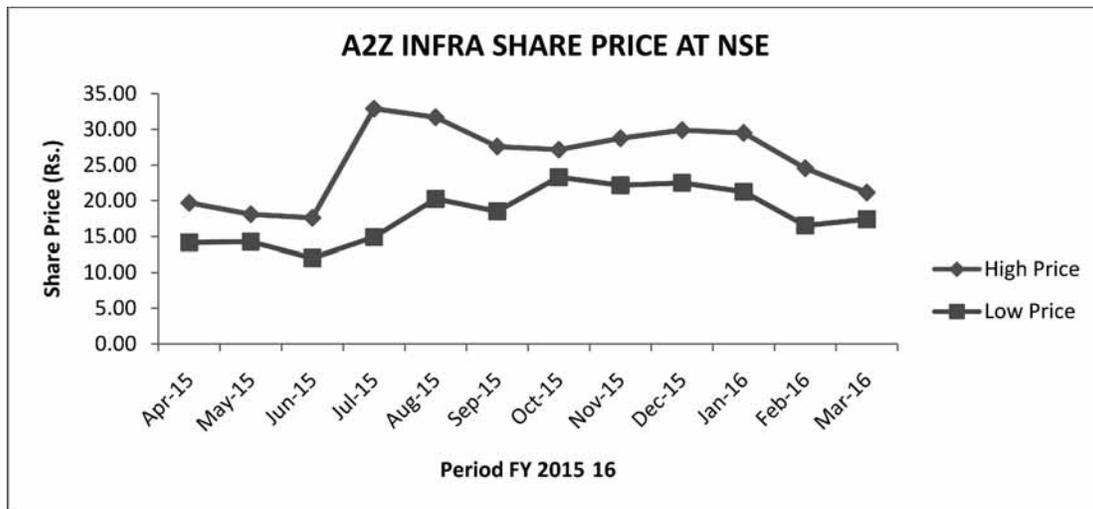
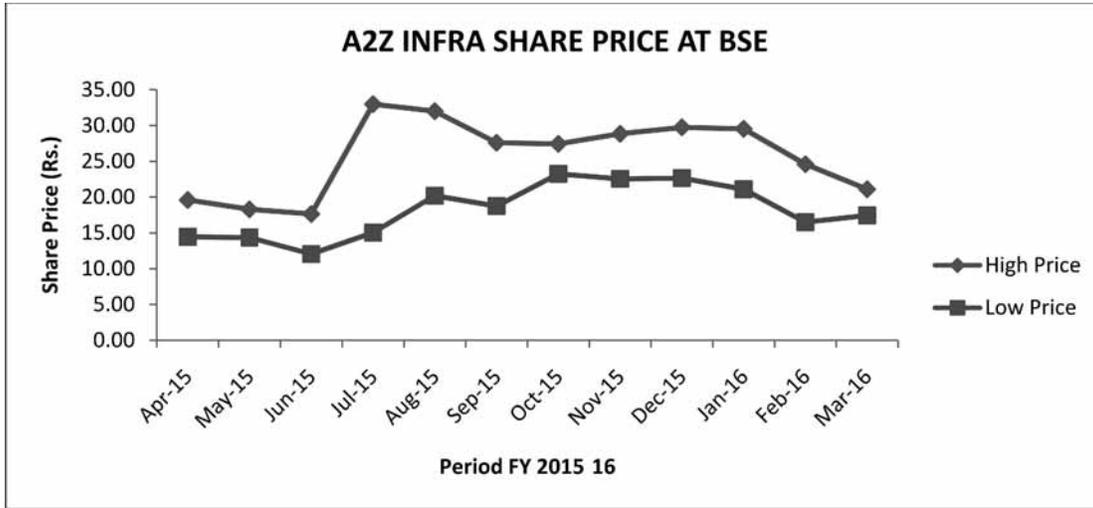
ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized equity shares of the company. The ISIN number of the shares of A2Z INFRA ENGINEERING LTD. is INE619I01012.

6.8 Market Price Data

The details of monthly highest and lowest closing price of the equity of the Company and its comparison to broad based indices Sensex (BSE) and Nifty (NSE) during financial year 2015-16 are as under:

BSE Limited				
Month & Year	A2Z Stock (in Rs.)		Sensex	
	High Price	Low Price	High Price	Low Price
April-2015	19.60	14.45	29,094.61	26,897.54
May-2015	18.30	14.35	28,071.16	26,423.99
Jun-2015	17.64	12.05	27,968.75	26,307.07
Jul-2015	32.99	15.05	28,578.33	27,416.39
Aug-2015	32.00	20.20	28,417.59	25,298.42
Sep-2015	27.60	18.75	26,471.82	24,833.54
Oct-2015	27.45	23.25	27,618.14	26,168.71
Nov-2015	28.85	22.55	26,824.30	25,451.42
Dec-2015	29.75	22.65	26,256.42	24,867.73
Jan-2016	29.55	21.10	26,197.27	23,839.76
Feb-2016	24.60	16.50	25,002.32	22,494.61
Mar-2016	21.10	17.45	25,479.62	23,133.18

National Stock Exchange of India Limited				
Month & Year	A2Z Stock (in Rs.)		Nifty	
	High Price	Low Price	High Price	Low Price
April-2015	19.70	14.15	8844.80	8144.75
May-2015	18.10	14.25	8489.55	7997.15
Jun-2015	17.60	12.00	8467.15	7940.30
Jul-2015	32.90	14.90	8654.75	8315.40
Aug-2015	31.70	20.25	8621.55	7667.25
Sep-2015	27.60	18.50	8055.00	7539.50
Oct-2015	27.15	23.30	8336.30	7930.65
Nov-2015	28.75	22.15	8116.10	7714.15
Dec-2015	29.90	22.50	7979.30	7551.05
Jan-2016	29.50	21.25	7972.55	7241.50
Feb-2016	24.55	16.50	7600.45	6825.80
Mar-2016	21.15	17.40	7749.40	7035.10



6.9 Registrar and Share Transfer Agents

The Company has engaged M/s. Alankit Assignments Limited a SEBI registered Share Transfer Agent, as Registrar and Share Transfer Agent (RTA) for processing the transfer of securities issued by the Company. RTA acknowledges and executes, transfer of securities, arranges for issue of dividend. RTA also accepts deals with and resolve complaints of shareholders. The address of RTA is as follow:

M/s Alankit Assignments Limited

1E/21, Alankit House,
 Jhandewalan Extension
 New Delhi – 110 055
 Ph.: +91 11 42541234
 Fax: +91 11 42541967
 Email: info@alankit.com
 Website: www.alankit.com

6.10 Share Transfer System

All the transfer are processed by the registrar and share transfer agent and approved by the Company. The transfer requests are processed within 15 days of receipt of the documents, if the documents are found in order. Shares under objection are returned within 15 days. The Board has delegated the authority for approving transfer, transmissions etc. of the Company's securities to the Stakeholders Relationship Committee. The Company obtains half year Compliance Certificate from a Company Secretary in practice for due compliance of share transfer formalities by the Company.

6.11 Distribution of Shareholding

(a) By number of shareholder & shares as on March 31, 2016

S. No.	Range of Shares	No. of Shareholders	% to Total Shareholders	No. of Shares	% of Shares to total shares
1	1-100	11,373	44.88	5,59,545	0.44
2	101-500	7,953	31.38	23,12,125	1.82
3	501-1000	2,472	9.75	21,01,992	1.66
4	1001-5000	2,658	10.49	61,56,162	4.85
5	5001-10000	433	1.71	32,34,890	2.55
6	10001-20000	210	0.83	29,70,225	2.34
7	20001-30000	76	0.30	19,21,762	1.52
8	30001-40000	30	0.12	10,62,621	0.84
9	40001-50000	19	0.07	8,75,115	0.69
10	50001-100000	53	0.21	35,41,089	2.79
11	100001-500000	43	0.17	89,99,989	7.10
12	500001 and Above	18	0.07	9,31,58,465	73.41
	TOTAL	25,338	100.00	12,68,93,980	100.00

(b) By category of shareholders as on March 31, 2016

Sr. No.	Category of Shareholder	Total number of shares	% of Holding
(I)	Shareholding of Promoter and Promoter Group		
	(a) Indian	63,004,640	49.65
	(b) Foreign	-	-
	Total Shareholding of Promoter & Promoter Group	63,004,640	49.65
(II)	Public shareholding		
	(A) Institutions		
	(a) Mutual Funds/UTI	-	-
	(b) Financial Institutions / Banks	8,239,561	6.49
	(c) Central Government/ State Government(s)	-	-
	(d) Venture Capital Funds	-	-
	(e) Insurance Companies	-	-
	(f) Foreign Institutional Investors	1,200,317	0.95
	(g) Foreign Venture Capital Investors	5,449,627	4.29
	(h) Qualified Foreign Investor	-	-
	(i) Any Other (specify)	-	-
	(B) Non-Institutions		
	(a) Individuals		
	i. Individual shareholders holding nominal share capital up to Rs 2 lakh	15,771,292	12.43
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	16,882,308	13.30
	(b) Qualified Foreign Investor	-	-
	(c) NBFCs registered with RBI	3,050	0.00
	(d) Any Other (specify)		
	(d-i) Non Resident Indian	2,978,498	2.35
	(d-ii) Corporate Body	13,364,687	10.53
	(d-iii) Trust	-	-
	Total Public Shareholding (A+B)	63,889,340	50.35
	GRAND TOTAL (I+II)	126,893,980	100.00

6.12 Dematerialization of Shares and Liquidity

(a) Dematerialization of Shares

Your Company's equity shares are compulsorily traded in dematerialised form by all categories of investors. Equity Shares of the Company representing 99.99% of the Company's Share Capital are dematerialized as on March 31, 2016. Equity shares of your Company are available for trading in the depository systems of both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Detail of Shares in Dematerialized and Physical Form.

(As on March 31, 2016)

Particulars of Shares	Equity Shares of Rs 10 each		Shareholders	
	Number	% of Total Shares	Number	% of Total Shareholders
NSDL	10,88,01,487	85.33	14,987	59.15
CDSL	1,80,84,996	14.66	10,328	40.76
Sub total	12,68,86,483	99.99	25,315	99.91
Physical form	7,497	0.01	23	0.09
Total	12,68,93,980	100.00	25,338	100.00

(b) Outstanding GDR/ADR or Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The Company has made an Allotment of 2,46,95,780 (Two Crore Forty Six Lac Ninety Five Thousand Seven Hundred Eighty) warrants convertible into equal no. of equity shares of Rs. 10/- each (exercisable in one or more tranches) at the option of the holder thereof at any time within 18 (eighteen) months after the allotment i.e. (September 17, 2015) at an issue price of Rs. 21.66 each on preferential basis to persons other than the promoters and Promoter group as per SEBI (ICDR) Regulations, 2009 as amended from, time to time in terms of approval granted by the shareholders of the Company in their meeting duly held on August 17, 2015.

Further as on March 31, 2016 out of the issued warrants, 82,50,786 Warrants were converted into equal no. of the Equity shares and 1,64,44,994 warrants are pending for conversion and accordingly after conversion of such warrants the equity share capital of Company shall increase by 1,64,44,994 numbers of equity shares and shall represent 11.47% of the post-paid up share capital.

(c) Commodity Price Risk or foreign currency risk and hedging activities:

The Company is not having much exposure to foreign exchange and there is a natural hedging available in terms of exports made by the Company.

6.13 PLANT LOCATIONS

The locations of company's plants are as mentioned below:

1. Nakodar, Jalandhar, Punjab
2. Kaineur Road, Morinda, Rupnagar, Ropar, Punjab
3. Village Bodiwalla Pitha, Fazilka, Firozpur, Punjab

6.14 Address for Correspondence

Shareholders may address their queries for Corporate Governance and other Secretarial related matters to:

Mr. Atul Kumar Agarwal
Company Secretary cum Compliance Officer

A2Z INFRA ENGINEERING LTD.
(formerly known as A2Z Maintenance & Engineering Services Limited)

Plot no.-B-38, Institutional Area,
 Sector-32, Gurgaon-122001, Haryana
 Telephone No.: +91 124 4517600, Fax No.: +91 124 4380014
 E-mail: complianceofficer@a2zemail.com

Website: www.a2zgroup.co.in

The Shareholders may address their queries for transfer and other grievances to:

M/s Alankit Assignments Limited

Alankit House,
 1E/21, Jhandewalan, Extension
 New Delhi – 110055
 Ph.:- +91-11-42541234,
 Fax: - +91 11 23552001
Email ID: - info@alankit.com

7. OTHER DISCLOSURES

- i. Materially significant Related Party Transactions:** - There were no material significant transactions entered by the company with the relative parties and all transactions entered into by the company with related parties as defined under the Act and Regulation 23 of SEBI LODR, 2015 during the financial year were in the ordinary course of business. These have been approved by the audit committee and Board. The board has approved a policy for related party transactions which has been uploaded on the website of Company at <http://a2zgroup.co.in/pdf/Related Party Policy 13 Apr 2015.pdf>
- ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2013-14, 2014-15 and 2015-16 respectively:** Nil
- iii. Vigil mechanism/ whistle blower policy:** The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI LODR, 2015 for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The Whistle Blower Policy is available on Company's website at <http://a2zgroup.co.in/pdf/Whistle Blower 13 Apr 2015.pdf>
- iv.** The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents and same was also uploaded on the website of the company at below mention links :- <http://a2zgroup.co.in/pdf/Policy for Determination of Materiality of Events.pdf>
<http://a2zgroup.co.in/pdf/Archival Policy.pdf>
- v. Compliance with the Mandatory Requirements of the SEBI Regulations:** The Company has complied with all the mandatory requirements of the Code of Corporate Governance under the SEBI LODR, 2015 and also the non-mandatory requirements to the extent applicable on the company and as stipulated under the SEBI LODR, 2015.

Code of Conduct

The Board has laid down a Code of Business Conduct and Ethics for all Board Members and Officer/Senior Management Personnel of the Company.

The said Code has been communicated to the Directors and Officer/Senior Management Personnel and is also posted on the web-site of the company viz. www.a2zgroup.co.in.

Declaration from the Whole time director cum Chief Executive Officer confirming that the Company has received affirmations from the Board Members and the Senior Management Personnel regarding compliance of Code of Conduct during the Financial Year ended March 31, 2016 is attached as **Annexure-I**.

The voting rights on the shares outstanding in the suspense account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

8. CERTIFICATE ON CORPORATE GOVERNANCE

A Certificate from Mr. Suchitta Koley, Practicing Company Secretary, (a partner of DR Associates, Company Secretaries), regarding compliance of Corporate Governance practices by the Company is attached as **Annexure II** to CG Report which is based upon their detailed examination of Corporate Governance practices adopted by the Company.

9. Equity Shares in the Suspense Account

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2015.	1	105
Shareholders who approached the Company for transfer of shares from suspense account during the year.	0	NA
Shareholders to whom shares were transferred from the suspense account during the year.	NA	NA
Number of shareholders to whom shares were transferred from suspense account during the year.	NA	NA
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	1	105

The voting rights on the shares outstanding in the suspense account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

Annexure – I to CG Report

Declaration Regarding Compliances By Board Members and Senior Management Personnel with Companies Code of Conduct

Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 I, hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2016.

For **A2Z INFRA ENGINEERING LTD**
(Formerly known as A2Z Maintenance & Engineering Services Limited)

Place : Gurgaon
Date : May 26, 2016

Sd/-
(Rajesh Jain)
Whole time director & Chief Executive Officer

Annexure – II to CG Report

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
A2Z Infra Engineering Limited
(Formerly known as A2Z Maintenance & Engineering Services Limited)

We have examined the compliance of conditions of Corporate Governance by A2Z Infra Engineering Limited ('the Company'), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement (listing Agreement') of the Company with the stock exchanges for the period April 01, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period December 01, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/ Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DR Associates**
Company Secretaries

Sd/-
Suchitta Koley
Partner
CP No.: 714

Place : New Delhi
Date : August 23, 2016

Independent Auditor's Report

To
The Members of
A2Z Infra Engineering Limited
(formerly known as "A2Z Maintenance & Engineering Services Limited")

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of A2Z Infra Engineering Limited (formerly known as "A2Z Maintenance & Engineering Services Limited") ("the Company"), which comprise the Balance Sheet as at March 31, 2016 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branches at Zambia and Uganda.

Management's Responsibility for the Standalone Financial Statements

2. 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 financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

4. 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.

5. 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 financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

9. We draw attention to:

(i) Note 14.1 to the standalone financial statements which describes the uncertainty relating to the assumptions used by management with respect to the impairment assessment of the cogeneration power plants and availability of the extension in the concession period for an additional term.

(ii) Note 23.1 to the standalone financial statements with respect to unbilled receivables relating to certain contracts which are still in progress aggregating to Rs. 1,204,118,263, recognized in the earlier years. Management, based on ongoing discussions/negotiations with the customers believes that these amounts are completely billable and accordingly, no adjustments have been made in the standalone financial statements.

(iii) Note 33(a) to the standalone financial statements which describes the uncertainty relating to the outcome of litigation pertaining to income tax matters pursuant to assessment orders received by the Company for the assessment years 2009-10 to 2013-14 against which management has filed appeals with Income Tax Appellate Tribunal (ITAT). Pending the final outcome of these matters, which is presently unascertainable, no further adjustments have been made in the standalone financial statements.

Our opinion is not modified in respect of above matters.

Other Matter

10. We did not audit the financial statements of certain branches, included in these financial statements, whose financial statements reflect total revenues (after eliminating intra-group transactions) of Rs. 188,490,086 and net loss after tax and prior period items (after eliminating intra-group eliminations) of Rs. 19,718,647 for the year ended March 31, 2016 and total assets of Rs. 197,334,549 as at March 31, 2016. These financial statements and other financial information have been audited by other auditors whose audit reports have been furnished to us, and our opinion in respect thereof is based solely on the audit reports of such other auditors. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. 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 I a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure I, 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c. the reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d. the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - e. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

- f. the matters described in paragraph 9 under the Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- g. on the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- h. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 28, 2016 as per annexure II expressed an unqualified opinion.
- i. 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. as detailed in Note 33 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
 - ii. the Company, as detailed in Note 34 to the standalone financial statements, has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Walker Chandiook & Co LLP**
 (formerly Walker, Chandiook & Co)
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

Place: Gurgaon
Date : May 28, 2016

Sd/-
 per **Neeraj Sharma**
 Partner
 Membership No.: 502103

Annexure I to the Independent Auditor’s Report of even date to the members of A2Z Infra Engineering Limited (formerly known as “A2Z Maintenance & Engineering Services Limited”), on the standalone financial statements for the year ended March 31, 2016

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone 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, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, *prima facie*, prejudicial to the Company’s interest.
 - (b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the

interest are regular;

- (c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) In our opinion, 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) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company’s products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of payment
Employee Welfare Fund Payable	Employee welfare fund	63,507	March 2015 to August 2015	25 th day of subsequent month	Not yet paid
Madhya Pradesh Professional Tax Act, 1995	Professional tax	568,957	July 2012 to August 2015	10 th day of subsequent month	Not yet paid
West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979	Professional tax	31,750	March 2015 to August 2015	21 st day of subsequent month	Not yet paid

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (Rs.)	Amount Paid Under Protest (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand made under section 153A & 153B	199,216,987	-	AY-2009-10 to 2013-14	Income Tax Appellate Tribunal, Delhi
Bihar Value Added Tax Act, 2005	Bihar Value Added Tax	8,354,879	-	2010-11	Assessing Officer Commercial tax, Bihar
	Bihar Value Added Tax	43,198,065	-	2012-13	Honorable High Court, Patna
Jharkhand Value Added Tax Act, 2005	Jharkhand Value Added Tax	13,845,739	5,823,531	2008-09 to 2011-12	Commissioner Commercial tax, Ranchi, Jharkhand
The West Bengal Value Added Tax Act, 2003	Works Contract Tax	65,310,875	5,000,000	2009-10	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	West Bengal Value Added Tax	101,939,698	17,500,000	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	Central Sales Tax	5,412,848	-	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	West Bengal Central Sales Tax	22,915,835	-	2011-12	Additional Commissioner (Appeals) Sales Tax
The Maharashtra Value Added Tax Act, 2002	Central Sales Tax	13,142,012	-	2007-08	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Maharashtra Value Added Tax	180,178,725	-	2008-09	Maharashtra Sales Tax Tribunal
	Maharashtra Value Added Tax	1,552,490	-	2009-10	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Central Sales Tax	15,406,040	-	2009-10	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Maharashtra Value Added Tax	2,287,862	-	2010-11	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Central Sales Tax	22,598,631	-	2010-11	Joint Commissioner (Appeal), Mumbai, Maharashtra
AP Value Added Tax Act, 2005	Andhra Pradesh Value Added Tax	6,294,726	3,125,000	2010-11	AP Sales Tax and VAT Appellate Tribunal, Hyderabad
Jammu and Kashmir, Value Added Tax Act, 2005	J&K Value Added Tax	8,602,146	-	2012-13	Deputy Commissioner Commercial Taxes (Appeals), Jammu
The Madhya Pradesh VAT Act, 2002	Central Sales Tax	10,304,904	4,533,692	2011-12	Commercial Tax Tribunal, Madhya Pradesh
	Central Sales Tax	8,995,531	910,000	2012-13	Joint Commissioner, Indore, Madhya Pradesh
	Entry Tax	331,785	207,289	2012-13	Joint Commissioner, Indore, Madhya Pradesh
The Delhi Value Added Tax Act, 2004	Value Added Tax	5,226,423	-	2010-11	Joint Commissioner, Delhi
	Value Added Tax	6,050,200	-	2010-11	Joint Commissioner, Delhi
Haryana VAT Act	Central Sales Tax	193,049,921	-	2009-10	Sales Tax Tribunal, Chandigarh

(viii) There are no dues payable to debenture-holders or Government. The Company has defaulted in repayment of loans and borrowings to the following banks and financial institutions during the year, which is detailed below:

Particulars	Default (in months)				
	(0-3)	(3-6)	(6-12)	(12-24)	(More than 24)
Allahabad Bank	30,017,247	5,256,179	3,494,820	-	-
Axis Bank	26,261,734	1,903,620	450,248	-	-
HSBC Bank	1,638,944	2,450,359	5,417,447	17,219,050	4,387,824
ICICI Bank	74,389,999	80,658,721	104,674,246	-	-
IDBI Bank	142,607,532	3,061,240	-	-	-
Yes Bank	252,768,059	1,060,822	-	-	-
DBS Bank	14,432,674	21,958,308	49,988,207	635,262,668	52,803,234
State Chartered Bank	18,159,951	27,144,594	61,145,483	92,426,216	66,862,065
Indusind Bank	15,247,457	683,687	231,549	-	-
ING Vyasa Bank	27,544,465	1,748,809	2,854,626	-	-
State Bank of Patiala	188,659,853	-	-	-	-
State Bank of Hyderabad	3,082,797	4,712,268	11,338,046	3,745,795	-
State Bank of India	10,529,282	16,369,357	39,401,177	21,668,510	1,944,454
State Bank of Mysore	16,683,893	1,951,059	-	-	-
State Bank of Travancore	21,674,986	1,023,883	154,750	-	-
Union Bank of India	20,574,628	2,930,690	71,185	-	-
Financial Institutions:					
SREI Equipment Finance Limited	289,559	436,941	1,059,420	1,917,290	15,037,051
State Industrial & Investment corporation of Maharashtra Limited (SICOM)	12,295,082	18,904,110	43,869,863	75,000,000	571,023,460

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act except for in following cases:

S. No	Payment made to	Financial year	Amount Paid/ provided in excess of limits prescribed (Rs)	Amount due for Recovery as at March 31, 2016 (Rs)	Steps taken to secure the recovery of the amount	Remarks (if any)
1	Managing Director	2012-13	9,453,744	8,453,744	The Company has obtained a confirmation from the Managing Director that such amount has been held in trust will be repaid as per agreed plan.	Amount recoverable pertains to non-grant of requisite approval by Central Government under the provision of 198, 309 & 310 of erstwhile Companies Act 1956.
		2013-14	9,494,496	9,494,496		

- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3 (xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has made preferential allotment/ private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/ private placement of convertible debentures
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)

Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-

per **Neeraj Sharma**

Partner

Membership No.: 502103

Place: Gurgaon
Date : May 28, 2016

Annexure II to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited (formerly known as "A2Z Maintenance & Engineering Services Limited"), on the standalone financial statements for the year ended March 31, 2016**Annexure II****Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the standalone financial statements of A2Z Infra Engineering Limited (formerly known as "A2Z Maintenance & Engineering Services Limited") ("the Company") as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 the company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 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 Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)

Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
per **Neeraj Sharma**

Partner

Membership No.: 502103

Place: Gurgaon
Date : May 28, 2016

Balance sheet as at March 31, 2016

(Unless otherwise stated, all amounts are in Indian Rupees)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	1,268,939,800	865,176,940
Reserves and surplus	4	6,755,808,643	7,102,378,691
Money Received against Share Warrants	3.5	89,049,640	-
		8,113,798,083	7,967,555,631
Share application money pending allotment			
	5	-	222,000,000
Non-current liabilities			
Long-term borrowings	6	3,059,487,833	3,193,764,404
Long-term provisions	7	48,668,860	44,584,148
		3,108,156,693	3,238,348,552
Current liabilities			
Short-term borrowings	8	5,267,713,945	5,012,939,113
Trade payables	9		
- Total outstanding dues of micro and small enterprises		2,067,424	2,124,988
- Total outstanding dues of creditors other than micro and small enterprises		6,953,763,564	2,087,528,416
Other current liabilities	10	3,136,456,573	2,518,767,204
Short-term provisions	11	13,892,193	9,751,206
		15,373,893,699	9,631,110,927
		26,595,848,475	21,059,015,110
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	1,861,245,329	2,054,645,679
Intangible assets	13	8,596,095	17,211,863
Capital work in progress	14	2,661,309,358	2,671,222,669
		4,531,150,782	4,743,080,211
Non-current investments	15	2,895,860,107	2,942,999,484
Deferred tax assets (net)	31	1,217,358,225	1,222,811,463
Long-term loans and advances	16	368,578,310	322,706,911
Other non-current assets	17	230,066,137	199,573,334
		4,711,862,779	4,688,091,192
Current assets			
Current investments	18	23,128,150	23,128,150
Inventories	19	181,226,542	116,386,419
Trade receivables	20	10,260,375,332	6,661,078,899
Cash and bank balances	21	79,772,790	24,624,284
Short-term loans and advances	22	1,619,812,576	1,413,547,393
Other current assets	23	5,188,519,524	3,389,078,562
		17,352,834,914	11,627,843,707
		26,595,848,475	21,059,015,110

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

This is the balance sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN No. 00058944)

Sd/-
Rajesh Jain
Chief Executive Officer and Whole Time Director
(DIN No. 07015027)

Place: Gurgaon
Date : May 28, 2016

Sd/-
Lalit Mohan Gulati
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Statement of Profit and Loss for the Year ended March 31, 2016

(Unless otherwise stated, all amounts are in Indian Rupees)

	Notes	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Revenue			
Revenue from operations	24	9,613,878,337	2,191,671,393
Other income	25	275,330,804	94,652,844
Total revenue		9,889,209,141	2,286,324,237
Expenses			
Cost of material and services	26	7,775,409,838	2,139,470,488
Purchases of stock-in-trade	42(d)	251,263,346	737,894
Changes in inventories of finished goods and stock-in-trade	27	737,894	3,194,706
Employee benefits expense	28	217,001,384	322,080,097
Finance costs	29	1,171,800,842	1,175,351,225
Depreciation and amortisation expense	12,13	165,734,879	102,842,918
Other expenses	30	750,905,076	646,159,605
Total expenses		10,332,853,259	4,389,836,933
Loss before exceptional items and tax		(443,644,118)	(2,103,512,696)
Prior period items	41	6,077,003	-
Exceptional items - Gain		-	45,363,039
Loss for the year before tax		(437,567,115)	(2,058,149,657)
Tax expense:			
Current tax		3,805,585	5,638,347
Deferred tax charge/(credit)	31	5,453,238	(826,739,472)
Current tax relating to earlier years		-	1,785,411
Total tax expense		9,258,823	(819,315,714)
Net Loss for the year after tax		(446,825,938)	(1,238,833,943)
Earnings per share			
[Nominal Value of Shares Rs 10]	32		
Basic earning per share		(3.92)	(15.91)
Diluted earning per share		(3.92)	(15.91)

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

This is the statement of profit and loss referred to in our report of even date

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
per **Neeraj Sharma**
Partner

Sd/-
Amit Mittal
Managing Director
(DIN No. 00058944)

Sd/-
Rajesh Jain
Chief Executive Officer and Whole Time Director
(DIN No. 07015027)

Place: Gurgaon
Date : May 28, 2016

Sd/-
Lalit Mohan Gulati
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Cash flows statement for the year ended March 31, 2016

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax	(437,567,115)	(2,058,149,657)
Adjustment for		
Prior period (income)/expense	(6,077,003)	-
Exceptional items-gain	-	(45,363,039)
Depreciation and amortisation expense	165,734,879	102,842,918
Interest expense	1,086,688,085	1,085,327,130
(Profit)/Loss on sale of fixed assets	(51,246,550)	1,659,370
(Profit) on sale of investment in subsidiaries (net)	(46,882,298)	-
Provision for Contract revenue in excess of billing	191,717,394	-
Provision for profit on Transfer of investments	48,264,763	-
Provision for doubtful advances	41,916,769	97,324,927
Provision for bad and doubtful debts	147,298,379	291,254,657
Amortisation of loan processing fees	15,977,326	19,260,025
Bad debts written off	55,314,746	602,565
Advances from suppliers written off	6,294,240	2,097,514
Capital work in progress written off	10,750,000	-
Liabilities written back	(11,509,064)	(18,900,625)
Rental income from operating leases	(420,000)	(30,831,029)
Interest income	(148,009,419)	(40,320,109)
Operating loss before working capital changes	1,068,245,132	(593,195,353)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(64,840,123)	20,432,144
Trade receivables	(3,801,909,558)	(133,778,619)
Short term loans and advances	(185,721,696)	(22,330,346)
Long term loans and advances	(15,514,212)	(23,750,183)
Other current assets	(1,783,768,402)	296,620,058
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	4,637,704,491	250,185,462
Other current liabilities	121,164,320	420,551,585
Short term provisions	4,140,987	6,474,999
Long term provisions	4,084,712	(983,798)
	(16,414,349)	220,225,949
Current taxes paid (net of refunds)	(43,645,635)	(20,398,211)
Net cash generated/ (used in) from operating activities	(60,059,984)	199,827,738
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Capital work in progress)	(16,785,261)	(298,362,537)
Proceeds from sale of fixed assets	89,335,481	5,170,394
Purchase of long term investment in subsidiaries	-	7,849,538
Proceeds from sale of investment in subsidiaries	6,762	-
Fixed deposits placed	(94,502,103)	(207,676,501)
Fixed deposits matured	97,233,667	177,345,623
Rental income from operating leases	420,000	30,831,029
Interest received	131,213,844	17,571,715
Net cash generated/(used in) from investing activities	206,922,390	(267,270,739)

Cash flows statement for the year ended March 31, 2016

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
C Cash flow from financing activities		
Proceeds from issuance of equity share capital	100,762,860	123,400,000
Proceeds from securities premium	100,255,890	-
Proceeds from share application/warrant money pending allotment	89,049,640	1,000,000
Dividend and corporate dividend tax paid	-	(540)
Proceeds from long term borrowings	373,191,291	769,128,282
Repayment of long term borrowings	(268,052,942)	(3,028,387)
Proceeds from short term borrowings (net)	254,774,832	(349,672,774)
Interest paid	(741,695,471)	(533,973,724)
Net cash generated/ (used in) from financing activities	(91,713,900)	6,852,857
Net decrease in cash and cash equivalents (A+B+C)	55,148,506	(60,590,144)
Cash and cash equivalents at the beginning of the year	24,624,284	85,214,428
Cash and cash equivalents at the end of the year	79,772,790	24,624,284
Components of cash and cash equivalents	As at	As at
	March 31, 2016	March 31, 2015
Cash on hand	456,378	6,314,600
Balances with banks		
- in current accounts	79,234,550	18,227,270
- in cash credit accounts	-	552
- in unpaid dividend account*	81,862	81,862
	79,772,790	24,624,284

* The Company can utilise these balances only towards settlement of the respective unpaid dividend account.

Notes:

- 1) Figures in brackets indicate cash outflow.
- 2) The figures of the previous year have been regrouped/reclassified, where necessary, to confirm with the classification of the current year.

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

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

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
per **Neeraj Sharma**
Partner

Sd/-
Amit Mittal
Managing Director
(DIN No. 00058944)

Sd/-
Rajesh Jain
Chief Executive Officer and Whole Time Director
(DIN No. 07015027)

Place: Gurgaon
Date : May 28, 2016

Sd/-
Lalit Mohan Gulati
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Summary of Significant accounting policies and notes forming part of the financial statements

Note 1 : NATURE OF OPERATIONS

A2Z Infra Engineering Limited (formerly known as A2Z Maintenance & Engineering Services Limited) ('A2Z or the Company') was incorporated at National Capital Territory of Delhi and Haryana on January 7, 2002 for providing maintenance and engineering services. The Company commenced its business with the facility management services and entered into engineering business during the year 2005-06. The Company has also entered into collaboration with sugar mills for setting up 3 Cogeneration (Cogen) power plants on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years.

The Company's engineering business segment primarily includes supply, erection and maintenance of electrical transmission lines and allied services to power distribution companies. During the year 2014-15, the Company had forayed into a new venture of Optic Fiber Cable (OFC) laying and maintenance.

Note 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in compliance with the accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on going concern basis under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

b) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles in India (Indian GAAP) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

c) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss (if any). The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Assets acquired for contracts on BOOT basis have been capitalised as fixed assets in accordance with terms of respective contracts.

d) Depreciation

Depreciation on assets is provided on straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use.

Particulars	Useful Life (Straight Line Method)
Building	10-60 Years
Office equipment	5 Years
Plant and equipment	8-15 Years
Computers	3-6 Years
Furniture and fixtures	8-10 Years
Vehicles	8-10 Years
Leasehold land	Over the lease term on straight line basis.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end. Also refer note 12.1

Summary of Significant accounting policies and notes forming part of the financial statements

e) Intangible assets and amortisation

Softwares which are not integral part of the hardware are classified as intangibles and are stated at cost less accumulated amortisation. These are being amortised on a straight line basis over lower of license period or a period of 5 to 6 years, being the estimated useful life.

Goodwill arising on acquisition and purchase of business is amortised on a straight line basis over a period of five years.

f) Impairment

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) net selling price 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective qualifying asset. Borrowing costs consist of interest and other ancillary costs that an entity incurs in connection with the borrowing of funds. Ancillary costs related to borrowings are amortised over the tenure of loan . All other borrowing costs are expensed in the year they occur.

h) Leases

Where the Company is the lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term 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 lease term.

Where the Company is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

j) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes all applicable overheads in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Summary of Significant accounting policies and notes forming part of the financial statements

k) 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.

(i) Revenue from engineering services

Revenue from engineering services is recognised by reference to the stage of completion of the project at the balance sheet date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the balance sheet date bear to the estimated total contract costs as assessed by project managers and validated by the management. Materials purchased specifically for the projects and identifiable to the project are considered as part of contract costs in accordance with AS-7, "Construction Contracts".

If it is expected that a contract will make a loss, the estimated loss is provided in the books of accounts. Such losses are based on technical assessments. Contract revenue earned in excess of billing has been reflected under "Other current assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the Balance Sheet. As the outcome of the contracts cannot be measured reliably during the early stages of the project, contract revenue is recognised only to the extent of costs incurred in the statement of profit and loss unless the actual cost reaches a minimum threshold of 10% of total estimated cost of the project.

Liquidated damages/ penalties, interest, warranties and contingencies are provided for, based on management's assessment of the estimated liability, as per contractual terms and/or acceptance.

(ii) Revenue from operation and maintenance services

Revenue from maintenance contracts and renting of equipments are recognised pro-rata over the period of the contract as and when services are rendered in accordance with the terms of the respective contract.

(iii) Income from professional and data processing services

Income from professional and data processing services is recognized on the basis of services rendered in accordance with the terms of the agreement.

(iv) 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. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.

(v) Interest

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

(vi) Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

l) Foreign currency translation

(i) Foreign currency transactions

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.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

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

Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

Summary of Significant accounting policies and notes forming part of the financial statements

(ii) Translation of integral foreign operation

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.

m) Retirement and other employment benefits

- i) 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.
- ii) 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. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.
- iii) 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.
- iv) Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses arise

n) 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. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

o) Segment reporting

Identification of segments:

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

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

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

Segment 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.

Summary of Significant accounting policies and notes forming part of the financial statements

p) 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 numbers of shares outstanding during the year are adjusted for bonus issue.

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.

q) Derivative instruments

As per the guidance provided in the Announcement of the Institute of Chartered Accountants of India dated March 29, 2008, accounting for derivative contracts, other than those covered under AS-11, are marked to market on individual portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the statement of profit and loss. Net gains are ignored.

r) 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.

s) Accounting for joint ventures

Accounting for joint ventures undertaken by the Company has been done in accordance with Accounting Standard -27 "Financial Reporting of Interests in Joint Ventures" of the Companies (Accounting Standard) Rule 2006 as follows:

Type of Joint ventures

Jointly controlled operations

Accounting treatment

The Company's share of revenues, expenses, assets and liabilities are included in the financial statements as revenues, expenses, assets and liabilities respectively.

t) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

u) Contingent liability and provisions

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company are accounted for as either provisions or disclosed as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liability in the financial statements.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Note 3: SHARE CAPITAL				
Authorised				
Equity shares of Rs 10 each	160,000,000	1,600,000,000	126,000,000	1,260,000,000
Issued, subscribed and fully paid up				
Equity shares of Rs 10 each	126,893,980	1,268,939,800	86,517,694	865,176,940
	126,893,980	1,268,939,800	86,517,694	865,176,940

Note 3.1: Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs 10 each fully paid up				
Opening balance	86,517,694	865,176,940	74,177,694	741,776,940
Add: Issued during the year :-				
- Against Conversion of share warrants (Refer note 3.5)	8,250,786	82,507,860	-	-
- Under Corporate Debt Restructuring Scheme (Refer note 3.6)	8,100,000	81,000,000	-	-
- Under ESOP scheme (Refer note 3.7 and 3.8)	1,825,500	18,255,000	-	-
- Against Share application money(Refer note 5)	22,200,000	222,000,000	12,340,000	123,400,000
Closing balance	126,893,980	1,268,939,800	86,517,694	865,176,940

Note 3.2: The Company has only one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Note 3.3: Details of shares held by shareholder holding more than 5% equity shares of the Company:

	As at March 31, 2016		As at March 31, 2015	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of Rs 10 each fully paid up				
Amit Mittal	36,172,301	28.51%	39,057,301	45.14%
Mestric Consultants (P) Limited	22,200,000	17.49%	-	0.00%
ICICI Bank	8,100,000	6.38%	-	0.00%
Beacon India Investors Limited	5,210,862	4.11%	5,210,862	6.02%
	71,683,163	56.49%	44,268,163	51.16%

Note 3.4: No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2016.

Note 3.5: During the year, the Company has allotted 24,695,780 warrants convertible into equal number of equity shares of Rs. 10 each (exercisable in one or more tranches) at the option of the holder thereof at any time within 18 (eighteen) months after the allotment at an issue price of Rs. 21.66 each on preferential basis to persons other than the Promoters and Promoter group. In this regard, the Company had received Rs. 133,727,646 in September, 2015 being 25% of the subscription amount as per the SEBI (ICDR) Regulations, 2009. The said warrants are to be converted into equity shares on the exercise of the conversion rights by the allottees at the time of payment of remaining 75% subscription amount.

Further, the Company has received the remaining 75% of the subscription amount for 8,250,786 warrants amounting Rs 134,034,019 and have allotted 8,250,786 equity shares against these warrants.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 3.6: During the year, The Company has allotted 8,100,000 equity shares on preferential basis to one of the banks as per SEBI (ICDR) Regulations, 2009 as amended from time to time, on the conversion of Funded Interest Term Loan (FITL) as per the Master Restructuring Agreement with the banks under the Corporate Debt Restructuring Scheme (CDR Scheme) in terms of approval granted by the shareholders of the Company by the way of postal ballot.

Note 3.7: During the year, the Company has allotted 1,825,500 equity shares of face value of Rs. 10 each to the eligible employees of the Company who have exercised their stock options under the A2Z Employee Stock Option Plan 2013 (Tranche I and Tranche II). These shares are pari-passu with the existing equity shares of the Company, in all respects.

Note 3.8: The Company has following stock option plans:

(a) A2Z Stock Option Plan 2010 ('the plan')

During the year ended March 31, 2010, the Company had formulated Employee Stock Option Scheme referred as 'A2Z Stock Option Plan 2010 ('the plan')' for all eligible employees/ directors of the Company except an employee who is promoter or belongs to the promoter group of the Company and its subsidiaries in pursuance of the special resolution duly approved by the shareholders on March 30, 2010.

The plan shall be administered and supervised by the Nomination & Remuneration Committee under the powers delegated by Board. Each option shall entitle the option grantee to apply for and be transferred Equity Shares of the Company. On or from the time of the listing of the Equity Shares of the Company, the maximum number of options that can be granted to any employee in any year under the A2Z ESOP shall be less than 5% of the issued share capital of the Company (excluding any outstanding warrants or other securities convertible into Equity Shares) at the time of grant of options, subject to the overall ceiling of 2,865,056 options in the aggregate.

The Company has granted stock options on June 2, 2010, details of which are as follows:

Options granted	1,075,750			
Date of Grant	June 2, 2010			
Requirements of vesting, period of vesting and maximum period within which options shall be vested	The vesting schedule is set forth below:			
	Vesting	Number of months from the date of grant of options	% of options vested	Cumulative % of options vested
	1	12	20	20
	2	24	20	40
	3	36	20	60
	4	48	20	80
	5	60	20	100
Exercise price	Rs. 314.13			
Exercise period and process of exercise	5 years; by way of application			
Accounting method used by the Company to value its options	Intrinsic value method			
Method of settlement	Equity			
Vesting conditions	Eligibility based on employment			

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	344,250	314.13	
Granted during the year	-	-	
Forfeited during the year	67,500	314.13	
Exercised during the year	-	-	
Expired during the year	-	-	
Outstanding at the end of the year	276,750	314.13	2.18 (Previous Year 3.18)
Exercisable at the end of the year	276,750	314.13	
Weighted average fair value of options granted on the date of grant	-	58.23	

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	
Weighted average share price / Fair value of share	Rs. 221.75
Exercise Price	Rs. 314.13
Annual Volatility (Standard Deviation – Annual)	34.93%
Time To Maturity - in years	5.51
Dividend Yield	2.25%
Risk free Rate – Annual	7.45%

As the Company was unlisted at the time of granting of ESOP, the expected volatility was determined based on average of semi-annual volatility of stock price of peer group.

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* As the exercise price is more than the fair value of the shares, under 'Intrinsic Value' Method.

Refer Note 3.8(e) for impact on the reported net profit and earnings per share by applying the fair value based method.

(b) A2Z Employees Stock Option Plan, 2013 ' Tranche I

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on February 3, 2014 has granted 1,695,000 stock options convertible into equivalent number of equity shares of Rs 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of Rs 10.35 each which is NSE closing market price on January 31, 2014 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable on the first anniversary of the grant date till completion of five years since then;

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	1,570,000	10.35	
Granted during the year	-	-	
Forfeited during the year	80,000	10.35	
Exercised during the year	1,470,000	10.35	
Expired during the year	-	-	
Outstanding at the end of the year	20,000	10.35	
Exercisable at the end of the year	20,000	10.35	
Weighted average fair value of options granted on the date of grant	-	7.23	
			3.85 (Previous Year 4.85)

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	
Weighted average share price / Fair value of share	Rs. 7.23
Exercise Price	Rs. 10.35
Annual Volatility (Standard Deviation – Annual)	65.19%
Time To Maturity - in years	6
Dividend Yield	0.00%
Risk free Rate – Annual	8.90%

The expected volatility was determined by using the closing market price of the Company from February 1, 2013 to February 3, 2014.

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* Since the Intrinsic Value is nil, as the Company has granted the equity shares at the exercise price which is equivalent to the quoted market price of the shares of the Company.

Refer Note 3.8(e) for impact on the reported net profit and earnings per share by applying the fair value based method.

(c) A2Z Employees Stock Option Plan, 2013' Tranche II

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on July 3, 2014 has granted 1,905,000 stock options convertible into equivalent number of equity shares of Rs 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of Rs 19.95 each which is NSE closing market price on July 02, 2014 (i.e previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of four years since then;

The Company has granted stock options on July 03, 2014, details of which are as follows:

Options granted	1,905,000			
Date of Grant	July 3, 2014			
Requirements of vesting, period of vesting and maximum period within which options shall be vested	The vesting schedule is set forth below:			
	Vesting	Number of months from the date of grant of options	% of options vested	Cumulative % of options vested
	1	12	30	30
	2	24	30	60
	3	36	40	100
Exercise price	19.95			
Exercise period and process of exercise	5 years; by way of application			
Accounting method used by the Company to value its options	Intrinsic value method			
Method of settlement	Equity			
Vesting conditions	Eligibility based on employment			

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	1,745,000	19.95	
Granted during the year	-	-	5.36 (Previous Year 6.36)
Forfeited during the year	210,000	19.95	
Exercised during the year	355,500	19.95	
Expired during the year	-	-	
Outstanding at the end of the year	1,179,500	19.95	
Exercisable at the end of the year	105,000	19.95	
Weighted average fair value of options granted on the date of grant	-	13.14	

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	% of options vested		
	30%	30%	40%
Weighted average share price / Fair value of share	Rs. 13.14	Rs. 13.97	Rs. 14.69
Exercise Price	Rs. 19.95	Rs. 19.95	Rs. 19.95
Annual Volatility (Standard Deviation – Annual)	61.15%	61.15%	61.15%
Time To Maturity - in years	6	7	8
Dividend Yield	0.00%	0.00%	0.00%
Risk free Rate – Annual	8.64%	8.65%	8.65%

The expected volatility was determined by using the closing market price of the Company from April 1, 2014 to March 31, 2015.

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* Since the Intrinsic Value is nil, as the Company has granted the equity shares at the exercise price which is equivalent to the quoted market price of the shares of the Company.

Refer Note 3.8(e) for impact on the reported net profit and earnings per share by applying the fair value based method.

(d) A2Z Employees Stock Option Plan, 2014' Tranche I

The members of the Company vide special resolution at the Annual General Meeting held on September 27, 2014 had approved the A2Z Employees Stock Option Plan, 2014. The ESOP Compensation Committee in its meeting held on July 6, 2015 has granted 45,00,000 stock options convertible into equivalent number of equity shares of Rs 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of Rs 15.50 each which is NSE closing market price on July 03, 2015 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then;

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

The Company has granted stock options on July 06, 2015, details of which are as follows:

Options granted	4,500,000			
Date of Grant	July 6, 2015			
Requirements of vesting, period of vesting and maximum period within which options shall be vested	The vesting schedule is set forth below:			
	Vesting	Number of months from the date of grant of options	% of options vested	Cumulative % of options vested
	1	12	30	30
	2	24	30	60
	3	36	40	100
Exercise price	15.50			
Exercise period and process of exercise	5 years; by way of application			
Accounting method used by the Company to value its options	Intrinsic value method			
Method of settlement	Equity			
Vesting conditions	Eligibility based on employment			

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	-	-	
Granted during the year	4,500,000	15.50	6.37 (Previous Year Nil)
Forfeited during the year	-	-	
Exercised during the year	-	-	
Expired during the year	-	-	
Outstanding at the end of the year	4,500,000	15.50	
Exercisable at the end of the year	-	-	
Weighted average fair value of options granted on the date of grant	-	10.48	

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	% of options vested		
	30%	30%	40%
Weighted average share price / Fair value of share	Rs. 10.48	Rs. 11.14	Rs. 11.67
Exercise Price	Rs. 15.50	Rs. 15.50	Rs. 15.50
Annual Volatility (Standard Deviation – Annual)	65.50%	65.50%	65.50%
Time To Maturity - in years	6	7	8
Dividend Yield	0.00%	0.00%	0.00%
Risk free Rate – Annual	8.19%	8.30%	8.20%

The expected volatility was determined by using the closing market price of the Company from July 4, 2014 to July 6, 2015.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* Since the Intrinsic Value is nil, as the Company has granted the equity shares at the exercise price which is equivalent to the quoted market price of the shares of the Company.

Refer Note 3.8(e) for impact on the reported net profit and earnings per share by applying the fair value based method.

(e) Since the enterprise uses the intrinsic value method, the impact on the reported net profit and earnings per share by applying the fair value based method has been disclosed below:

In March 2005, the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan, the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Loss for the year, as reported	(446,825,938)	(1,238,833,943)
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method*	21,033,913	14,260,154
Pro-forma (loss) / profit	(467,859,851)	(1,253,094,097)
Earnings Per Share		
Basic		
– As reported	(3.92)	(15.91)
– Pro-forma	(4.11)	(16.09)
Diluted		
– As reported	(3.92)	(15.91)
– Pro-forma	(4.11)	(16.09)

* The Company has considered an attrition / lapsing rate of 10% for the purpose of above disclosure.

	As at March 31, 2016	As at March 31, 2015
Note 4: RESERVES AND SURPLUS		
Securities premium account		
Opening balance	7,714,859,233	7,714,859,233
Add: Receipt during the year (Refer Note 3.5 and 3.7)	100,255,890	-
Closing balance	7,815,115,123	7,714,859,233
Surplus in statement of profit and loss		
Opening balance	(676,494,432)	575,817,388
Add: Transfer from statement of profit and loss	(446,825,938)	(1,238,833,943)
Less: Adjustment due to depreciation	-	13,477,877
Closing balance	(1,123,320,370)	(676,494,432)
General reserve	64,013,890	64,013,890
	6,755,808,643	7,102,378,691

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
<u>Note 5 : SHARE APPLICATION MONEY PENDING ALLOTMENT</u>		
Opening balance	222,000,000	221,000,000
Add: Received during the year	-	124,400,000
Less: Shares issued against share application money during the year	222,000,000	123,400,000
Closing balance	-	222,000,000

Note 5.1: Share application money pending allotment represents contribution received from the Promoter / Promoter Group company under Corporate Debt Restructuring (CDR) Scheme. During the year ended March 31, 2016, the Company has allotted 22,200,000 equity shares of Rs.10 each (at par) having same terms and conditions as defined in Note 3.2 against the entire share application money outstanding as at March 31, 2016.

	As at March 31, 2016		As at March 31, 2015	
	Non Current	Current	Non Current	Current
<u>Note 6 : LONG-TERM BORROWINGS</u>				
Term loans (Secured)				
From banks (Refer note 6.1 and 6.4)	1,814,821,947	418,321,519	1,767,469,707	260,841,784
From financial institutions (Refer note 6.2 and 6.4)	-	500,000,000	-	514,309,636
Working capital term loans (Secured)				
From banks (Refer note 6.3 (a))	415,016,833	63,449,581	475,691,793	106,412,025
Funded interest term loans (Secured)				
From banks (Refer note 6.3 (b))	829,649,053	97,373,873	950,602,904	39,166,608
	3,059,487,833	1,079,144,973	3,193,764,404	920,730,053

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long-term borrowings:

Note 6.1: Term loans from banks:

- 1) Term loan from bank amounting to Rs 858,000,000 (Previous year - Rs 880,000,000) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme is repayable in 32 quarterly installments, first installment was due in March 2015.

The above loan is secured against (i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. (ii) Second pari-passu charge on fixed assets and current assets on EPC business.

- 2) Term loan from bank amounting to Rs 923,378,781 (Previous year - Rs 1,038,511,491) having an interest rate from 12.75% - 13.25% per annum during the year is repayable in 24 quarterly installments, first installment was due in June 2015.

The above loan is secured against:

- (a) First charge on pari - passu basis: (i) by way of hypothecation of all current assets of the Company including but not limited to receivables and inventory, relating to the projects both present and future; (ii) on all intangible assets including but not limited to goodwill pertaining to the projects (to the extent permissible by the Punjab state Co-operative sugar mills).
- (b) First charge (i) on all the insurance contracts with respect to the projects together with any receivables thereunder; (ii) on all the accounts (including but not limited to the project accounts) with respect to the projects
- (c) An assignment of: (i) all rights and interest by way of first charge on pari passu basis on the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, relating to the projects, present and future; (ii) the rights and interest in the project site to the extent permissible by law; (iii) all its rights and obligations under the assignment orders and memorandum of understandings and; (iv) the rights and interest by way of first charge on pari passu basis into and under each of the project documents, and all the rights under each letter of credit/ guarantee or performance bond that may be posted by any party to a project document for the Company's benefit and all the rights under the approvals in connection with the project (having value above Rs 100,000,000) to the extent permissible by law
- (d) Personal guarantee of Mr. Amit Mittal (Managing Director).

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

- 3) Term loans from banks amounting to Rs 151,985,500 (Previous year - Rs 96,700,000) having interest rate of 10.15% - 10.75% per annum during the year are repayable in 28 quarterly installments, first installment is due in March 2016.
The above loan is secured against (i) First charge ranking pari passu on present and future fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (ii) Second charge ranking pari passu on present and future current assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (iii) Second charge ranking pari passu on both present and future current assets, as well as fixed assets of Company other than assets exclusively financed to other lenders.
- 4) Term loans from banks amounting to Rs 139,779,185 (Previous year - Rs 13,100,000) having interest rate from 10.15% to 10.75% per annum during the year are repayable in 21 quarterly installments, first installment is due in March 2016.
The above loan is secured against (i) First charge ranking pari passu on both present and future current assets as well as fixed assets of the Company other than assets exclusively charged to other lenders. (ii) Second charge ranking pari passu on both present and future current assets of the power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.
- 5) Term loans from banks amounting to Rs 160,000,000 (Previous year - Rs Nil) having interest rate from 12.75%- 13.25% per annum during the year are repayable in 28 quarterly installments, first installment is due in March 2016. The above loan is secured against (i) First pari passu charge on present and future fixed assets of the Power projects at Fazlika, Nakodar and Morinda. (ii) Second pari passu charge on present and future current assets of the Power projects at Fazlika, Nakodar and Morinda. (iii) Second pari passu charge on both present and future current assets as well as fixed assets of the company other than assets exclusively charged to other lenders. (iv) Personal Guarantee of Mr. Amit Mittal.

Note 6.2: Term loans from financial institution:

- 1) The loan amounting to Rs 500,000,000 (Previous year - Rs 500,000,000) is secured by a first charge by way of hypothecation and escrow of the entire retention money receivables both present and future. The interest rate is 15% per annum and the loan was repayable in April 2015.
- 2) The loans amounting to Rs Nil (Previous year - Rs 14,309,636) is secured against hypothecation of equipments acquired out of loan. The interest rate is 11.50% to 13.00% per annum and the loans are repayable in 12 quarterly and 48 monthly installments.

Note 6.3 (a) : Working Capital Term Loan:

Working capital term loans from bank amounting to Rs 478,466,414 (Previous year - Rs 582,103,818) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly installments. First installment was due in March 2015. The above loan is secured against (i) First pari passu charge on both present and future fixed assets as well as current assets of the Company or Borrower other than assets exclusively charged to other lenders. (ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

Note 6.3 (b) (i) : Funded Interest Term Loan -1 (EPC):

Funded interest term loans from bank amounting to Rs 895,899,320 (Previous year - Rs 989,769,512) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 25 quarterly installments. First installment was due in March 2015. The above loan is secured against (i) First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders. (ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

Note 6.3 (b) (ii) : Funded Interest Term Loan -2 (EPC):

Funded interest term loans from bank amounting to Rs 31,123,606 (Previous year - Rs Nil) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in single installment, which will due in March 2021.

The above loan is secured against (i) First charge pari passu on both present and future current asset as well as fixed assets of the EPC business other than assets exclusively charged to lenders. (ii) Second charge pari passu on both current assets and fixed assets of the 3 biomass power plant projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (iii) Second charge pari passu on land property first charged to DBS and SCB given for term loan.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 6.4: The Company has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

Particulars	As at March 31, 2016	As at March 31, 2015
Banks:		
- Principal		
0-3 Months	-	25,633,334
3-6 Months	22,929,729	-
6-12 Months	48,647,299	-
- Interest		
0-3 Months	57,710,723	45,730,320
3-6 Months	43,535,763	3,046,606
6-12 Months	69,466,290	7,521,407
> 12 months	18,696,263	1,944,454
Financial Institutions:		
- Principal		
> 12 months	500,000,000	513,549,885
- Interest		
0-3 Months	12,584,641	18,955,536
3-6 Months	19,341,051	12,851,899
6-12 Months	44,929,283	45,109,855
> 12 months	149,427,916	72,510,626

	As at March 31, 2016	As at March 31, 2015
Note 7: LONG-TERM PROVISIONS		
Provision for warranty (Refer note 7.1)	44,977,798	44,584,148
Provision for gratuity (Refer note 28.2)	3,691,062	-
	48,668,860	44,584,148

	For the year ended March 31, 2016	For the year ended March 31, 2015
Note 7.1: Provision for warranty		
Opening provision	44,584,148	45,567,946
Additions during the year	9,052,386	1,721,272
Less: Utilisation during the year	8,658,736	2,705,070
Closing provision	44,977,798	44,584,148

The estimated liability for warranties is recorded when contract revenue is recognised. The Company accounts for the provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates / trends. These estimates are established using historical information on the nature and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
<u>Note 8 : SHORT-TERM BORROWINGS</u>		
From banks (secured) (Refer note 8.1)		
- Working capital loans	557,322,053	557,322,053
- Cash credit facilities	4,710,391,892	4,455,617,060
	5,267,713,945	5,012,939,113

Note 8.1: Working capital loans from banks and other secured loans

- a) The working capital loans and cash credit facilities from banks are secured against whole of the assets (both current as well as fixed) of the Company, namely stock of raw material, stock in process, semi-finished and finished goods, stores and spares (consumable stores and spares), bills receivables and book debts and all other movables and fixed assets (except fixed assets exclusively financed by other lenders) both present and future stored or to be stored at the Company's godown, premises and division at O-116, first floor shopping mall, Arjun Marg, DLF city phase - I, Gurgaon or wherever else the same may be by way of first pari - passu charge amongst the consortium members. The charge is also additionally secured by first charge over following immovable properties i.e.
- i) Plot No. G-1030 A having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of M/s. Balaji Pottery Private Limited;
 - ii) Plot No. G-1030 having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of M/s. Shree Hari Om Utensils Private Limited;
 - iii) Office space on 7th Floor of a B+G+7 storied commercial building on east side of LA-VIDA Mall at CK-3,4, 48, 49 Salt Lake City, Sector-II, Kolkata
 - iv) Mortgage of following properties :
 - (i) Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab;
 - (ii) Land measuring about 5.309 Hectare situated at village Palsora, District Indore;
 - (iii) Village Mandela Chhota, Tehsil Fatehpur, District Seekar, Rajasthan admeasuring about 6.065 Hectare;
 - (iv) Land with Boundary wall, Gata No. 70, Vill Sherpur Madho urf Ghania Khera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 1.465 Hectare or 3.62 acre;
 - (v) Land with Boundary wall, at Gata No. 184, 188, 189, Vill Sherpur Madho urf Ghaniakhera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 2.391 Hectare or 5.91 acre.
- Further secured by Corporate Guarantees of M/s. Shree Hariom Utensils Private Limited and M/s. Balaji Pottery Private Limited. The rate of interest vary from 10.15% per annum to 13.25% per annum and these loans are repayable on demand.
- b) Second charge on pari-passu basis over all rights, titles, interest, benefits, claims and demands in respect of projects and insurance contracts and over all movable and immoveable properties, accounts, plant and machinery, all other tangible moveable assets both present and future, project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature in respect of project.

Note 8.2: The Company has defaulted in repayment of principal and interest in respect of loans from banks as mentioned below:

Particulars	As at March 31, 2016	As at March 31, 2015
- Principal		
6-12 Months	-	218,150,709
> 12 months	557,322,053	-
- Interest		
0-3 Months	51,225,415	69,252,155
3-6 Months	71,957,252	31,748,742
6-12 Months	159,333,147	115,472,701
> 12 months	320,301,499	124,053,124

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
Note 9: TRADE PAYABLES		
- Total outstanding dues of micro and small enterprises (Refer note 9.1)	2,067,424	2,124,988
- Total outstanding dues of creditors other than micro and small enterprises	6,953,763,564	2,087,528,416
	6,955,830,988	2,089,653,404

Note 9.1: Disclosures under Micro, Small and Medium Enterprises Act, 2006

The micro and small enterprises have been identified by the Company from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 is as follows:

Particulars	As at March 31, 2016	As at March 31, 2015
Details of dues to micro and small enterprises as per MSMED Act, 2006		
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
— principal amount	1,279,623	1,586,111
— interest amount	248,924	374,434
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	787,801	538,877
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	-	-

	As at March 31, 2016	As at March 31, 2015
Note 10: OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (Refer note 6)	1,079,144,973	920,730,053
Interest accrued but not due on borrowings and advances	15,426,675	13,514,044
Interest accrued and due on borrowings	762,102,239	419,022,258
Payable against purchase of fixed assets	79,865,038	86,747,521
Book overdrafts	16,010,695	5,175,491
Advances from customers	183,827,412	258,157,919
Advances purchase consideration against sale of fixed assets	2,100,000	2,100,000
Security deposit received	336,662,094	415,208,666
Unclaimed dividend*	81,862	81,862
Billing in excess of contract revenue	103,544,770	152,136,217
Statutory dues payable	557,690,815	245,893,173
	3,136,456,573	2,518,767,204

* not due for deposit with investor education and protection fund

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
Note 11 : SHORT TERM PROVISIONS		
Provision for gratuity (Refer note 28.2)	12,739,578	7,938,113
Provision for compensated absences benefits (Refer note 28.3)	1,152,615	1,813,093
	13,892,193	9,751,206

Note 12 : TANGIBLE ASSETS

Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2015	Additions	Sale/ Adjustments	As at March 31, 2016	As at April 1, 2015	Charge for the year*	Sale/ Adjustment	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible assets										
Leasehold land	1,136,692	-	1,136,692	-	107,311	-	107,311	-	-	1,029,381
Freehold land	82,473,566	-	18,964,187	63,509,379	-	-	-	-	63,509,379	82,473,566
Leasehold improvement	2,599,316	-	-	2,599,316	2,453,718	145,598	-	2,599,316	-	145,598
Building	668,522,815	-	13,067,064	655,455,751	17,999,587	28,634,178	1,270,082	45,363,683	610,092,068	650,523,228
Furniture and fixtures	12,878,427	30,900	8,058	12,901,269	9,812,242	752,960	5,821	10,559,381	2,341,888	3,066,185
Office equipments	51,973,866	291,813	6,537	52,259,142	37,173,044	11,703,099	3,955	48,872,188	3,386,954	14,800,822
Plant and equipment	1,342,392,462	1,152,256	3,309,177	1,340,235,541	136,587,241	85,485,400	1,038,924	221,033,717	1,119,201,824	1,205,805,221
Computer	53,958,399	192,724	3,813,196	50,337,927	50,245,762	1,934,490	3,802,025	48,378,227	1,959,700	3,712,637
Vehicles	231,812,968	140,000	15,082,274	216,870,694	138,723,927	28,463,386	11,070,135	156,117,178	60,753,516	93,089,041
Total	2,447,748,511	1,807,693	55,387,185	2,394,169,019	393,102,832	157,119,111	17,298,253	532,923,690	1,861,245,329	2,054,645,679

Previous year figures	1,032,481,426	1,428,913,204	13,646,119	2,447,748,511	287,277,891	100,553,287	(5,271,654)	393,102,832	2,054,645,679	745,203,535
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*Current year depreciation includes Rs Nil (Previous year - Rs 8,360,125) which has been carried under capital work in progress and Rs Nil (Previous year - Rs 3,216,585) which has been capitalised under Power Plant Assets during the year upon its completion (Refer note 14).

Note 12.1: During the year ended March 31, 2016, based on the assessment and advice from an independent legal counsel on the availability of concession period, the management has reassessed the remaining useful life of certain assets primarily consisting of buildings and plant & machinery with effect from April 1, 2015. Accordingly the useful lives of certain assets required a change from the previous estimates.

The existing and revised useful lives are as below:

Category of assets	Existing useful life(Years)	Revised useful life(Years)
Building	25	15
Plant and machinery	25	15

Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended March 31, 2016 would have been lower by Rs 38,086,046, for assets held at April 1, 2015.

Note 13: Intangible assets

Assets	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
	As at April 1, 2015	Additions	Sale/ Adjustments	As at March 31, 2016	As at April 1, 2015	Charge for the year	Sale/ Adjustment	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Intangible Assets										
Computer software	53,412,742	-	-	53,412,742	36,200,879	8,615,768	-	44,816,647	8,596,095	17,211,863
Goodwill	23,961,858	-	-	23,961,858	23,961,858	-	-	23,961,858	-	-
Total	77,374,600	-	-	77,374,600	60,162,737	8,615,768	-	68,778,505	8,596,095	17,211,863

Previous year figures	77,068,259	306,341	-	77,374,600	46,296,396	13,866,341	-	60,162,737	17,211,863	30,771,863
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Note 13.1: During the year ended March 31, 2010, the Company had entered into three business transfer agreement to purchase the entire business of M/s Surender Chowdhury & Brothers, M/s Mohd. Rashid Contractors and En-Tech Engineers and Contractors for a consideration of Rs 20,000,000, Rs 2,000,000 and Rs 3,000,000 respectively. The difference between the carrying values of Investment and value of net assets acquired amounting to Rs 23,961,858 was carried as goodwill.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
<u>Note 14 : CAPITAL WORK IN PROGRESS</u>		
Buildings under construction	19,003,822	19,003,822
Power plant equipments under erection	1,712,862,076	1,712,635,486
Borrowing costs capitalised		
- Interest	517,949,557	517,949,557
- Amortisation of ancillary borrowing cost	22,505,254	21,823,454
Other expenses (directly attributable to construction / erection of fixed assets)		
- Rent	10,540,526	12,543,572
- Legal and professional charges	40,560,536	41,242,336
- Employee benefit expense	98,839,411	98,629,417
- Depreciation	33,479,739	33,479,739
- Insurance charges	7,080,216	7,080,216
- Power and fuel	15,437,025	15,394,415
- Repair and maintenance charges	14,110,472	13,889,287
- Test run expenses	151,594,341	162,344,341
- Other miscellaneous expenses	17,346,383	15,207,027
	2,661,309,358	2,671,222,669

Note 14.1: The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2016, such plants have a power generation capacity of 15 MW each. The assessment has been done on the basis of assumptions of useful life of assets, discounted cash flows with significant underlying assumptions, achievement of certain operating capacity and the ability of new technology to perform on a consistent basis.

Based on the assessment and advice from an independent legal counsel on the availability of concession period, excluding the available renewal period by exercising the option for renewal/extension of the concession period, the management, is confident, that there exists reasonable certainty that arrangement shall be extended for a term of 5 years. The management has filed an application with the sugar mills for the appointment of an arbitrator for the extension of the concession period. The management believes that the estimates of the useful lives are reasonable and no impairment exists in the carrying value of power generation plants.

	As at March 31, 2016	As at March 31, 2015
<u>Note 15 : NON CURRENT INVESTMENT</u>		
In equity shares of subsidiary companies (at cost)		
Trade, Unquoted		
3,580,410 (Previous year - 3,580,410) equity shares of Rs 10 each fully paid up in A2Z Infraserivices Limited	607,229,353	607,229,353
16,349,985 (Previous year - 20,925,000) equity shares of Rs 10 each fully paid up in A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited) (Refer note 15.3)	163,499,850	209,250,000
125,000 (Previous year - 125,000) equity shares of Rs 10 each fully paid up in A2Z Powercom Limited	1,000,251	1,000,251
1,330,000 (Previous year - 1,330,000) equity shares of Rs 10 each fully paid up in A2Z Powertech Limited	13,300,000	13,300,000
Less: Provision for diminution in value of long term investment in A2Z Powertech Limited	(13,300,000)	(13,300,000)
800,000 (Previous year - 800,000) equity shares of Rs 10 each fully paid up in Selligence Technologies Services Private Limited	8,000,000	8,000,000

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
(Contd.)		
50,000 (Previous year - 50,000) equity share of Rs 10 each fully paid up in Mansi Bijlee & Rice Mills Limited	500,000	500,000
989,996 (Previous year - 989,996) equity share of Rs 10 each fully paid up in Star Transformers Limited	149,941,313	149,941,313
60,000 (Previous year - 60,000) equity share of Rs 10 each fully paid up in Magic Genie Services Limited (Formerly A2Z Water Solutions Limited)	600,000	600,000
1,146,326 (Previous year - 1,146,326) equity share of Rs 10 each fully paid up in Chavan Rishi International Limited	103,169,340	103,169,340
Nil (Previous year - 100,000) equity share of Uganda Shilling 100 each fully paid up in A2Z Maintenance & Engineering Services (Uganda) Private Limited (Refer note 15.2)	-	189,416
Nil (Previous year - 30,375) equity share of Singapore Dollar 1 each fully paid up in A2Z Singapore Waste Management Holdings Private Limited (Refer note 15.2)	-	1,199,811
24,000 (Previous year - 24,000) equity share of Rs 10 each fully paid up in A2Z Waste Management (Nainital) Private Limited	240,000	240,000
10,000 (Previous year - 10,000) equity share of Rs 10 each fully paid up in A2Z Waste Management (Jaipur) Limited	100,000	100,000
	1,034,280,107	1,081,419,484
In preference shares of subsidiary companies (at cost)		
Trade, Unquoted		
171,200,000 (Previous year - 171,200,000) 0.01% Non Participative Cumulative Redeemable Preference Share of Rs 10 each fully paid up in A2Z Green Waste Management Limited(Formerly A2z Infrastructure Ltd.)	1,712,000,000	1,712,000,000
14,958,000 (Previous year - 14,958,000) 0.01% Non Participative Cumulative Redeemable Preference Share of Rs 10 each fully paid up in Mansi Bijlee & Rice Mills Limited	149,580,000	149,580,000
	1,861,580,000	1,861,580,000
Total	2,895,860,107	2,942,999,484

Note 15.1: The management has committed to provide continued operational and financial support to its subsidiary companies for meeting their working capital and other financing requirements and based upon approved future projections of the subsidiaries, believes that the diminution (if any) is temporary in nature and accordingly, no further provision is considered necessary in respect of carrying value of investments.

Note 15.2: During the year ended March 31, 2016, the Company has sold the investments in two wholly owned subsidiaries i.e. A2Z Singapore Waste Management Holdings Private Limited and A2Z Maintenance & Engineering Services (Uganda) Private Limited.

Note 15.3: During the year ended March 31, 2016, one of the lenders of A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited and hereinafter referred to as AGWML), IL&FS Financial Service Limited ("IFIN") has invoked pledge on 45,75,015 equity shares of AGWML constituting 20.11% of the paid up equity share capital of AGWML and have adjusted/appropriated an amount of Rs. 94,014,913/- (Rupees Nine Crore Forty Lacs Fourteen Thousand Nine Hundred and Thirteen only) towards interest payable from A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited) for the period from 1 April, 2015 to 30th September, 2015 & small portion of Interest for the next quarter ended 31 December, 2015.

Note 15.4: The Company doesn't have any quoted investments.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
<u>Note 16: LONG-TERM LOANS AND ADVANCES</u>		
(Unsecured considered good, unless otherwise stated)		
Capital advances		
- Considered good	139,617,058	134,500,131
- Considered doubtful	2,141,469	-
Deferred purchase consideration against sale of investment		
- Considered good	-	14,599,789
- Considered doubtful	14,599,789	-
	156,358,316	149,099,920
Less: Provision for doubtful advances/ recoverable	16,741,258	-
	139,617,058	149,099,920
Advance recoverable in cash or in kind	16,195,464	13,732,169
Security deposits	17,588,088	7,371,428
TDS recoverable / advance tax	183,131,095	143,291,045
Prepaid expenses	12,046,605	9,212,349
	368,578,310	322,706,911

	As at March 31, 2016	As at March 31, 2015
<u>Note 17: OTHER NON CURRENT ASSETS</u>		
Balance in fixed deposit account*	150,699,166	153,430,730
Recoverable from subsidiary company	48,264,763	-
Unamortised loan processing fee	31,102,208	46,142,604
	230,066,137	199,573,334

*held as margin money against bank guarantees and letter of credit and as debt service reserve account against term loans from banks.

	As at March 31, 2016	As at March 31, 2015
<u>Note 18: CURRENT INVESTMENT</u>		
(at lower of cost or fair value)		
Trade, Unquoted		
22,815 (Previous year - 22,815) equity shares of Rs 10 each fully paid up in Weensure E Waste Limited(formerly A2Z E Waste Management Limited)	228,150	228,150
2,290,000 (Previous year - 2,290,000) 0.01% Non Participative Cumulative Redeemable Preference Shares of Rs 10 each fully paid up in Weensure E Waste Limited (formerly A2Z E Waste Management Limited)	22,900,000	22,900,000
	23,128,150	23,128,150

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
<u>Note 19: INVENTORIES (Valued at lower of cost or net realisable value)</u>		
Project stores and spares	118,171,194	115,648,525
Finished goods for Project /Trading (material in transit)	63,055,348	737,894
	181,226,542	116,386,419

	As at March 31, 2016	As at March 31, 2015
<u>Note 20: TRADE RECEIVABLES (Unsecured)</u>		
Receivables due for a period exceeding six months when they became due for payment		
- Considered good	6,201,860,172	5,695,581,500
- Considered doubtful	1,086,993,604	939,695,225
Other receivables		
- Considered good	4,058,515,160	965,497,399
	11,347,368,936	7,600,774,124
Less: Provision for doubtful debts	1,086,993,604	939,695,225
	10,260,375,332	6,661,078,899

Note 20.1: Trade receivables include retention money of Rs 5,214,735,386 (Previous year- Rs 3,563,928,708) which are due on completion of erection / contracts / final acceptance by the customers. The management is confident of recovering these amounts upon erection / contract completion.

	As at March 31, 2016	As at March 31, 2015
<u>Note 21: CASH AND BANK BALANCES</u>		
Cash and cash equivalents		
Cash on hand	456,378	6,314,600
Balances with banks		
- in current accounts	79,234,550	18,227,270
- in cash credit accounts	-	552
- in unpaid dividend account*	81,862	81,862
	79,772,790	24,624,284

* The Company can utilise these balances only towards settlement of the respective unpaid dividend account.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
<u>Note 22: SHORT-TERM LOANS AND ADVANCES</u>		
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
- Considered good*	332,774,256	368,724,974
- Considered doubtful	88,989,115	63,999,689
Earnest money deposit with customers		
- Considered good	30,284,816	31,349,316
- Considered doubtful	10,000,000	10,000,000
	462,048,187	474,073,979
Less: Provision for doubtful advances/deposit	98,989,115	73,999,689
	363,059,072	400,074,290
Prepaid expenses	29,762,168	18,287,552
Security deposits	63,110,505	53,266,699
Loan to employees	3,600	28,817
Loans and advances to subsidiaries (Refer note 36)	470,612,425	452,675,138
Balances with government authorities:		
- Service tax credit receivable	91,105,725	52,621,568
- WCT / VAT input credit receivable	602,159,081	436,593,329
	1,619,812,576	1,413,547,393
*Includes amount due from a director of the Company- Mr. Amit Mittal (Also refer note 35.2)	17,948,240	18,277,877

	As at March 31, 2016	As at March 31, 2015
<u>Note 23: OTHER CURRENT ASSETS</u>		
Interest accrued:		
- on fixed deposits	9,234,982	3,308,419
- on loans given to subsidiary company	29,934,999	52,733,638
- on others	33,667,651	-
Contract revenue in excess of billing (Refer note 23.1)	5,099,841,657	3,316,259,341
Unamortised loan processing fee	15,840,235	16,777,164
	5,188,519,524	3,389,078,562

Note 23.1: Contract revenue in excess of billings include unbilled receivables amounting to Rs 1,204,118,263 pertains to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing of these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussions with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to bill and recover the amounts owing to completion of certain administrative and contractual matters, no adjustments are required in respect of these unbilled receivables.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 24 : REVENUE FROM OPERATIONS</u>		
Revenue from engineering services	9,230,676,810	2,059,830,363
Revenue from Sale of Power	9,485,290	-
Revenue from operation and maintenance services	35,578,700	47,019,574
Income from professional services	2,071,034	5,483,069
Revenue from data processing services	46,934,495	51,024,941
Sale of traded goods (Refer note 42 (e))	273,599,166	630,022
Other operating revenue		
Liabilities written back	11,509,064	18,900,625
Duty drawback	3,124,460	2,262,829
Scrap sale	899,318	6,519,970
	9,613,878,337	2,191,671,393

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 25 : OTHER INCOME</u>		
Interest income:		
- on fixed deposits	13,945,486	15,726,317
- on loan given to subsidiaries	14,948,946	24,316,403
- on other loans and advances	119,114,987	277,389
Profit on sale of fixed assets	51,246,550	-
Profit on sale of non-current trade investments	48,264,763	-
Rental income (Refer note 25.1)	420,000	30,831,029
Foreign exchange fluctuation (net)	13,562,236	-
Miscellaneous income	13,827,836	23,501,706
	275,330,804	94,652,844

Note 25.1: During the year, the Company had entered into an agreement for lease of certain machinery to A2Z Powercom Limited (a subsidiary company) which is cancellable at any time by either party on one month notice. This agreement has been foreclosed on mutual consent during the current year itself.

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 26 : COST OF MATERIAL AND SERVICES</u>		
Opening stock	115,648,525	132,885,963
Add: Material purchased	4,807,070,867	1,374,798,120
Less: Recovery from contractors	47,543,446	120,299,604
Less: Theft / damage of material (Refer note 26.1)	1,925,000	11,833,071
Less: closing stock	181,226,542	115,648,525
Material consumed (Refer note 42 (c))	4,692,024,404	1,259,902,883
Freight and cartage	128,860,734	74,164,410
Sub contractor / erection expenses	2,719,061,950	573,104,021
Labour charges	46,477,574	77,398,567
Fabrication expenses	1,053,671	1,878,094
Site expenditure	13,612,812	18,137,054
Technical consultancy for projects	113,811,205	11,255,955
Other direct cost	60,507,488	123,629,504
	7,775,409,838	2,139,470,488

Note 26.1: During the year, the Company has incurred a loss of Rs 1,925,000 (Previous year – Rs 11,833,071) due to theft of material at various project sites against which the Company has filed an insurance claim with the insurance company. The Company has received an amount of Rs 715,000 (Previous year - Rs 11,946,895) as insurance claim from the insurance company during the year.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 27: CHANGES IN INVENTORIES OF TRADED GOODS</u>		
Opening inventory of traded goods	737,894	3,932,600
Less: Closing inventory of traded goods	-	737,894
Decrease in inventory	737,894	3,194,706

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 28: EMPLOYEE BENEFITS EXPENSE</u>		
Salaries and bonus including directors' remuneration (Refer note 35)	194,211,350	292,120,524
Contribution to provident and other funds (Refer note 28.1)	6,660,395	10,964,136
Gratuity expense (Refer note 28.2)	8,492,527	7,048,385
Compensated absences benefits (Refer note 28.3)	(660,478)	(573,386)
Staff welfare expenses	8,297,590	12,520,438
	217,001,384	322,080,097

	For the year ended March 31, 2016	For the year ended March 31, 2015
Note 28.1: Defined contribution plans		
Employer's contribution to provident fund	5,019,246	8,199,215
Employer's contribution to employee state insurance	1,641,149	2,764,921
Total	6,660,395	10,964,136

Note 28.2: Defined Benefit Plans

The Company has a defined benefit gratuity plan. 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. The scheme is funded with an insurance Company in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss (Net employee benefit expense)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Current service cost	6,198,231	5,939,586
Interest cost on benefit obligation	2,095,304	2,124,593
Expected return on plan assets	(1,465,017)	(2,041,759)
Net actuarial loss/(gain) recognised in the year	1,664,009	1,025,965
Net benefit expense	8,492,527	7,048,385
Actual return on plan assets	761,178	3,184,660
	As at March 31, 2016	As at March 31, 2015
Balance sheet		
Defined benefit obligation	(24,789,431)	(26,389,214)
Fair value of plan assets	8,358,791	18,451,101
Plan liability	(16,430,640)	(7,938,113)

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Changes in the present value of the defined benefit obligation are as follows:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening defined benefit obligation	26,389,214	22,820,545
Interest cost	2,095,304	2,124,593
Current service cost	6,198,231	5,939,586
Benefits paid	(10,853,488)	(6,664,376)
Actuarial loss/(gain) on obligation	960,170	2,168,866
Closing defined benefit obligation	24,789,431	26,389,214

Changes in the fair value of plan assets are as follows:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening fair value of plan assets	18,451,101	21,930,817
Expected return	1,465,017	2,041,759
Benefits paid	(10,853,488)	(6,664,376)
Actuarial gain/(loss)	(703,839)	1,142,901
Closing fair value of plan assets	8,358,791	18,451,101

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount rate	7.72%	7.94%
Expected rate of return on assets	7.72%	7.94%
Expected rate of increase in compensation level	5.00%	5.00%
Expected average remaining working life of employees	23.73 years	23.79 years

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

The Company expects to contribute Rs 12,739,578 (Previous year - Rs 14,136,344) to gratuity during next year.

Amounts for the current and previous year are as follows:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Defined benefit obligation	24,789,431	26,389,214
Plan Assets	8,358,791	18,451,101
Deficit	(16,430,640)	(7,938,113)
Experience gain on plan liabilities	(39,084)	(1,744,403)
Experience gain/(loss) on plan assets	(703,839)	1,142,901

Note 28.3: Other employee benefits-compensated leave absences

For determination of the current years' liability in respect of compensated absences, the Company has used following actuarial assumptions:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount rate	7.72%	7.94%
Rate of increase in compensation levels	5.00%	5.00%

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 29: FINANCE COSTS</u>		
Interest		
- on term loans	430,220,211	407,215,849
- on other bank loans	652,852,725	674,949,448
- on others	3,615,149	3,161,833
Other borrowing costs:		
- Loan processing fees	15,977,326	17,321,894
- Bank charges	69,135,431	72,702,201
	1,171,800,842	1,175,351,225
<u>Note 30: OTHER EXPENSES</u>		
Electricity	10,826,846	11,028,463
Rent (Refer note 30.1)	25,512,121	36,599,245
Rates and tax	19,953,593	4,031,469
Insurance	16,135,860	14,091,282
Repair and maintenance		
- Building	346,003	561,592
- Others	16,772,133	9,438,618
Travelling and conveyance	38,547,587	59,470,016
Communication expenses	5,826,303	8,750,259
Printing and stationery	3,080,500	4,516,447
Legal and professional	49,728,245	51,183,282
Director sitting fees	810,000	660,000
Payment to auditors		
As auditor :		
- Statutory audit fee	3,150,000	1,617,505
- Audit fees for consolidated financial statements	500,000	200,000
- Limited review fee	3,000,000	2,000,000
- Reimbursement of expenses	405,000	263,901
In other manner		
- Certification	555,000	130,000
Foreign exchange fluctuation (net)	-	7,675,400
Loss on sale of fixed assets	-	1,659,370
Donation and contribution other than political party	-	607,734
Provision for Contract revenue in excess of billing	191,717,394	-
Provision for Profit on Transfer of investment (Refer note 15.3)	48,264,763	-
Provision for doubtful advances	41,916,769	97,324,927
Provision for bad and doubtful debts	147,298,379	291,254,657
Tender expenses	1,012,445	84,541
Fees and subscription / inspection charges	6,490,696	4,918,669
Business promotion	11,124,792	10,411,890
Warranty expense (Refer note 7)	9,052,386	1,721,272
Bad debts written off	55,314,746	602,565
Advances from suppliers written off	6,294,240	2,097,514
Capital work in progress written off	10,750,000	-
Theft of material (Refer note 26.1)	1,023,127	4,717,659
Miscellaneous expenses	25,496,148	18,541,328
	750,905,076	646,159,605

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 30.1: The Company has entered into various short-term cancellable lease agreements at a notice period up to three months for leased premises. Gross rental expenses aggregate to Rs 25,512,121 (Previous Year – Rs 36,599,245). The minimum lease payment for the initial lease term are as under :-

	For the year ended March 31, 2016	For the year ended March 31, 2015
Payable within 1 years	9,086,641	19,305,568
Payable between 1-5 years	961,324	7,037,079
Payable after 5 years	649,732	861,865

Note 31 : DEFERRED TAX

Break-up of deferred tax assets / (liabilities):

Timing difference on account of	Deferred tax assets/ (liability) as at March 31, 2015	Current year charge / (credit)	Deferred tax assets/ (liability) as at March 31, 2016
Deferred tax liabilities			
Depreciation	(10,259,230)	57,237,407	(67,496,637)
Sub Total (A)	(10,259,230)	57,237,407	(67,496,637)
Deferred tax assets			
Unabsorbed business loss and depreciation*	849,696,780	(2,268,509)	851,965,289
Expenditure debited to statement of profit and loss in the current year but allowable for tax purposes in the following years	5,848,651	(1,030,107)	6,878,758
Provision for warranty	15,154,152	(411,764)	15,565,916
Provision of doubtful debts / advances	362,371,110	(48,073,789)	410,444,899
Sub Total (B)	1,233,070,693	(51,784,169)	1,284,854,862
Net deferred tax assets (A+B)	1,222,811,463	5,453,238	1,217,358,225

* The Company has entered into agreements with its customers for providing engineering services and based on developments in certain new projects, the Company will have certain revenue and future taxable income. Accordingly, the Company has recognised deferred tax assets to the extent there exists virtual certainty with convincing evidences on realisability of such future taxable income in accordance with Accounting Standard -22 "AS 22 Accounting for taxes on income".

Note 32 : EARNINGS PER SHARE (EPS)

The calculations of earning per share are based on the profit and number of shares as computed below:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Net loss for the year	(446,825,938)	(1,238,833,943)
Face value of share	10	10
Weighted average number of equity shares in calculating basic EPS	113,952,726	77,862,790
Weighted average number of equity shares in calculating diluted EPS	113,952,726	77,862,790
Basic earnings per share	(3.92)	(15.91)
Diluted earnings per share*	(3.92)	(15.91)

*The effect of dilutive potential equity shares are considered whereas anti-dilutive potential equity shares are ignored in calculating diluted EPS.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 33: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2016	As at March 31, 2015
a) The details of contingent liabilities are as follows:		
Corporate guarantees given to banks on account of facilities granted by said banks to subsidiaries	6,326,300,000	6,326,300,000
Right to recompense (CDR Scheme)	1,055,996,000	760,800,000
Open letters of credit	37,914,250	94,885,657
Litigations under workmen compensation act*	1,745,712	1,745,712
Litigations with contractors and others*	3,468,504	3,601,168
Sales tax demand under dispute	734,999,335	556,392,184
Income Tax demand under dispute**	199,216,987	132,704,737
Total	8,359,640,788	7,876,429,458

*Based on discussions with the solicitors / favorable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

**The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the Assessment Orders for the assessment years 2007-08 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of Rs. 199,216,987. The Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority has granted partial relief to the Company. The Company has further filled appeals with Income Tax Appellate Tribunal (ITAT) challenging the Orders for these assessment years.

Based on their assessment and upon consideration of advice from the independent legal counsel, the management believes that the Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending final decision on these matters no adjustments have been made in the financial results.

b) Commitments outstanding:

(i) Estimated amount of contracts to be executed and not provided for:

Particulars	As at March 31, 2016	As at March 31, 2015
Commitments	3,686,502,475	7,422,900,000
Total	3,686,502,475	7,422,900,000

(ii) The management is committed to provide continued operational and financial support to its subsidiary companies for meeting their working capital and other financing requirements.

Note 34 : DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 7 "CONSTRUCTION CONTRACTS"

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Contract revenue recognized as revenue in the year	9,230,676,810	2,059,830,363
Aggregate amount of cost incurred and recognized profits/(Losses) up to the reporting date on contract under progress	35,781,779,916	29,604,182,595
Amount of advance received on contract under progress and outstanding at year end	183,827,412	258,157,919
Amount of retentions on contract under progress	5,214,735,386	3,563,928,706
Gross amount due from customers for contract work as an asset	5,099,841,657	3,316,259,341
Gross amount due to customers for contract work as a liability	103,544,770	152,136,217

Note 34.1: The Company has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under the law/accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts. The Company does not have any derivative contracts at the end of the year.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 35: MANAGERIAL REMUNERATION

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Remuneration to directors:		
Salaries (including allowances)	5,400,000	1,692,000
Contribution to provident fund	108,000	108,000
Total	5,508,000	1,800,000

Note 35.1: As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors are not included above.

Note 35.2: Due to unexpected change in the profitability of the Company during the financial year 2012-13 and 2013-14, the managerial remuneration paid to the Managing Director exceeded the limits in terms of the provision of Section 198, 309, 310 read with schedule XIII of the erstwhile Companies Act, 1956. Subsequent to the approval by shareholders in the 13th Annual General Meeting of the Company duly held on September 27, 2014, the Company had made an application for the approval from the Central Government for the waiver of excess remuneration so paid. During the year, the Central Government has rejected the Company's application for the waiver of the excess remuneration so paid amounting to Rs. 18,948,240 which is being held in trust by the Managing Director. Out of the entire excess remuneration paid Rs. 1,000,000 has been received from the Managing Director during the year and the balance outstanding as at March 31, 2016 is Rs 17,948,240.

Note 36

The following are the details of loans and advances in the nature of loans given to subsidiaries and associates and firms / Companies in which directors are interested and are outstanding at the end of the year in terms of Securities and Exchange Board of India's circular dated January 10, 2003

Particulars	Outstanding amount as at		Maximum amount outstanding during the year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Loans and advances to subsidiaries in the nature of loans				
- A2Z Infrastructure Limited	16,424,674	27,313,650	27,313,650	159,221,004
- A2Z Powertech Limited	161,304	9,388,104	9,613,104	9,388,104
- A2Z Waste Management (Jaipur) Limited	55,003,828	45,497,812	55,003,828	45,497,812
- A2Z Waste Management (Ludhiana) Ltd.	5,460,961	17,321,888	19,776,715	17,321,888
- A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	52,939,111	79,219,111	79,219,111	80,314,911

Note 36.1: All the above loans are repayable on demand and are interest bearing

Note 37: INTEREST IN JOINT VENTURES

a) The Company's interest and share in joint ventures in the jointly controlled operations as at March 31, 2016 are as follows:

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation
1	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from June 18, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Maharashtra State Electricity Transmission Company Limited for Design, Manufacture and Supply of all materials, execution of relevant civil works, erection, testing and commissioning of new 220KV Sub-station at Airoli, Sonkhar & Vasai and 132 KV Substation at Jam, Patur, Ghatanji, Wardha, Akola, Pandharkawda, Elichpur and Kundalwadi on turnkey basis.	See Note 37(a). 1 below	*
2	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from December 12, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Construction of 220/132KV Grid Sub-Station at Bishnah (J&K).	See Note 37(a). 1 below	*
3	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from December 31, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Construction of 220/132KV Grid Sub-Station at Budgam (Pkg A) & Mir Bazar (Pkg B).	See Note 37(a). 1 below	*

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

4	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from June 14, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Bihar State Electricity Board for Turnkey Construction of 220/132/33 KV Grid station at Begusarai.	See Note 37(a). 1 below	*
5	M/s Southern Petrochemical Industries Corporation Limited (SPIC - SMO)	Jointly Controlled Operations	A Joint Venture Agreement effective from January 21, 2008. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package of 220kv D/C Wagoora-Budgam Zainakot Transmission Line in Kashmir Valley.	See Note 37(a). 1 below	*
6	M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO)	Jointly Controlled Operations	A Joint Venture Agreement effective from February 15, 2008. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package of Construction of 1x20 MVA, 132/33 KV Grid Sub-Station at Chandak, District Poonch (J&K).	See Note 37(a). 1 below	*
7	M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO)	Jointly Controlled Operations	A Joint Venture Agreement effective from February 15, 2008. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package of Construction of 1x50 MVA, 132/33 KV Grid Sub-Station at Battal, Manwal, District Udhampur (J&K).	See Note 37(a). 1 below	*
8	M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO)	Jointly Controlled Operations	A Joint Venture Agreement effective from November 15, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package for Survey, Engineering, Design, Fabrication of Lattice Type Structures Galvanisation Supply of Structures, Laying of foundation, Protection Works, Erection of Towers, laying & stringing of ACSR PANTHER Conductor, Testing and Commissioning of Transmission lines from Badampora – Bandipora and from Lassipora – Sopian.	See Note 37(a). 1 below	*
9	M/s Linkwell Telesystems Private Limited	Jointly Controlled Operations	Joint Venture Agreement effective from August 9, 2008. The principal activity of the Venture is to bid jointly and enter into contract with Madhya Pradesh Poorva Kshetra Vidyut Vitaran Co. Ltd. ('MPPKVVCL'), Jabalpur for design, manufacture, supply, install, commission, operate and maintain Remote Metering of LT Consumers above 10 BHP.	See Note 37(a). 1 below	*
10	M/s Shyama Power (India) Private Limited	Jointly Controlled Operations	Joint Venture effective from August 22, 2008. The principal activity of the Venture is to submit a bid jointly and enter into contract with NHPC Ltd for the design manufacture, supply and erection, testing and commissioning of Equipment / Materials stipulated in the bidding documents for Rural Electrification works along with 66 KV Transmission Line each in Leh and Kargil District of Jammu & Kashmir.	See Note 37(a). 1 below	*
11	M/s Cobra Instalaciones Y Servicios, S.A	Jointly Controlled Operations	Joint Venture agreement effective from December 12, 2008. The principal activity of the venture is to bid for tender and enter into contract with Maharashtra State Electricity Transmission Company Limited (MSETCL), Mumbai for Design, Manufacture and Supply of all materials execution of relevant civil works, erection, testing and commissioning for establishment of new 220 KV Sub-Station at Kudus, Talegaon, Jath, Patoda, Bhokardhan and 132 KV Sub-station at Badnapur on Turnkey basis.	See Note 37(a). 1 below	*
12	M/s Karamtara Engineering Private Limited	Jointly Controlled Operations	Joint Venture agreement effective from July 10, 2009. The principal activity of the venture is to bid for tender and enter into contract with Power Grid Corporation of India Limited (PGCIL) for Design, Manufacture, Supply, Erection, Testing & Commissioning of Equipments/Materials for 765 KV S/C Meerut-Agra Transmission Line (Part-I) associated with 765 KV system for central part of Northern Grid.	See Note 37(a). 1 below	*
13	M/S Richardson & Cruddas (1972) Limited	Jointly Controlled Operations	Joint Venture agreement effective from September 19, 2008. The principal activity of the venture is to bid for tender and enter into contract with Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RRVPLN), Jaipur for Design, Manufacture and Supply of materials for construction of 220KV/132KV transmission lines on turnkey basis.	See Note 37(a). 1 below	*
14	M/S Satya Builders	Jointly Controlled Operations	Joint Venture agreement effective from September 17, 2010. The principal activity of the venture is survey, design, supply of all material & labour, T & P and laying of Branch – lateral, Main and Trunk sewer lines and appurtenants works under Mussoorie sewerage in different Zones of Mussoorie, Dehradun under Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) Programme.	See Note 37(a). 1 below	*
15	M/S Sudhir Power Projects Limited	Jointly Controlled Operations	Joint Venture agreement effective from May 8, 2013. The principal activity of the venture is procurement of plant, design, supply and installation of package - 21(B) - 132 KV substation Uralana with 2*40/50 MVA, 132/33 KV transformers, 66 KV substation Sector 20, Panchkula with 2*25/31.5 MVA, 66/11 KV transformers, 66 KV substation Laha with 1*12.5/16 MVA, 66/11 KV transformers of Haryana Vidyut Prasaran Nigam Limited.	See Note 37(a). 1 below	*

*Country of Incorporation not applicable, as these are unincorporated Joint Ventures.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 37(a).1:

As per joint venture agreements, the scope and value of work of each partner has been clearly defined and accepted by the clients. The Company's share in assets, liabilities, income and expenses are duly accounted for in the accounts of the Company in accordance with such division of work and therefore does not require separate disclosure. However, joint venture partners are jointly and severally liable to clients for any claims in these projects.

Note 37(b):

The Company holds 60% interest in an Association of Person (AOP), formed between A2Z Infra Engineering Limited (formerly known as A2Z Maintenance & Engineering Services Limited) and Satya Builders, a jointly controlled entity which is involved in waste water projects at Alwar and Chittorgarh, Rajasthan.

Note 38: RELATED PARTY

Names of related parties

Subsidiary Companies

- a) A2Z Infraservices Limited
- b) A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)
- c) A2Z Powertech Limited
- d) A2Z Powercom Limited
- e) Selligence Technologies Services Private Limited
- f) Mansi Bijlee & Rice Mills Limited
- g) Star Transformers Limited
- h) Chavan Rishi International Limited
- i) A2Z Maintenance & Engineering Services (Uganda) Private Limited (till March 30, 2016)
- j) Magic Genie Services Limited (formerly known as A2Z Water Solutions Limited)
- k) A2Z Singapore Waste Management Holdings Private Limited (till March 17, 2016)
- l) A2Z Waste Management (Nainital) Private Limited
- m) A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)

Subsidiaries of A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited):

- a) A2Z Waste Management (Meerut) Limited
- b) A2Z Waste Management (Moradabad) Limited
- c) A2Z Waste Management (Varanasi) Limited
- d) A2Z Waste Management (Aligarh) Limited
- e) A2Z Waste Management (Badaun) Limited
- f) A2Z Waste Management (Balua) Limited
- g) A2Z Waste Management (Fatehpur) Limited
- h) A2Z Waste Management (Jaunpur) Limited
- i) A2Z Waste Management (Loni) Limited
- j) A2Z Waste Management (Mirzapur) Limited
- k) A2Z Waste Management (Ranchi) Limited
- l) A2Z Waste Management (Sambhal) Limited
- m) Green Waste Management Private Limited (formerly A2Z Waste Management (Haridwar) Private Limited)
- n) A2Z Waste Management (Dhanbad) Private Limited

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

- o) A2Z Waste Management (Ludhiana) Limited
- p) A2Z Waste Management (Jaipur) Limited
- q) A2Z Mayo SNT Waste Management (Nanded) Private Limited
- r) A2Z Waste Management (Ahmedabad) Limited
- s) Earth Environment Management Services Private Limited
- t) Shree Balaji Pottery Private Limited
- u) Shree Hari Om Utensils Private Limited

Joint Venture (unincorporated)

- a) UB Engineering Limited
- b) SPIC – SMO Limited
- c) Cobra Instalaciones Y Servicios, S.A
- d) Karamtara Engineering Private Limited
- e) Richardson & Cruddas (1972) Limited

Key Management Personnel ('KMP')

- a) Mr. Amit Mittal (Managing director)
- b) Mrs. Dipali Mittal (Whole time director)
- c) Mr. Rajesh Jain (CEO and Whole time director)
- d) Dr. Ashok Kumar Saini (with effect from February 15, 2015)

Relative of Key Management Personnel

- a) Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)

Enterprise in control of relatives of Key Management Personnel

- a) Mestric Consultants Private Limited

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year:

Particulars	For the year ended March 31, 2016				For the year ended March 31, 2015			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Sale of Goods / Services								
- UB Engineering Limited	-	923,904	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	821,664	-	-	-	-	-	-	-
- A2Z Powercom Limited	420,000	-	-	-	-	-	-	-
Sale of fixed assets								
- A2Z Infraservices Limited	334,013	-	-	-	-	-	-	-
Rental income								
- A2Z Powercom Limited	420,000	-	-	-	-	-	-	-
Interest Income								
- A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	2,079,525	-	-	-	9,137,872	-	-	-
- A2Z Powertech Limited	233,003	-	-	-	899,192	-	-	-
- A2Z Waste Management (Ludhiana) Limited	849,093	-	-	-	1,267,414	-	-	-
- A2Z Waste Management (Jaipur) Limited	5,486,987	-	-	-	4,889,735	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	6,298,576	-	-	-	8,122,323	-	-	-
Purchase of Goods or Services								
- A2Z Infraservices Limited	10,167,532	-	-	-	16,357,326	-	-	-
- Star Transformers Private Limited	22,184,095	-	-	-	24,330,549	-	-	-
- Cobra Instalaciones Y Servicios, S.A	-	-	-	-	-	852,318	-	-
- Magic Genie Service Limited (formerly known as A2Z Water Solutions Limited)	17,749	-	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	1,505,415	-	-	-	3,530,451	-	-	-
Rent Expense								
- Sudha Mittal	-	-	-	528,000	-	-	-	520,000
- Dipali Mittal	-	-	-	1,434,420	-	-	-	1,126,200
- Chavan Rishi International Limited	3,000,000	-	-	-	3,000,000	-	-	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year:

Particulars	For the year ended March 31, 2016				For the year ended March 31, 2015			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Fund transferred / includes expenses incurred on behalf of Related Party								
- A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	778,984	-	-	-	1,323,248	-	-	-
- A2Z Infraserivices Limited	2,515,434	-	-	-	19,247	-	-	-
- A2Z Powercom Limited	5,079,877	-	-	-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	418,841	-	-	-	255,231	-	-	-
- A2Z Waste Management (Dhanbad) Limited	-	-	-	-	22,500,000	-	-	-
- A2Z Waste Management (Merrut) Limited	-	-	-	-	8,375,243	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	-	-	-	25,631,036	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	150,000	-	-	-
- A2Z Waste Management (Moradabad) Limited	-	-	-	-	5,005,243	-	-	-
Magic Genie Service Limited (formerly known as A2Z Water Solutions Limited)	342,372	-	-	-	-	-	-	-
Fund received / includes expenses incurred on behalf of Company								
- A2Z Infraserivices Limited	308,949	-	-	-	1,744,841	-	-	-
- A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	-	-	-	-	2,127,290	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	19,705	-	-	-
- A2Z Waste Management (Merrut) Limited	-	-	-	-	3,725,418	-	-	-
- A2Z Waste Management (Moradabad) Limited	-	-	-	-	5,005,243	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	-	-	-	1,650,000	-	-	-
Provision for doubtful debts expense								
- UB Engineering Limited	-	284,768,914	-	-	-	87,593,857	-	-
- SPIC - SMO Limited	-	115,076,965	-	-	-	28,552,379	-	-
Share Application Money Received								
- Mestric consultants private limited	-	-	-	-	-	-	1,000,000	-
- Arnit Mittal	-	-	-	-	-	-	-	123,400,000

Summary of Significant accounting policies and notes forming part of the financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year:

Particulars	For the year ended March 31, 2016				For the year ended March 31, 2015			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Amount recoverable pursuant to investment transfer								
- A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	45,750,150	-	-	-	-	-	-	-
Loan Given / Advances Paid								
- A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	26,163,000	-	-	-	62,279,471	-	-	-
- A2Z Powertech Limited	323,200	-	-	-	2,277,500	-	-	-
- A2Z Waste Management (Jaipur) Limited	27,157,000	-	-	-	20,500	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of Person)	1,500,000	-	-	-	17,527,967	-	-	-
- A2Z Waste Management (Ludhiana) Limited	5,639,073	-	-	-	17,893,888	-	-	-
Loan / Advances Refunded								
- A2Z Powertech Limited	9,550,000	-	-	-	-	-	-	-
- A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	37,051,976	-	-	-	194,186,825	-	-	-
- A2Z Waste Management (Ludhiana) Limited	17,500,000	-	-	-	572,000	-	-	-
- A2Z Waste Management (Jaipur) Limited	17,650,984	-	-	-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of Person)	27,780,000	-	-	-	2,907,550	-	-	-
Amit Mittal	-	-	-	-	-	-	-	1,181,235
Remuneration								
- Rajesh Jain	-	-	-	-	-	-	-	-
- Ashok Kumar Saini	-	-	-	-	-	-	-	-
- Dipali Mittal	-	-	-	-	-	-	-	1,800,000
Sale of Investment (to IL&FS Financial Service Limited (FIN) Refer note 15.3								
- A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	94,014,913	-	-	-	-	-	-	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year:

Particulars	For the year ended March 31, 2016				For the year ended March 31, 2015			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Balance Outstanding at the end of the year								
Interest bearing loan given								
- A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	16,424,674	-	-	-	27,313,650	-	-	-
- A2Z Powertech Limited	161,304	-	-	-	9,388,104	-	-	-
- A2Z Waste Management (Jaipur) Limited	55,003,828	-	-	-	45,497,812	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of Person)	52,939,111	-	-	-	79,219,111	-	-	-
- A2Z Waste Management (Ludhiana) Limited	5,460,961	-	-	-	17,321,888	-	-	-
Interest bearing loan taken								
Share Application Money Pending Allotment								
- Mestric consultants private limited	-	-	-	-	-	-	222,000,000	-
Other current assets								
- A2Z Powertech Limited	1,765,458	-	-	-	1,555,637	-	-	-
- A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	1,871,572	-	-	-	24,661,678	-	-	-
- A2Z Waste Management (Jaipur) Limited	6,938,049	-	-	-	11,349,016	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of Person)	17,555,063	-	-	-	14,026,635	-	-	-
- A2Z Waste Management (Ludhiana) Limited	1,804,857	-	-	-	1,140,673	-	-	-
Trade receivable / Advances recoverable								
- A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	242,761,387	-	-	-	142,784,435	-	-	-
- A2Z Powercom Limited	100,544,380	-	-	-	100,544,380	-	-	-
- UB Engineering Limited	-	848,908,032	-	-	-	888,793,171	-	-
- SPIC - SMO Limited	-	247,769,544	-	-	-	255,170,193	-	-
- Karamtara Engineering Private Limited	-	6,218,312	-	-	-	6,218,312	-	-
- A2Z Waste Management (Mirzapur) Limited	9,500,000	-	-	-	9,500,000	-	-	-
- A2Z Waste Management (Ludhiana) Limited	15,484,511	-	-	-	15,927,567	-	-	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year:

Particulars	For the year ended March 31, 2016				For the year ended March 31, 2015			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
- A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of Person)	9,213,943	-	-	-	8,795,102	-	-	-
- A2Z Waste Management (Dhanbad) Limited	23,056,181	-	-	-	23,056,181	-	-	-
- Amit Mittal	-	-	-	17,277,877	-	-	-	18,277,877
- A2Z Waste Management (Varanasi) Limited	25,096,036	-	-	-	25,096,036	-	-	-
- A2Z Waste Management (Ranchi) Limited	35,000,000	-	-	-	35,000,000	-	-	-
- A2Z Waste Management (Moradabad) Limited	747,396	-	-	-	747,396	-	-	-
- A2Z Waste Management (Sambhal) Limited	13,022,856	-	-	-	13,022,856	-	-	-
- A2Z Waste Management (Jaipur) Limited	5,000	-	-	-	5,000	-	-	-
A2Z Waste Management Ahmedabad Limited	15,000,000	-	-	-	-	-	-	-
Security Deposit Paid								
- Chavan Rishi International Limited	1,200,000	-	-	-	1,200,000	-	-	-
Provision for doubtful debts								
- UB Engineering Limited	-	-	-	-	-	280,147,821	-	-
- SPIC - SMO Limited	-	-	-	-	-	100,553,780	-	-
Remuneration Payable								
- Rajesh Jain	-	-	-	299,980	-	-	-	-
- Ashok Kumar Saini	-	-	-	201,275	-	-	-	-
- Dipali Mittal	-	-	-	1,362,276	-	-	-	1,362,280
Trade payable								
- A2Z Powercom Limited	75,115,093	-	-	-	80,221,636	-	-	-
- A2Z Infraseservices Limited	11,703,426	-	-	-	73,833,804	-	-	-
- Chavan Rishi International Limited	28,691	-	-	-	2,861,280	-	-	-
- Linkwell Telesystems Private Limited	-	2,203	-	-	-	2,203	-	-
- Richardson & Cruddas (1972) Limited	-	1,460,542	-	-	-	1,460,542	-	-
- Cobra Instalaciones Y Servicios, S.A	-	485,374	-	-	-	485,374	-	-
- Star Transformers Private Limited	36,664,501	-	-	-	30,892,479	-	-	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year:

Particulars	For the year ended March 31, 2016				For the year ended March 31, 2015			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Guarantees given on behalf of subsidiaries								
- AZZ Infraservices Limited	993,800,000	-	-	-	993,800,000	-	-	-
- AZZ Green Waste Management Limited (formerly known as AZZ Infrastructure Limited)	2,532,500,000	-	-	-	2,532,500,000	-	-	-
- AZZ Waste Management (Merrut) Limited	350,000,000	-	-	-	350,000,000	-	-	-
- AZZ Waste Management (Moradabad) Limited	183,000,000	-	-	-	183,000,000	-	-	-
- AZZ Waste Management (Aligarh) Limited	135,000,000	-	-	-	135,000,000	-	-	-
- AZZ Waste Management (Varanasi) Limited	440,000,000	-	-	-	440,000,000	-	-	-
- AZZ Waste Management (Ranchi) Limited	314,000,000	-	-	-	314,000,000	-	-	-
- AZZ Waste Management (Loni) Limited	70,000,000	-	-	-	70,000,000	-	-	-
- AZZ Waste Management (Badaun) Limited	56,000,000	-	-	-	56,000,000	-	-	-
- AZZ Waste Management (Jaunpur) Limited	22,000,000	-	-	-	22,000,000	-	-	-
- AZZ Waste Management (Sambhal) Limited	55,000,000	-	-	-	55,000,000	-	-	-
- AZZ Waste Management (Fatehpur) Limited	41,000,000	-	-	-	41,000,000	-	-	-
- AZZ Waste Management (Mirzapur) Limited	56,000,000	-	-	-	56,000,000	-	-	-
- AZZ Waste Management (Ballia) Limited	42,000,000	-	-	-	42,000,000	-	-	-
- AZZ Waste Management (Ludhiana) Limited	508,000,000	-	-	-	508,000,000	-	-	-
- AZZ Waste Management (Jaipur) Limited	200,000,000	-	-	-	200,000,000	-	-	-
- Star Transformers Private Limited	270,000,000	-	-	-	270,000,000	-	-	-
- AZZ Maintenance & Engineering Services Limited and Satya Builders (Association of Person)	58,000,000	-	-	-	58,000,000	-	-	-

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Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 39 : SEGMENTAL INFORMATION

Business segments

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) Engineering Service (ES), (ii) Power generation projects ('PGP') and (iii) Others represents trading of goods, renting of equipments and providing housekeeping services.

Particulars	ES March 2016	ES March 2015	PGP March 2016	PGP March 2015	Others March 2016	Others March 2015	Total March 2016	Total March 2015
Revenue								
Segment revenue	9,248,280,686	2,092,996,856	9,485,290	-	356,112,361	98,674,537	9,613,878,337	2,191,671,393
Other income	15,531,995	30,992,016	-	-	-	-	15,531,995	30,992,016
Total revenue	9,263,812,681	2,123,988,872	9,485,290	-	356,112,361	98,674,537	9,629,410,332	2,222,663,409
Costs								
Segment costs	(8,820,721,138)	(3,067,952,981)	(21,246,920)	(37,691,605)	(319,084,359)	(108,841,122)	(9,161,052,417)	(3,214,485,708)
Result								
Segment result	443,091,543	(943,964,109)	(11,761,630)	(37,691,605)	37,028,002	(10,166,585)	468,357,915	(991,822,299)
Unallocated income							111,789,390	23,340,720
Interest income							148,009,419	40,320,109
Financial expense							(1,171,800,842)	(1,175,351,225)
Prior Period Income							6,077,003	-
Exceptional items							-	45,363,039
Provision for tax								
Current income tax							(3,805,585)	(5,638,347)
Deferred tax (charge)/credit							(5,453,238)	826,739,472
Tax expense relating to prior years							-	(1,785,411)
Net profit after tax							(446,825,939)	(1,238,833,943)
Other information								
Segment assets	17,243,305,165	11,511,285,800	4,319,265,597	4,404,103,231	243,187,712	344,121,009	21,805,758,474	16,259,510,040
Unallocated corporate assets							4,790,090,001	4,799,505,069
Total assets	17,243,305,165	11,511,285,800	4,319,265,597	4,404,103,231	243,187,712	344,121,009	26,595,848,475	21,059,015,109

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Particulars	ES March 2016	ES March 2015	PGP March 2016	PGP March 2015	Others March 2016	Others March 2015	Total March 2016	Total March 2015
Segment liabilities	8,128,435,162	3,063,153,360	95,781,031	74,033,427	73,876,672	172,220,958	8,298,092,865	3,309,407,745
Unallocable corporate liabilities							10,183,957,527	9,560,051,734
Total liabilities	8,128,435,162	3,063,153,360	95,781,031	74,033,427	73,876,672	172,220,958	18,482,050,392	12,869,459,479
Capital expenditure	1,807,693	39,419,497	(2,654,915)	33,415,895	-	-	(847,222)	72,835,392
Depreciation included in segment expenses	69,309,392	89,634,843	96,322,453	13,208,075	103,034	-	165,734,879	102,842,918
Other Non cash expenditure							164,342,619	391,279,663

Geographical segments*: The Secondary reporting segment of the Company has been performed on the basis of Geographical segment. The Company operates in two principal geographical areas of the world, in India, its home country, and the other countries.

The following table presents revenue and trade receivables regarding geographical segments as at March 31, 2016 and March 31, 2015.

Particulars	India March 2016	India March 2015	Other Countries March 2016	Other Countries March 2015	Total March 2016	Total March 2015
Segment revenue	9,700,719,055	1,940,020,149	188,490,086	346,304,088	9,889,209,141	2,286,324,237
Segment trade receivables (including retention money)	10,200,565,105	6,536,593,929	59,810,228	124,484,970	10,260,375,333	6,661,078,899

*The Company has common assets for domestic market and overseas market. Hence, separate figures for assets / additions to assets cannot be furnished.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 40: UNHEDGED FOREIGN CURRENCY EXPOSURE:

The detail of unhedged foreign currency exposure as at balance sheet date are as under:

Particulars	Amount in Rupees	Amount in Foreign currency	Currency	Exchange rate as on March 31, 2016
Foreign currency in hand	264	15	Riyal	1 Riyal = INR 17.628
Foreign currency in hand	476	490	Ruble	1 Ruble = INR 0.971
Foreign currency in hand	47,599	500	GBP	1 GBP = INR 95.197
Foreign currency in hand	1,968	397,500	Indonesian Rupiah	1 Rupiah=INR 0.00495
Foreign currency in hand	3,334	1,780	Baht	1 Bhat = INR 1.873
Bank Balance with Standard chartered Bank (Zambia) USD	1,774,609	26,830	USD	1 USD = Rs 66.143
Bank Balance with Standard chartered Bank (Zambia) ZMW	703,125	120,292	Zambian Kwacha	1 ZK = INR 5.845
Bank Balance with Stanbic Bank (Uganda) USD	6,626,893	100,191	USD	1 USD = Rs 66.143
Bank Balance with Standard chartered Bank (Uganda) UGX	43,056	2,219,370	Uganda Shillings	1 UGX = Rs 0.0194
Bank Balance with Stanbic Bank (Uganda) UGX	2,620,845	135,095,123	Uganda Shillings	1 UGX = Rs 0.0194
Bank Balance with Bank of Baroda (Uganda) UGX	12,362	637,230	Uganda Shillings	1 UGX = Rs 0.0194

The detail of unhedged foreign currency exposure as at March 31, 2015 are as under:

Particulars	Amount in Rupees	Amount in Foreign currency	Currency	Exchange rate as on March 31, 2015
Foreign currency in hand	250	15	Riyal	1 Riyal = INR 16.634
Foreign currency in hand	456	490	Ruble	1 Ruble = INR 0.931
Foreign currency in hand	46,230	500	GBP	1 GBP = INR 92.459
Foreign currency in hand	1,908	397,500	Indonesian Rupiah	1 Rupiah= INR 0.0048
Foreign currency in hand	3,290	1,780	Baht	1 Bhat = INR 1.8483
Foreign currency in hand	75,297	1,203	USD	1 USD = INR 62.5908
Bank Balance with Standard chartered Bank (Zambia) \$	1,516,958	24,236	USD	1 USD = Rs 62.5908
Bank Balance with Standard chartered Bank (Zambia)	5,632,137	686,988	Zambian Kwacha	1 ZK = INR 8.19831
Bank Balance with Standard chartered Bank (Uganda) \$	55,245	883	USD	1 USD = Rs 62.5908
Bank Balance with Stanbic Bank (Uganda)	24,667	394	USD	1 USD = Rs 62.5908
Bank Balance with Standard chartered Bank (Uganda) UGX	11,825	569,585	Uganda Shillings	1 UGX = Rs 0.02076
Bank Balance with Bank of Baroda (Uganda) UGX	199,283	9,599,359	Uganda Shillings	1 UGX = Rs 0.02076

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 41: Prior Period items</u>		
Liability written back	8,999,103	-
Additional demand of provident fund	(2,922,100)	-
Total	6,077,003	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 42 (a) : EXPENDITURE IN FOREIGN CURRENCY</u>		
<u>(on accrual basis)</u>		
Travelling and conveyance expense	287,281	441,563
Tender expenses	-	891
Business promotion	-	6,310
Postage & Courier Expenses	8,415	-
Printing & Stationery	114	-
Telephone Exp. Reimbursement	2,015	-
	297,825	448,764

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 42 (b) : EARNINGS IN FOREIGN CURRENCY</u>		
Revenue from engineering services	178,290,619	387,189,759
	178,290,619	387,189,759

Note 42 (c) : MATERIAL CONSUMED

These comprise of miscellaneous items meant for execution of projects. Since these items are of different nature and specifications, individually being less than 10% in value, it is not practicable to disclose the item wise break up of material consumed. These comprises:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Indigenous - in value	4,692,024,404	1,259,902,883
Indigenous - in percentage (%)	100%	100%
Imported - in value	-	-
Imported - in percentage (%)	0%	0%
	4,692,024,404	1,259,902,883

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 42 (d) : PURCHASE OF STOCK-IN-TRADE</u>		
Cables / GI Wire / GSS Wire	251,263,346	-
Others	-	737,894
	251,263,346	737,894

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 42 (e) : SALE OF TRADING GOODS</u>		
Steel / Galvanised Steel / M S Angle / M S Channel / TMT Bars	3,379,896	-
Cables / GI Wire / GSS Wire	254,934,377	-
Conductor	8,167,274	-
Others	7,117,619	630,022
	273,599,166	630,022

Note 43: Previous year figures have also been regrouped / reclassified wherever considered necessary.

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

Place: Gurgaon
Date : May 28, 2016

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN No. 00058944)

Sd/-
Lalit Mohan Gulati
Chief Financial Officer

Sd/-
Rajesh Jain
Chief Executive Officer and Whole Time Director
(DIN No. 07015027)

Sd/-
Atul Kumar Agarwal
Company Secretary

Independent Auditor's Report

To
The Members of
A2Z Infra Engineering Limited
(formerly known as "A2Z Maintenance & Engineering Services Limited")

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of A2Z Infra Engineering Limited, (formerly known as "A2Z Maintenance & Engineering Services Limited") ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiaries, which are incorporated in India are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these

consolidated financial statements based on our audit.

4. While conducting the 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 auditor's report under the provisions of the Act and the Rules made thereunder.
5. 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 consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below the aforesaid consolidated 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, of the consolidated state of affairs of the Group, as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

9. We draw attention to :
 - (i) Note 14.1 to the consolidated financial statements which describe the uncertainty relating to the assumptions used by management with respect to the impairment assessment of the cogeneration power

plants and availability of the extension in the concession period for an additional term.

- (ii) Note 24.1 to the consolidated financial statements with respect to unbilled receivables relating to certain contracts which are still in progress aggregating to Rs. 1,204,118,263, recognized in the earlier years. Management, based on ongoing discussions/negotiations with the customers believes that these amounts are completely billable and accordingly, no adjustments have been made in the consolidated financial statements.
- (iii) Note 34 to the consolidated financial statements which describes the uncertainty relating to the outcome of litigation pertaining to income tax matters pursuant to assessment orders received by the Company for the Assessment years 2009-10 to 2013-14 against which management has filed Appeals with Income Tax Appellate Tribunal (ITAT). Pending the final outcome of these matters, which is presently unascertainable, no further adjustments have been made in the consolidated financial statements.

Our opinion is not modified in respect of the above matters.

Other Matter

10. We did not audit the financial statements of certain consolidated entities, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 10,300,591,657 as at March 31, 2016, total revenues (after eliminating intra-group transactions) of Rs. 4,143,541,999 and net losses after tax and prior period items (after eliminating intra- group transactions) of Rs. 902,542,136 for the year ended on that date. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, and based on the auditor's reports of the, subsidiaries, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The reports on the accounts of the branch offices of the Holding Company, audited under Section 143 (8) of the Act by branch auditors have been sent to us, as applicable, and have been properly dealt with in preparing this report;
- d) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
- f) The matters described in paragraph 9 under the Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of the Group;
- g) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company and its subsidiary companies, which are companies incorporated in India, as of March 31, 2016, in conjunction with our audit of the consolidated financial statements of the Group, for the year ended on that date and our report dated May 28, 2016 as per annexure A expressed an unqualified opinion.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) as detailed in Note 34, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group
- (ii) as detailed in Note 35 to the consolidated financial statements, provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts. The company does not have any derivative contracts;

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India.

For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
per **Neeraj Sharma**

Partner

Membership No.: 502103

Place: Gurgaon

Date : May 28, 2016

Annexure A to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited, (formerly known as "A2Z Maintenance & Engineering Services Limited"), on the consolidated financial statements for the year ended March 31, 2016

Annexure A

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the A2Z Infra Engineering Limited, (formerly known as "A2Z Maintenance & Engineering Services Limited" and hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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 the company's business, including adherence to the company's policies, the safeguarding of the company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR

of the Holding Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to

the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by the Institute of Chartered Accountants of India".

Other Matters

We did not audit the IFCoFR insofar as it relates to certain consolidated entities which are companies incorporated in India, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs.10,300,591,657 as at March 31,

2016, total revenues (after eliminating intra-group transactions) of Rs. 4,143,541,999 and net losses after tax and prior period items (after eliminating intra-group transactions) of Rs. 902,542,136 for the year ended March 31, 2016. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

per **Neeraj Sharma**

Partner

Membership No.: 502103

Place: Gurgaon

Date : May 28, 2016

Consolidated Balance sheet as at March 31, 2016

(Unless otherwise stated, all amounts are in Indian Rupees)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	1,268,939,800	865,176,940
Reserves and surplus	4	3,550,716,627	4,784,163,902
Money received against share warrants	3.5	89,049,640	-
		4,908,706,067	5,649,340,842
Share application money pending allotment	5	-	222,000,000
Minority interest		115,433,337	114,011,063
Subsidy		1,133,170,336	1,246,506,881
Non-current liabilities			
Long-term borrowings	6	5,675,930,092	6,235,699,848
Long-term provisions	7	50,559,071	46,538,230
		5,726,489,163	6,282,238,078
Current liabilities			
Short-term borrowings	8	7,008,579,671	6,424,517,691
Trade payables	9		
- Total outstanding dues of micro and small enterprises		2,067,424	2,124,988
- Total outstanding dues of creditors other than micro and small enterprises		7,928,107,082	2,698,693,643
Other current liabilities	10	6,695,038,224	5,139,524,720
Short-term provisions	11	81,896,322	64,593,724
		21,715,688,723	14,329,454,766
		33,599,487,626	27,843,551,630
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	4,327,275,623	4,803,621,721
Intangible assets	13	510,887,017	574,619,020
Capital work in progress	14	6,026,596,634	6,003,708,894
Intangible assets under development	15	7,341,846	3,150,113
		10,872,101,120	11,385,099,748
Non-current investments	16	100,000	100,000
Deferred tax asset (net)	33	1,307,258,932	1,321,207,803
Long-term loans and advances	17	1,280,504,627	1,156,385,709
Other non-current assets	18	226,150,707	240,610,416
		2,814,014,266	2,718,303,928
Current assets			
Current investments	19	23,128,150	23,128,150
Inventories	20	631,470,931	560,521,759
Trade receivables	21	11,587,618,123	7,964,868,684
Cash and bank balances	22	201,030,374	136,746,077
Short-term loans and advances	23	1,870,574,983	1,561,995,930
Other current assets	24	5,599,549,679	3,492,887,354
		19,913,372,240	13,740,147,954
		33,599,487,626	27,843,551,630
Summary of Significant Accounting Policies	1&2		

The accompanying notes form an integral part of the consolidated financial statements.

This is the Consolidated balance sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner/Managing Director

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Chief Executive Officer and Whole Time Director
(DIN No. 00058944)

Sd/-
Rajesh Jain
(DIN No. 07015027)

Place : Gurgaon
Date : May 28, 2016

Sd/-
Lalit Mohan Gulati
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(Unless otherwise stated, all amounts are in Indian Rupees)

	Notes	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Revenue			
Revenue from operations	25	13,488,152,345	5,944,387,533
Other income	26	335,912,241	235,295,680
Total revenue		13,824,064,586	6,179,683,213
Expenses			
Cost of material and services	27	8,742,067,520	3,159,361,622
Purchases of stock-in-trade		251,263,346	737,894
Changes in inventories of finished goods and stock-in-trade	28	3,857,976	11,237,866
Employee benefits expense	29	2,561,803,869	2,580,481,489
Finance costs	30	1,981,385,625	1,858,161,019
Depreciation and amortisation expense	12, 13	457,837,553	405,745,850
Other expenses	31	1,102,477,916	1,094,966,671
Total expenses		15,100,693,805	9,110,692,411
Loss before exceptional items, tax and minority interest		(1,276,629,219)	(2,931,009,198)
Prior Period items	40	6,077,003	-
Exceptional items - Gain		-	45,654,602
Loss for the year before tax and minority interest		(1,270,552,216)	(2,885,354,596)
Tax expense:			
Current tax		79,453,934	70,283,428
Deferred tax charge/(credit)	33	13,948,872	(838,315,150)
Current tax expense relating to earlier years		(34,305,592)	(20,443,119)
MAT Credit entitlement		-	(2,353,781)
Total tax expense		59,097,214	(790,828,622)
Loss before minority interest		(1,329,649,430)	(2,094,525,974)
Share of minority interest		796,812	(7,206,032)
Net Loss for the year		(1,330,446,242)	(2,087,319,942)
Earnings per share	32		
[Nominal Value of Shares Rs 10]			
Basic earning per share		(11.68)	(26.81)
Diluted earning per share		(11.68)	(26.81)
Summary of Significant Accounting Policies	1&2		

The accompanying notes form an integral part of the consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

 For **Walker Chandiok & Co LLP**
 (formerly Walker, Chandiok & Co)
 Chartered Accountants

For and on behalf of the Board of Directors

 Sd/-
 per **Neeraj Sharma**
 Partner

 Sd/-
Amit Mittal
 Managing Director
 (DIN No. 00058944)

 Sd/-
Rajesh Jain
 Chief Executive Officer and Whole Time Director
 (DIN No. 07015027)

Place: Gurgaon
Date : May 28, 2016

 Sd/-
Lalit Mohan Gulati
 Chief Financial Officer

 Sd/-
Atul Kumar Agarwal
 Company Secretary

Consolidated Cash flows statement for the year ended March 31, 2016

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax and minority interest	(1,270,552,216)	(2,885,354,596)
Adjustment for:		
Prior period (income)/expense	(6,077,003)	-
Exceptional items- gain	-	45,654,602
Depreciation and amortisation expense	457,837,553	405,745,850
Interest expense	1,877,145,290	1,700,338,488
Amortisation of loan processing fee	22,467,427	33,320,817
(Profit)/Loss on sale of fixed assets	(52,667,570)	21,003,601
Provision for contract revenue in excess of billing	191,717,394	-
Provision for doubtful advances	42,692,533	107,900,699
Provision for bad and doubtful debts	176,255,553	312,861,524
Advances from suppliers written off	6,294,240	2,097,514
Capital work in progress written off	10,750,000	-
Unrealised foreign exchange fluctuation loss	85,721,446	287,007,501
Mark-to-market (gain) / loss on derivatives	-	(38,157,238)
Liability written back	(13,202,182)	(20,846,814)
Foreign currency translation reserve	42,519	58,434
Bad debts written off	59,755,611	5,149,185
Premium on redemption of debentures amortised	-	43,154,050
Rental income from operating leases	-	(30,831,029)
Loss on sale of investments	1,382,465	(45,946,165)
Hedging reserve	-	(7,365,020)
Subsidy amortised	(113,336,545)	(113,211,771)
Interest income	(150,623,761)	(29,206,071)
Operating profit/(loss) before working capital changes	1,325,602,754	(206,626,439)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(70,949,172)	15,864,057
Trade receivables	(3,858,760,603)	(296,673,187)
Short term loans and advances	(359,610,597)	(40,873,140)
Long term loans and advances	53,101,545	(8,625,345)
Other current assets	(2,070,480,956)	588,937,297
Other non current assets	(4,251,345)	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	5,242,558,057	200,711,645
Other current liability	9,172,683	364,722,504
Short term provision	17,302,598	31,178,126
Long term provision	4,020,841	(243,935,850)
	287,705,805	404,679,668
Current taxes paid (net of refunds)	(96,599,223)	(105,191,006)
Net cash generated from operating activities	191,106,582	299,488,662

Consolidated Cash flows statement for the year ended March 31, 2016

(Unless otherwise stated, all amounts are in Indian Rupees)

B Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress)	(60,440,064)	(22,231,136)
Proceeds from sale of fixed assets	94,320,057	45,772,250
Purchase of investment in subsidiaries	(55,951,739)	(100,000)
Proceeds from sale of long term investment in subsidiaries	6,762	291,563
Subsidy received	-	3,283,190
Fixed deposits placed	(106,059,765)	(196,894,118)
Fixed deposits matured	105,489,586	190,645,572
Rental income from operating leases	-	30,831,029
Interest received	111,468,524	28,915,604
Net cash from / (used in) investing activities	88,833,361	80,513,954
C Cash flow from financing activities		
Proceeds from issuance of equity share capital	100,762,860	123,400,000
Proceeds from securities premium	100,255,890	-
Proceeds from share application/warrant money pending allotment	89,049,640	-
Proceeds from Share application money pending allotment	-	1,000,000
Proceeds from minority share holders	625,461	-
Dividend paid	(3,045)	(9,938)
Proceeds from long term borrowings	341,601,938	817,551,110
Repayment of long term borrowings	(152,588,135)	(106,487,610)
Proceeds from short term borrowings (net)	584,061,980	92,898,078
Interest paid	(1,279,209,910)	(1,396,664,436)
Net cash used in from financing activities	(215,443,321)	(468,312,796)
Net decrease in cash and cash equivalents (A+B+C)	64,496,622	(88,310,180)
Cash and cash equivalents at the beginning of the year	48,027,970	136,338,150
Cash and cash equivalents at the end of the year	112,524,592	48,027,970
Components of cash and cash equivalents	As at March 31, 2016	As at March 31, 2015
Cash on hand	2,268,277	7,977,458
Balances with banks		
- in current account	102,870,559	39,768,098
- in cash credit accounts	-	552
- in fixed deposit account (less than 3 month maturity)	7,303,894	200,000
- in unpaid dividend account*	81,862	81,862
	112,524,592	48,027,970

* The Company can utilise these balances only towards settlement of the respective unpaid dividend account.

Notes:

- Figures in brackets indicate cash outflow.
- The figures of the previous year have been regrouped/reclassified, where necessary, to confirm with the classification of the current year.

Summary of Significant Accounting Policies

1&2

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

For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
per **Neeraj Sharma**
Partner/Managing Director

Sd/-
Amit Mittal
Chief Executive Officer and Whole Time Director
(DIN No. 00058944)

Sd/-
Rajesh Jain
(DIN No. 07015027)

Place : Gurgaon
Date : May 28, 2016

Sd/-
Lalit Mohan Gulati
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Summary of significant accounting policies and notes forming part of the consolidated financial statements

Note 1: NATURE OF OPERATIONS

A2Z Infra Engineering Limited (formerly known as A2Z Maintenance & Engineering Services Limited) ('A2Z or the Company') was incorporated at National Capital Territory of Delhi and Haryana on January 7, 2002 for providing maintenance and engineering services. The Company commenced its business with the facility management services and entered into engineering business during the year 2005-06. The Company has also entered into collaboration with sugar mills for setting up 3 Cogeneration (Cogen) power plants on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years and also the Group is setting up one biomass based power plant at Kanpur in the state of Uttar Pradesh.

The Group's main business primarily include (i) Engineering services mainly supply, erection and maintenance of electrical transmission lines and allied services to power distribution companies (ii) Municipal solid waste management which primarily includes door to door collection, intermediate transportation and processing of waste to compost, vermin compost, plastic recyclable and eco bricks (iii) Facility management services (iv) Technology based facility management services and (v) Quality Web/Application services. During the year 2014-15, the Group has forayed into a new venture of Optic Fiber Cable (OFC) laying and maintenance.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Company and its subsidiaries (hereinafter referred to as the "the Group") in respect of these consolidated financial statements, are set out below:

a) Basis of preparation

The consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Group has prepared consolidated financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 (the 'Act'), read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The consolidated financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India. The accounting policies have been consistently applied by the Group.

These consolidated financial statements are prepared in accordance with the reporting requirements as prescribed by Accounting Standard ('AS') 21 'Consolidated Financial Statements', Accounting Standard ('AS') 23 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard ('AS') 13 'Accounting for Investments' for the year ended March 31, 2016. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

b) Principles of consolidation

These financial statements represents consolidated financial statements of the Company and its majority owned subsidiaries as follows:

Entity	Country of Incorporation	Principal service/nature of operations	Relationship	Shareholding as at March 31, 2016
A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	India	Solid waste management	Subsidiary	71.87%
A2Z Infraservices Limited	India	Facility management services	Subsidiary	93.83%
A2Z Powercom Limited	India	Engineering services and power generation through biomass	Subsidiary	100.00%
A2Z Powertech Limited	India	System integration services in power sector	Subsidiary	95.00%
Selligence Technologies Services Private Limited	India	ERP implementation services	Subsidiary	80.00%
Mansi Bijlee and Rice Mills Limited	India	Power generation through biomass, waste material etc.	Subsidiary	100.00%
Star Transformers Limited*	India	Power equipment manufacturing	Subsidiary	49.00%
Magic Genie Services Limited (Formerly A2Z Water Solutions Limited)	India	Water waste management	Subsidiary	75.00%
Chavan Rishi International Limited	India	Property renting and leasing	Subsidiary	100.00%
A2Z Waste Management (Nainital) Private Limited	India	Solid waste management	Subsidiary	66.69%
A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	India	Water waste management	Subsidiary	60.00%

Summary of significant accounting policies and notes forming part of the consolidated financial statements

Entity	Country of Incorporation	Principal service/nature of operations	Relationship	Shareholding as at March 31, 2016
A2Z Waste Management (Aligarh) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Ltd. (Formerly A2Z Infrastructure Limited)	57.49%
A2Z Waste Management (Moradabad) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	57.49%
A2Z Waste Management (Meerut) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	57.49%
A2Z Waste Management (Varanasi) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	57.49%
A2Z MAYO SNT Waste Management (Nanded) Private Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	43.12%
A2Z Waste Management (Jaipur) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	57.49%
A2Z Waste Management (Ahmedabad) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
A2Z Waste Management (Mirzapur) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
A2Z Waste Management (Badaun) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
A2Z Waste Management (Balai) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
A2Z Waste Management (Fatehpur) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
A2Z Waste Management (Jaunpur) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
A2Z Waste Management (Loni) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
A2Z Waste Management (Sambhal) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%

Summary of significant accounting policies and notes forming part of the consolidated financial statements

Entity	Country of Incorporation	Principal service/nature of operations	Relationship	Shareholding as at March 31, 2016
A2Z Waste Management (Ranchi) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
A2Z Waste Management (Ludhiana) Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
A2Z Waste Management (Dhanbad) Private Limited (Formerly Mahanadi Bijlee Private Limited)	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
Green Waste Management Private Limited (Formerly A2Z Waste Management (Haridwar) Private Limited)	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
Shree Balaji Pottery Private Limited	India	Trading of goods	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
Shree Hari Om Utensils Private Limited	India	Trading of goods	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%
Earth Environment Management Services Private Limited	India	Solid waste management	Subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	71.87%

* Star Transformers Limited has been fully consolidated as a group undertaking on the basis of a shareholder agreement that gives the Group control over the board of directors.

The consolidated financial statements have been prepared on the following basis:

- i) The consolidated financial statements include the financial statements of the Company and all its subsidiaries, which are more than 50 percent owned or controlled during the year.
- ii) Subsidiary Companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- iii) The difference between the cost to the Group of investment in subsidiaries and the proportionate share in the equity of the Investee Company as at the date of the acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is disclosed under Fixed assets – Intangible assets and is not amortised but tested for impairment annually.
- iv) Minority interest represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in equity since that date. Their share of net assets is identified and presented in the consolidated financial statements separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Holding Company.
- v) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same format as that adopted by the stand alone financial statements.
- vi) The financial statements of the entities used for the purpose of consolidation are of the same reporting date as that of the Company i.e. year ended March 31, 2016.
- vii) Notes to the consolidated financial statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statement. Further, additional statutory information disclosed in separate financial statements of the subsidiary

Summary of significant accounting policies and notes forming part of the consolidated financial statements

and/or a parent having no bearing on the true and fair view of the consolidated financial statement has not been disclosed in the consolidated financial statements.

c) Use of estimates

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles in India (Indian GAAP) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss (if any). The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Assets acquired for contracts on BOOT basis have been capitalised as fixed assets in accordance with terms of respective contracts.

e) Depreciation

Depreciation on assets is provided on straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use.

Particulars	Rate of Depreciation (Straight Line Method)
Building	10-60 Years
Office Equipment	5 Years
Plant and Machinery	8-15 Years
Computers	3-6 Years
Furniture and Fixtures	8-10 Years
Vehicles	8-10 Years
Leasehold land	Over the lease term on straight line basis.

Garbage containers are depreciated on straight line basis over their estimated useful life of 7 years. Fibre reinforced plastic bins ('FRP Bins') are depreciated at the rate of 100% on straight line basis. Handheld billing machines are depreciated over their estimated useful life of 5 years. Assets installed at railway platform has been depreciated over period of contract.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end. Also refer note 12.1

f) Intangible assets and amortisation

Softwares which are not integral part of the hardware are classified as intangibles and are stated at cost less accumulated amortisation. These are being amortised on a straight line basis over lower of license period or a period of 5 to 6 years, being the estimated useful life.

Goodwill arising on acquisition and purchase of business is amortised on a straight line basis over a period of five years.

g) Impairment

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) net selling price 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in

Summary of significant accounting policies and notes forming part of the consolidated financial statements

the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective qualifying asset. Borrowing costs consist of interest and other ancillary costs that an entity incurs in connection with the borrowing of funds. Ancillary costs related to borrowings are amortised over the tenure of loan. All other borrowing costs are expensed in the year they occur.

i) Leases

Where the Group is the lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term 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 lease term.

Where the Group is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

j) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investment. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non current investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

k) Inventories

Inventories are valued as follows:

(i) Raw materials, Stores and spares

Lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

(ii) Work in progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

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

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Revenue from engineering services

Revenue from engineering services is recognised by reference to the stage of completion of the project at the balance sheet date. The stage of completion of project is determined by the proportion that the contract cost incurred for work performed up to the balance sheet date bear to the estimated total contract costs as assessed by project managers and validated by the management. Materials purchased specifically for the projects and identifiable to the project are considered as part of contract costs in accordance with AS-7, "Construction Contracts".

If it is expected that a contract will make a loss, the estimated loss is provided in the books of accounts. Such losses are based on technical assessments. Contract revenue earned in excess of billing has been reflected under "Other current assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the Balance Sheet.

As the outcome of the contracts cannot be measured reliably during the early stages of the project, contract revenue is recognised only to the extent of costs incurred in the statement of profit and loss unless the actual cost reaches a minimum threshold of 10% of total estimated cost of the project.

Summary of significant accounting policies and notes forming part of the consolidated financial statements

Liquidated damages/ penalties, interest, warranties and contingencies are provided for, based on management's assessment of the estimated liability, as per contractual terms and/or acceptance.

- (ii) Revenue from services**
Revenues from services are recognised pro-rata over the period of the contract as and when services are rendered in accordance with the terms of the respective contract.
 - (iii) Revenue from operation and maintenance services**
Revenue from maintenance contracts and renting of equipments are recognised pro-rata over the period of the contract as and when services are rendered in accordance with the terms of the respective contract.
 - (iv) 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. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group.
 - (v) Interest**
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
 - (vi) Dividends**
Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.
- m) Foreign currency translation**
- (i) Foreign currency transactions**
 - 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.
 - Conversion**
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
 - Exchange differences**
Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.
 - Forward exchange contracts not intended for trading or speculation purposes**
The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.
 - (ii) Translation of integral foreign operation**
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.
 - (iii) Translation of non-integral foreign operation**
In translating the financial statements of a non-integral foreign operation for incorporation in consolidated financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expenses items of non-integral foreign operation are translated at the exchange rates at the dates of the transactions or average rate; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.
- n) Retirement and other employment benefits**
- i) 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.
 - ii) 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. The scheme is funded with an insurance company in the form of a qualifying insurance policy in case of parent and few of its subsidiaries.
 - iii) The Group 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.

Summary of significant accounting policies and notes forming part of the consolidated financial statements

- iv) Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses arise.

o) 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. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

p) Segment reporting

Identification of segments:

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

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

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

Segment Policies:

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

q) 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 numbers of shares outstanding during the year are adjusted for bonus issue.

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.

r) Derivative instruments

The Group enters into certain derivative financial instruments to manage its exposure to risk arising from changes in interest rate and currency risk. The Group has adopted recognition and measurement principles for hedge accounting as enunciated in Accounting Standard (AS) 30-Financial Instruments: 'Recognition and Measurement' for accounting of cross currency interest rate swaps taken to hedge currency and interest risk arising from foreign currency external commercial borrowings. Consequently, to the extent these hedges are effective, gain/loss arising on mark to market valuation of cross currency interest rate swap is recorded in the hedging reserve account.

s) 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.

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

t) Accounting for joint ventures

Accounting for joint ventures undertaken by the Group has been done in accordance with Accounting Standard -27 "Financial Reporting of Interests in Joint Ventures" of the Companies (Accounting Standard) Rule 2006 as follows:

Type of Joint ventures	Accounting treatment
Jointly controlled operations	The Group's share of revenues, expenses, assets and liabilities are included in the financial statements as revenues, expenses, assets and liabilities respectively.

u) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

v) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to a fixed asset, its value has been treated as deferred income which is recognised in statement of profit and loss on a systematic and rational basis over the useful life of the fixed asset.

w) Contingent liability and provisions

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Group are accounted for as either provisions or disclosed as contingent liabilities. In respect of statutory dues disputed and contested by the Group, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. The Group makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liability in the consolidated financial statements.

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Note 3: SHARE CAPITAL				
Authorised				
Equity shares of Rs 10 each	160,000,000	1,600,000,000	126,000,000	1,260,000,000
Issued, subscribed and fully paid up				
Equity shares of Rs 10 each	126,893,980	1,268,939,800	86,517,694	865,176,940
	126,893,980	1,268,939,800	86,517,694	865,176,940

Note 3.1: Reconciliation of shares outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs 10 each fully paid up				
Opening balance	86,517,694	865,176,940	74,177,694	741,776,940
Add: Issued during the year :-				
- Against Conversion of share warrants (Refer note 3.5)	8,250,786	82,507,860	-	-
- Under ESOP scheme (Refer note 3.7 and 3.8)	1,825,500	18,255,000	-	-
- Under Corporate Debt Restructuring Scheme (Refer note 3.6)	8,100,000	81,000,000	-	-
- Against Share application money (Refer note 5)	22,200,000	222,000,000	12,340,000	123,400,000
Closing balance	126,893,980	1,268,939,800	86,517,694	865,176,940

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

Note 3.2: The Company has only one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Note 3.3: Details of shares held by shareholder holding more than 5% equity shares of the Company:

	As at March 31, 2016		As at March 31, 2015	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of Rs 10 each fully paid up				
Amit Mittal	36,172,301	28.51%	39,057,301	45.14%
Mestric Consultants (P) Limited	22,200,000	17.49%	-	0.00%
ICICI Bank	8,100,000	6.38%	-	0.00%
Beacon India Investors Limited	5,210,862	4.11%	5,210,862	6.02%
	71,683,163	56.49%	44,268,163	51.16%

Note 3.4: No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2016.

Note 3.5: During the year, the Company has allotted 24,695,780 warrants convertible into equal number of equity shares of Rs. 10 each (exercisable in one or more tranches) at the option of the holder thereof at any time within 18 (eighteen) months after the allotment at an issue price of Rs. 21.66 each on preferential basis to persons other than the Promoters and Promoter group. In this regard, the Company had received Rs. 133,727,646 in September, 2015 being 25% of the subscription amount as per the SEBI (ICDR) Regulations, 2009. The said warrants are to be converted into equity shares on the exercise of the conversion rights by the allottees at the time of payment of remaining 75% subscription amount.

Further, the Company has received the remaining 75% of the subscription amount for 8,250,786 warrants amounting Rs 134,034,019 and have allotted 8,250,786 equity shares against these warrants.

Note 3.6: During the year, the Company has allotted 8,100,000 equity shares on preferential basis to one of the banks as per SEBI (ICDR) Regulations, 2009 as amended from time to time, on the conversion of Funded Interest Term Loan (FITL) as per the Master Restructuring Agreement with the banks under the Corporate Debt Restructuring Scheme (CDR Scheme) in terms of approval granted by the shareholders of the Company by the way of postal ballot.

Note 3.7: During the year, the Company has allotted 1,825,500 equity shares of face value of Rs. 10 each to the eligible employees of the Company who have exercised their stock options under the A2Z Employee Stock Option Plan 2013 (Tranche I and Tranche II). These shares are pari-passu with the existing equity shares of the Company, in all respects.

Note 3.8: The Company has following stock option plans:

(a) A2Z Stock Option Plan 2010 ('the plan')

During the year ended March 31, 2010, the Company had formulated Employee Stock Option Scheme referred as 'A2Z Stock Option Plan 2010 ('the plan')' for all eligible employees/ directors of the Company except an employee who is promoter or belongs to the promoter group of the Company and its subsidiaries in pursuance of the special resolution duly approved by the shareholders on March 30, 2010.

The plan shall be administered and supervised by the Nomination & Remuneration Committee under the powers delegated by Board. Each option shall entitle the option grantee to apply for and be transferred Equity Shares of the Company. On or from the time of the listing of the Equity Shares of the Company, the maximum number of options that can be granted to any employee in any year under the A2Z ESOP shall be less than 5% of the issued share capital of the Company (excluding any outstanding warrants or other securities convertible into Equity Shares) at the time of grant of options, subject to the overall ceiling of 2,865,056 options in the aggregate.

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

The Company has granted stock options on June 2, 2010, details of which are as follows:

Options granted	1,075,750			
Date of Grant	June 2, 2010			
Requirements of vesting, period of vesting and maximum period within which options shall be vested	The vesting schedule is set forth below:			
	Vesting	Number of months from the date of grant of options	% of options vested	Cumulative % of options vested
	1	12	20	20
	2	24	20	40
	3	36	20	60
	4	48	20	80
	5	60	20	100
Exercise price	Rs. 314.13			
Exercise period and process of exercise	5 years; by way of application			
Accounting method used by the Company to value its options	Intrinsic value method			
Method of settlement	Equity			
Vesting conditions	Eligibility based on employment			

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	344,250	314.13	
Granted during the year	-	-	2.18 (Previous Year 3.18)
Forfeited during the year	67,500	314.13	
Exercised during the year	-	-	
Expired during the year	-	-	
Outstanding at the end of the year	276,750	314.13	
Exercisable at the end of the year	276,750	314.13	
Weighted average fair value of options granted on the date of grant	-	58.23	

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	
Weighted average share price / Fair value of share	Rs. 221.75
Exercise Price	Rs. 314.13
Annual Volatility (Standard Deviation – Annual)	34.93%
Time To Maturity - in years	5.51
Dividend Yield	2.25%
Risk free Rate – Annual	7.45%

As the Company was unlisted at the time of granting of ESOP, the expected volatility was determined based on average of semi - annual volatility of stock price of peer group.

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* As the exercise price is more than the fair value of the shares, under 'Intrinsic Value' Method.

Refer Note 3.8(e) for impact on the reported net profit and earnings per share by applying the fair value based method.

(b) A2Z Employees Stock Option Plan, 2013' Tranche I

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on February 3, 2014 has granted 1,695,000 stock options convertible into equivalent number of equity shares of Rs 10 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of Rs 10.35 each which is NSE closing market price on January 31, 2014 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable on the first anniversary of the grant date till completion of five years since then;

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	1,570,000	10.35	
Granted during the year	-	-	
Forfeited during the year	80,000	10.35	
Exercised during the year	1,470,000	10.35	
Expired during the year	-	-	
Outstanding at the end of the year	20,000	10.35	
Exercisable at the end of the year	20,000	10.35	
Weighted average fair value of options granted on the date of grant	-	7.23	3.85 (Previous Year 4.85)

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	
Weighted average share price / Fair value of share	Rs. 7.23
Exercise Price	Rs. 10.35
Annual Volatility (Standard Deviation – Annual)	65.19%
Time To Maturity - in years	6
Dividend Yield	0.00%
Risk free Rate – Annual	8.90%

The expected volatility was determined by using the closing market price of the Company from February 1, 2013 to February 3, 2014.

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* Since the Intrinsic Value is nil, as the Company has granted the equity shares at the exercise price which is equivalent to the quoted market price of the shares of the Company.

Refer Note 3.8(e) for impact on the reported net profit and earnings per share by applying the fair value based method.

(c) A2Z Employees Stock Option Plan, 2013' Tranche II

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on July 3, 2014 has granted 1,905,000 stock options convertible into equivalent number of equity shares of Rs 10 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of Rs 19.95 each which is NSE closing market price on July 02, 2014 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of four years since then;

The Company has granted stock options on July 03, 2014, details of which are as follows:

Options granted	1,905,000			
Date of Grant	July 3, 2014			
Requirements of vesting, period of vesting and maximum period within which options shall be vested	The vesting schedule is set forth below:			
	Vesting	Number of months from the date of grant of options	% of options vested	Cumulative % of options vested
	1	12	30	30
	2	24	30	60
	3	36	40	100
Exercise price	19.95			
Exercise period and process of exercise	5 years; by way of application			
Accounting method used by the Company to value its options	Intrinsic value method			
Method of settlement	Equity			
Vesting conditions	Eligibility based on employment			

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	1,745,000	19.95	5.36 (Previous Year 6.36)
Granted during the year	-	-	
Forfeited during the year	210,000	19.95	
Exercised during the year	355,500	19.95	
Expired during the year	-	-	
Outstanding at the end of the year	1,179,500	19.95	
Exercisable at the end of the year	105,000	19.95	
Weighted average fair value of options granted on the date of grant	-	14.52	

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	% of options vested		
	30%	30%	40%
Weighted average share price / Fair value of share	Rs. 13.14	Rs. 13.97	Rs. 14.69
Exercise Price	Rs. 19.95	Rs. 19.95	Rs. 19.95
Annual Volatility (Standard Deviation – Annual)	61.15%	61.15%	61.15%
Time To Maturity - in years	6	7	8
Dividend Yield	0.00%	0.00%	0.00%
Risk free Rate – Annual	8.64%	8.65%	8.65%

The expected volatility was determined by using the closing market price of the Company from April 1, 2014 to March 31, 2015. Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* Since the Intrinsic Value is nil, as the Company has granted the equity shares at the exercise price which is equivalent to the quoted market price of the shares of the Company.

Refer Note 3.8(e) for impact on the reported net profit and earnings per share by applying the fair value based method.

(d) A2Z Employees Stock Option Plan, 2014' Tranche I

The members of the Company vide special resolution at the Annual General Meeting held on September 27, 2014 had approved the A2Z Employees Stock Option Plan, 2014. The ESOP Compensation Committee in its meeting held on July 6, 2015 has granted 4,500,000 stock options convertible into equivalent number of equity shares of Rs 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of Rs 15.50 each which is NSE closing market price on July 03, 2015 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then;

The Company has granted stock options on July 06, 2015, details of which are as follows:

Options granted	4,500,000			
Date of Grant	July 6, 2015			
Requirements of vesting, period of vesting and maximum period within which options shall be vested	The vesting schedule is set forth below:			
	Vesting	Number of months from the date of grant of options	% of options vested	Cumulative % of options vested
	1	12	30	30
	2	24	30	60
	3	36	40	100
Exercise price	15.50			
Exercise period and process of exercise	5 years; by way of application			
Accounting method used by the Company to value its options	Intrinsic value method			
Method of settlement	Equity			
Vesting conditions	Eligibility based on employment			

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	-	-	
Granted during the year	4,500,000	15.50	6.37 (Previous Year Nil)
Forfeited during the year	-	-	
Exercised during the year	-	-	
Expired during the year	-	-	
Outstanding at the end of the year	4,500,000	15.50	
Exercisable at the end of the year	-	-	
Weighted average fair value of options granted on the date of grant	-	10.48	

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	% of options vested		
	30%	30%	40%
Weighted average share price / Fair value of share	Rs. 10.48	Rs. 11.14	Rs. 11.67
Exercise Price	Rs. 15.50	Rs. 15.50	Rs. 15.50
Annual Volatility (Standard Deviation – Annual)	65.50%	65.50%	65.50%
Time To Maturity - in years	6	7	8
Dividend Yield	0.00%	0.00%	0.00%
Risk free Rate – Annual	8.19%	8.30%	8.20%

The expected volatility was determined by using the closing market price of the Company from July 4, 2014 to July 6, 2015.

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* Since the Intrinsic Value is nil, as the Company has granted the equity shares at the exercise price which is equivalent to the quoted market price of the shares of the Company.

Refer Note 3.8(e) for impact on the reported net profit and earnings per share by applying the fair value based method.

(e) Since the enterprise uses the intrinsic value method, the impact on the reported net profit and earnings per share by applying the fair value based method has been disclosed below:

In March 2005, the ICAI has issued a guidance note on “Accounting for Employees Share Based Payments” applicable to employee based share plan, the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Loss for the year, as reported	(1,330,446,242)	(2,087,319,942)
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method*	21,033,913	14,260,154
Pro-forma (loss) / profit	(1,351,480,155)	(2,101,580,096)
Earnings Per Share		
Basic		
- As reported	(11.68)	(26.81)
- Pro-forma	(11.86)	(26.99)
Diluted		
- As reported	(11.68)	(26.81)
- Pro-forma	(11.86)	(26.99)

* The Company has considered an attrition / lapsing rate of 10% for the purpose of above disclosure.

	As at March 31, 2016	As at March 31, 2015
<u>Note 4: RESERVES AND SURPLUS</u>		
Securities premium account		
Opening balance	7,714,859,233	7,714,859,233
Add: Receipt during the year (Refer Note 3.5 and 3.7)	100,255,890	-
Closing balance	7,815,115,123	7,714,859,233
Surplus in statement of profit and loss		
Opening balance	(2,996,124,189)	(941,013,110)
Add: Transfer from statement of profit and loss	(1,330,446,242)	(2,087,319,942)
Less: Tax on proposed preference dividend	3,045	9,398
Less: Adjustment due to depreciation	86,383	18,676,375
Less: Adjustment on account of further dilution/(acquisition) in subsidiaries	3,210,014	(53,022,160)
Less: Share of minority interest on change of holding	-	2,127,524
Closing balance	(4,329,869,873)	(2,996,124,189)
General reserve	64,013,890	64,013,890
Capital reserve	1,457,487	1,457,487
Foreign currency translation reserve	-	(42,519)
	3,550,716,627	4,784,163,902

	As at March 31, 2016	As at March 31, 2015
<u>Note 5: SHARE APPLICATION MONEY PENDING ALLOTMENT</u>		
Opening balance	222,000,000	221,000,000
Add: Received during the year	-	124,400,000
Less: Shares issued against share application money during the year	222,000,000	123,400,000
Closing balance	-	222,000,000

Note 5.1: Share application money pending allotment represents contribution received from the Promoter / Promoter Group company under Corporate Debt Restructuring (CDR) Scheme. During the year ended March 31, 2016, the Company has allotted 22,200,000 equity shares of Rs.10 each (at par) having same terms and conditions as defined in Note 3.2 against the entire share application money outstanding as at March 31, 2016.

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016		As at March 31, 2015	
	Non Current	Current	Non Current	Current
Note 6 : LONG-TERM BORROWINGS				
Secured				
- Debentures (Refer note 6.1)	1,500,000,000	-	1,500,000,000	-
External commercial borrowings				
- From banks (Refer note 6.2)	302,395,100	1,200,758,131	616,492,423	801,862,048
Term loans (Secured)				
- From banks (Refer note 6.3)	2,628,869,106	1,398,946,895	2,689,900,768	1,046,092,825
- From financial institution (Refer note 6.4)	-	504,536,422	-	517,921,058
Working capital term loans (Secured)				
- From banks (Refer note 6.5 (a))	415,016,833	63,449,581	475,691,793	106,412,025
Funded interest term loans (Secured)				
- From banks (Refer note 6.5 (b))	829,649,053	97,373,873	950,602,904	39,166,608
Other Loans (Secured)				
- Vehicle loan from banks (Refer note 6.6)	-	13,749,400	3,011,960	13,854,733
	5,675,930,092	3,278,814,302	6,235,699,848	2,525,309,297

Note 6.1: Details of security, terms of conversion and terms of repayment of fully convertible debentures

A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), a Subsidiary Company, has issued fully convertible 150 debentures of Rs. 10,000,000 each on October 25, 2011, which carry interest rate of 12 % p.a. up to July 31, 2013 & 12.50 % from August 1, 2013 payable quarterly. These debentures were convertible after 3 years from the date of issuance. On maturity i.e. October, 2014, the company had reissued the debentures on the following conditions:

1. FCDs shall mature and would be due for conversion into common equity shares at the end of 36 months from the date of reissuance.
2. These debentures are secured by way of pledge of 57 % of equity shares of the Subsidiary Company held by the Company and personal guarantee of Mr. Amit Mittal (Managing Director) of the Company.

Details of put option available to debenture holders

The investor shall have the option to put 100% of the outstanding debentures, first on the Company and if the Company fails to honour the put option, then on the Devdhar Trading & Consultants Private Limited (the 'Sponsor') under the following conditions:

- i) Anytime after 30 months from the issuance of debentures; or
- ii) On filing of draft red herring prospectus by the Subsidiary Company within the maturity period; or
- iii) In the event of any default by the Subsidiary Company, Company or the sponsor; or
- iv) Investor has reasonable grounds to believe that the issuer is not in the position to achieve the base case business plan.

Note 6.2: Details of security and terms of repayment for external commercial borrowings ('ECB')

A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), a Subsidiary Company, and its subsidiaries have taken ECB from bank, for various municipal solid waste (MSW) projects carrying interest rate of LIBOR + 300 bps aggregating to Rs 1,503,153,231 (Previous Year - Rs.1,418,354,471) (including current maturities of long term debt as referred to in note 10) is secured by exclusive charge over all movable assets and on stock and receivables under the aforesaid project. Further secured by charge on the debt service reserve account ('DSRA') account. The ECB is also secured by unconditional corporate guarantee of the Company. The loans are repayable in 16 - 20 quarterly installments.

Note 6.3: Details of security and terms of repayment for term loans

- 1) Term loan from bank amounting to Rs 858,000,000 (Previous year - Rs 880,000,000) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme is repayable in 32 quarterly installments, first installment was due in March 2015.

The above loan is secured against

- (i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
 - (ii) Second pari-passu charge on fixed assets and current assets on EPC business.
- 2) Term loan from bank amounting to Rs 923,378,781 (Previous year - Rs 1,038,511,491) having an interest rate from 12.75% - 13.25% per annum during the year is repayable in 24 quarterly installments, first installment was due in June 2015.

The above loan is secured against:

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

- (a) First charge on pari - passu basis:
 - (i) by way of hypothecation of all current assets of the Company including but not limited to receivables and inventory, relating to the projects both present and future; (ii) on all intangible assets including but not limited to goodwill pertaining to the projects (to the extent permissible by the Punjab state Co-operative sugar mills).
 - (b) First charge
 - (i) on all the insurance contracts with respect to the projects together with any receivables thereunder; (ii) on all the accounts (including but not limited to the project accounts) with respect to the projects.
 - (c) An assignment of:
 - (i) all rights and interest by way of first charge on pari passu basis on the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, relating to the projects, present and future; (ii) the rights and interest in the project site to the extent permissible by law; (iii) all its rights and obligations under the assignment orders and memorandum of understandings and; (iv) the rights and interest by way of first charge on pari passu basis into and under each of the project documents, and all the rights under each letter of credit/ guarantee or performance bond that may be posted by any party to a project document for the Company's benefit and all the rights under the approvals in connection with the project (having value above Rs 100,000,000) to the extent permissible by law.
 - (d) Personal guarantee of Mr Amit Mittal (Managing Director).
- 3) Term loans from banks amounting to Rs 151,985,500 (Previous year - Rs 96,700,000) having interest rate of 10.15% - 10.75% per annum during the year are repayable in 28 quarterly installments, first installment is due in March 2016.
The above loan is secured against (i). First charge ranking pari passu on present and future fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (ii) Second charge ranking pari passu on present and future current assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (iii) Second charge ranking pari passu on both present and future current assets, as well as fixed assets of Company other than assets exclusively financed to other lenders.
 - 4) Term loans from banks amounting to Rs 139,779,185 (Previous year - Rs 13,100,000) having interest rate from 10.15% to 10.75% per annum during the year are repayable in 21 quarterly installments, first installment is due in March 2016.
The above loan is secured against (i) First charge ranking pari passu on both present and future current assets as well as fixed assets of the Company other than assets exclusively charged to other lenders. (ii) Second charge ranking pari passu on both present and future current assets of the power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.
 - 5) Term loans from banks amounting to Rs 160,000,000 (Previous year - Rs Nil) having interest rate from 12.75%- 13.25% per annum during the year are repayable in 28 quarterly installments, first installment is due in March 2016.
The above loan is secured against (i) First pari passu charge on present and future fixed assets of the Power projects at Fazlika, Nakodar and Morinda. (ii) Second pari passu charge on present and future current assets of the Power projects at Fazlika, Nakodar and Morinda. (iii) Second pari passu charge on both present and future current assets as well as fixed assets of the company other than assets exclusively charged to other lenders. (iv) Personal Guarantee of Mr. Amit Mittal.
 - 6) Term loan from bank in case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited) for Kanpur, Patna and Muzaffarnagar municipal solid waste (MSW) projects aggregating to Rs 43,729,174 (Previous Year - Rs 43,729,174) (including current maturities of long term debt as referred to in note 10) carrying interest rate of 15.25%, is secured by escrow on the subsidy receivables from Uttar Pradesh Jal Nigam ('UPJN'), tipping fee for MSW collection from Municipal Corporation and charge from UPJN for disposal in sanitary land fill ('SLF'), further secured by first charges on entire movable and current assets of the Subsidiary company (both present and future) and further secured by corporate guarantee of the Company and an irrevocable and unconditional personal guarantee from Mr. Amit Mittal (Managing Director) and Mrs. Dipali Mittal (Director) of the Company. The loan is repayable in 17 - 25 equal monthly installments.
 - 7) Term loan from bank in case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited) for Kanpur power project aggregating to Rs. 311,000,000 (Previous Year - Rs. 350,000,000) (including current maturities of long term debt as referred to in note 10) carrying weighted average interest rate of 13% - 14%, is secured by first charge over all present and future moveable, immoveable fixed and current assets of the aforesaid project and charge on debt service reserve account ('DSRA') and further secured by corporate guarantee of the Company and an irrevocable and unconditional personal guarantee from Mr. Amit Mittal (Managing Director) and Mrs. Dipali Mittal (Director) of the Company. The loan is repayable in 28 equal quarterly installments commencing from March 31, 2016.
 - 8) Term loan from bank aggregating to Rs. 130,105,625 (Previous Year - Rs 132,605,624), in case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), for MSW Project at Indore carrying an interest rate of 14%-16%, is secured by exclusive charge over plant and machinery purchased out of the facility, charge over fixed moveable and current assets of the aforesaid project and first charge over the receivables of the aforesaid project and further secured by corporate guarantee of the Company. The loan is repayable in 14 equal quarterly installments.
 - 9) Term loan from bank aggregating to Rs. 342,883,623 (Previous Year - Rs. 342,883,623), in case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), for power project at Kanpur, carrying interest rate of 12% -14.25%, is secured by pari-passu first charge by way of equitable mortgage on land and buildings and hypothecation of on plant and machinery and all other fixed assets related to power project at Kanpur. Further collaterally secured by pari-passu first charge by way of hypothecation on

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

entire current assets relating to the aforesaid project and further secured by corporate guarantee of the Company and an irrevocable and unconditional personal guarantee from Mr. Amit Mittal (Managing Director) and Mrs. Dipali Mittal (Director) of the Company. The loan is repayable in 28 quarterly installments commencing from April 1, 2015.

- 10) Term loan from bank amounting to Rs 587,620,780 (Previous Year - Rs 588,463,681) , in case of subsidiaries of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), carrying interest rate of 11.25%- 13.25% per annum is secured against (i) Unconditional corporate guarantee from Company (ii) Exclusive charge on all movable assets financed through debt and/or equity (iii) Exclusive Charge receivable under the project (iv) charge on DSRA. The loan is repayable in 42-45 equal monthly installments.
- 11) Term loan from Bank amounting to Rs 379,333,333/- (Previous Year- Rs 250,000,000/-), in case of A2Z InfraserVICES Limited, is secured by first pari-passu charge on all the Fixed assets of said Subsidiary Company (both present and future) and second pari-passu charge on current assets and also unconditional and irrevocable personal guarantee of Mr. Amit Mittal (Managing Director) of the Company. The loan is repayable in 48 equal monthly instalment after a moratorium of 12 months from the date of first disbursement. The loan is having Interest rate at the bank base rate.

Note 6.4: Term loans from financial institution:

- 1) The loan amounting to Rs 500,000,000 (Previous year - Rs 500,000,000) is secured by a first charge by way of hypothecation and escrow of the entire retention money receivables both present and future. The interest rate is 15% per annum and the loan was repayable in April 2015.
- 2) The loans amounting to Rs Nil (Previous year - Rs 14,309,636) is secured against hypothecation of equipments acquired out of loan. The interest rate is 11.50% to 13.00% per annum and the loans are repayable in 12 quarterly and 48 monthly installments.
- 3) Term loan from financial institution amounting to Rs 4,536,422 (Previous Year - Rs. 3,611,422), in case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), is secured by hypothecation of assets acquired out of term loan. The loan is repayable in 45 monthly installments.

Note 6.5 (a) : Working Capital Term Loan:

Working capital term loans from bank amounting to Rs 478,466,414 (Previous year - Rs 582,103,818) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly installments. First installment was due in March 2015.

The above loan is secured against (i) First pari passu charge on both present and future fixed assets as well as current assets of the Company or Borrower other than assets exclusively charged to other lenders. (ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

Note 6.5 (b) (i) : Funded Interest Term Loan -1 (EPC):

Funded interest term loans from bank amounting to Rs 895,899,320 (Previous year - Rs 989,769,512) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 25 quarterly installments. First installment was due in March 2015.

The above loan is secured against (i) First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders. (ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

Note 6.5 (b) (ii) : Funded Interest Term Loan -2 (EPC):

Funded interest term loans from bank amounting to Rs 31,123,606 (Previous year - Rs Nil) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in single installment, which will be due in March 2021.

The above loan is secured against (i) First charge pari passu on both present and future current asset as well as fixed assets of the EPC business other than assets exclusively charged to lenders. (ii) Second charge pari passu on both current assets and fixed assets of the 3 biomass power plant projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (iii) Second charge pari passu on land property first charged to DBS and SCB given for term loan.

Note 6.6: Other Loans (Vehicle loans)

Vehicle and equipment loans in case of subsidiaries of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), amounting to Rs. 13,749,400 (Previous Year - Rs.16,866,692) are secured against hypothecation of vehicles and equipment. The loans are repayable in equal monthly installment as per the respective repayment schedules.

	As at March 31, 2016	As at March 31, 2015
Note 7: LONG-TERM PROVISIONS		
Provision for warranty (Refer note 7.1)	44,977,798	44,584,148
Provision for gratuity (Refer note 29.2)	5,434,698	1,551,816
Provision for compensated leave absences (Refer note 29.3)	146,575	402,266
	50,559,071	46,538,230

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
Note 7.1: Provision for warranty		
Opening balance	44,584,148	45,567,946
Additions during the year	9,052,386	1,721,272
Less: Utilisation during the year	8,658,736	2,705,070
Closing balance	44,977,798	44,584,148

The estimated liability for warranties is recorded when contract revenue is recognised. The Company accounts for the provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates / trends. These estimates are established using historical information on the nature and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

	As at March 31, 2016	As at March 31, 2015
Note 8 : SHORT-TERM BORROWINGS		
From banks (secured) (Refer note 8.1)		
- Working capital loans	622,192,634	604,477,633
- Cash credit facilities	5,827,864,827	5,334,071,187
- Buyers credit facilities	-	11,551,160
Unsecured borrowings		
- From banks	18,026,630	-
- From others	540,495,580	474,417,711
	7,008,579,671	6,424,517,691

Note 8.1: Details of security and terms of repayment of secured short term borrowings

- 1) a) The working capital loans and cash credit facilities from banks aggregating Rs 5,267,713,945 (Previous year Rs 5,012,939,113) are secured against whole of the assets (both current as well as fixed) of the Company, namely stock of raw material, stock in process, semi-finished and finished goods, stores and spares (consumable stores and spares), bills receivables and book debts and all other movables and fixed assets (except fixed assets exclusively financed by other lenders) both present and future stored or to be stored at the Company's godown, premises and division at O-116, first floor shopping mall, Arjun Marg, DLF city phase - I, Gurgaon or wherever else the same may be by way of first pari - passu charge amongst the consortium members. The charge is also additionally secured by first charge over following immovable properties i.e.
- i) Plot No. G-1030 A having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of M/s. Balaji Pottery Private Limited;
 - ii) Plot No. G-1030 having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of M/s. Shree Hari Om Utensils Private Limited;
 - iii) Office space on 7th Floor of a B+G+7 storied commercial building on east side of LA-VIDA Mall at CK-3,4, 48, 49 Salt Lake City, Sector-II, Kolkataiv) Mortgage of following properties :
 - (i) Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab;
 - (ii) Land measuring about 5.309 Hectare situated at village Palsora, District Indore;
 - (iii) Village Mandela Chhota, Tehsil Fatehpur, District Seekar, Rajasthan admeasuring about 6.065 Hectare;
 - (iv) Land with Boundary wall, Gata No. 70, Vill Sherpur Madho urf Ghania Khara, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 1.465 Hectare or 3.62 acre;
 - (v) Land with Boundary wall, at Gata No. 184, 188, 189, Vill Sherpur Madho urf Ghaniakhera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 2.391 Hectare or 5.91 acre.
- Further secured by Corporate Guarantees of M/s. Shree Hariom Utensils Private Limited and M/s. Balaji Pottery Private Limited. The rate of interest vary from 10.15% per annum to 13.25% per annum and these loans are repayable on demand.
- b) Second charge on pari-passu basis over all rights, titles, interest, benefits, claims and demands in respect of projects and insurance contracts and over all movable and immoveable properties, accounts, plant and machinery, all other tangible

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

moveable assets both present and future, project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature in respect of projects.

- 2) Cash credit facility from bank aggregating to Rs 349,833,366 (Previous year - Rs. 265,189,841), in case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), carrying interest rate of BPR + 400 bps, is secured by (a) first charge on the movable assets of Kanpur, Firozabad, Patna and Muzaffarnagar projects and entire current assets of the above said Subsidiary Company, both present and future; (b) demand promissory note; (c) irrevocable and unconditional corporate guarantee of the Company; and (d) irrevocable and unconditional personal guarantee of Mr. Amit Mittal (Managing Director) and Mrs. Dipali Mittal (Director) of the Company.
- 3) Cash Credit facility from bank aggregating to Rs. 57,293,113 (Previous Year - Rs. 49,291,994), in case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), carrying interest rate of BPR + 380 bps, is secured by exclusive charge over plant and machinery purchased out of the facility and fixed movable assets pertaining to Indore MSW plant. First charge over the receivables pertaining and exclusive charge over the current asset of the borrower pertaining to its Indore MSW plant and further secured by corporate guarantee of the Company.
- 4) Cash credit facility from bank aggregating to Rs 143,128,195 (Previous Year - Rs 123,036,703) in case of subsidiaries of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), carrying interest rate of 12% - 14% per annum, is secured by (a) first charge on the entire movable and current assets of the above said Subsidiary Company (both present and future), (b) Escrow on the subsidy receivables from UPJN and tipping fee for MSW collection from Municipal Corporation (c) Corporate guarantee of Company.
- 5) Working capital demand loan from bank aggregating to Rs 64,870,581 (Previous Year - Rs 47,155,580) in case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), carrying interest rate of 14.80% - 15.15%, is secured by exclusive charge over plant and machinery purchased out of the facility and fixed movable assets pertaining to Kanpur & Muzfarnagar MSW plant of the above said Subsidiary Company, first charge over the receivables and exclusive charge over the current assets of the borrower pertaining to its Kanpur & Muzfarnagar MSW plant and further secured by corporate guarantee of the Company.
- 6) Cash Credit facility from banks aggregating to Rs 429,755,725 (Previous Year - Rs. 400,291,718), in case of A2Z Infrservices Limited, are secured by first pari passu charge on the current assets, including book debts, other receivable and fixed assets of the above said Subsidiary Company and also by corporate guarantee of the Company along with personal guarantee of Mr. Amit Mittal (Managing Director) & Ms. Dipali Mittal (Director) of the Company.
- 7) Cash Credit facility, LC Facility & Buyer's Credit Facility aggregating to Rs. 28,687,552 (Previous Year - Rs.52,195,031), in case of Star Transformers Limited, are secured against entire current assets, fixed assets & Equitable mortgage of Factory Land and Building of above said Company & Personal Guarantee of its Directors (Mr Ashish Mittal & Ms. Indu Mittal).
- 8) Cash Credit facility aggregating to Rs.108,774,984 (Previous Year - Nil), in case of A2Z Powercom Limited, are secured against:
 - (i) Second charge on the following immovable properties owned by the Company:
 - (a) Unit no. 701, 7th floor, Medicity support area, next to Medanta, Sector 38, Gurgaon, Haryana.
 - (b) Unit no. 801, 8th floor, Medicity support area, next to Medanta, Sector 38, Gurgaon, Haryana.
 - (ii) First pari-passu charge on current assets including cash flows, receivables from Sterlite Technologies Limited, fixed deposits, stocks, work in progress etc. of said subsidiary company
 - (iii) Personal guarantee of Mr. Amit Mittal (Managing Director of the Company)
 - (iv) Corporate guarantee of the Company.
 - (v) Pledge of 1,144,790 shares (being 30% of holding) of A2Z Infrservices Ltd. held by the Company.
 - (vi) Second pari passu charge on entire movable fixed assets of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited).
 - (vii) Second pari passu charge on entire movable fixed assets of Nanded and Ahmedabad projects of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited).
 - (viii) Exclusive charge on fixed assets of Subsidiary Company.

	As at March 31, 2016	As at March 31, 2015
Note 9: TRADE PAYABLES		
— Total outstanding dues of micro and small enterprises (Refer Note 9.1)	2,067,424	2,124,988
— Total outstanding dues of creditors other than micro and small enterprises	7,928,107,082	2,698,693,643
	7,930,174,506	2,700,818,631

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

Note 9.1: Disclosures under Micro, Small and Medium Enterprises Act, 2006

The micro and small enterprises have been identified by the Company from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 is as follows:

Particulars	As at March 31, 2016	As at March 31, 2015
Details of dues to micro and small enterprises as per MSMED Act, 2006		
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- principal amount	1,279,623	1,586,111
- interest amount	248,924	374,434
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	787,801	538,877
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	-	-

Particulars	As at March 31, 2016	As at March 31, 2015
<u>Note 10: OTHER CURRENT LIABILITIES</u>		
Current maturities of long-term borrowings (Refer note 6)	3,278,814,302	2,525,309,297
Interest accrued and due on borrowings	1,372,733,973	777,193,642
Interest accrued but not due on borrowings and advances	23,005,972	20,610,924
Security deposits received	368,517,894	443,269,466
Payable against purchase of fixed assets		
- Dues to micro and small enterprises	26,592,312	20,967,857
- Dues to others	406,866,196	403,230,606
Advance purchase consideration against sale of fixed assets	2,218,125	2,218,125
Book overdrafts	20,511,367	9,462,446
Advance from customers	191,327,921	269,928,971
Unclaimed dividend*	81,862	81,862
Billing in excess of contract revenue	104,124,176	156,665,624
Statutory dues payable	900,244,124	510,585,900
	6,695,038,224	5,139,524,720

* not due for deposit with investor education and protection fund

Particulars	As at March 31, 2016	As at March 31, 2015
<u>Note 11: SHORT TERM PROVISIONS</u>		
Provision for tax on proposed dividend	16,256	13,211
Provision for gratuity (Refer note 29.2)	79,780,249	60,987,814
Provision for compensated leave absences (Refer note 29.3)	2,099,817	3,592,699
	81,896,322	64,593,724

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

Note 12: TANGIBLE ASSETS

Assets	GROSS BLOCK					ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2015	Additions	Adjustment on acquisition/sale of subsidiary	Sale/ Adjustments	As at March 31, 2016	As at April 1, 2015	Charge for the year*	Sale/ Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible assets											
Leasehold land	1,136,693	-	-	1,136,693	-	107,311	-	107,311	-	-	1,029,382
Freehold Land	122,309,670	-	-	21,478,437	100,831,233	-	-	-	-	100,831,233	122,309,670
Leasehold improvement	7,346,562	-	-	-	7,346,562	7,200,964	145,598	-	7,346,562	-	145,598
Buildings	1,763,330,627	-	-	13,067,064	1,750,263,563	131,906,159	64,279,399	1,270,082	194,915,476	1,555,348,087	1,631,424,468
Furniture and fixtures	55,076,099	139,466	-	8,058	55,207,507	31,850,014	4,461,091	5,821	36,305,284	18,902,223	23,226,085
Office equipments	88,622,735	975,912	-	35,537	89,563,110	63,417,004	19,454,890	14,881	82,857,013	6,706,097	25,205,731
Plant and equipments	2,712,796,632	21,368,556	-	3,781,715	2,730,383,473	444,603,656	180,684,844	2,873,990	622,414,510	2,107,968,963	2,268,192,976
Steel containers	160,523,586	-	-	-	160,523,586	89,905,140	23,072,557	-	112,977,697	47,545,889	70,618,446
Computer	105,772,907	688,210	-	3,813,196	102,647,921	100,783,668	2,938,937	3,715,642	100,006,963	2,640,958	4,989,239
Vehicles	1,253,340,643	952,437	-	18,950,728	1,235,342,352	597,668,379	163,940,108	12,891,874	748,716,613	486,625,739	655,672,264
Tools and equipments	1,479,713	-	-	-	1,479,713	671,851	101,428	-	773,279	706,434	807,862
Fibre reinforced plastic bins	69,169,549	-	-	-	69,169,549	69,169,549	-	-	69,169,549	-	-
Total	6,340,905,416	24,124,581	-	62,271,428	6,302,758,569	1,537,283,695	459,078,852	20,879,601	1,975,482,946	4,327,275,623	4,803,621,721
Previous year figures	4,968,622,732	1,457,998,668	-	85,715,986	6,340,905,416	1,121,851,706	413,621,649	23,566,432	1,537,283,695	4,803,621,721	3,846,771,026

* Current year depreciation includes Rs 12,227,527 (Previous year - Rs 20,658,982) which has been carried under capital work in progress and Rs Nil (Previous year - Rs 3,216,585) which has been capitalised under Power Plant Assets during the year upon its completion. (Refer note 14)

Note 12.1: During the year ended March 31, 2016, based on the assessment and advice from an independent legal counsel on the availability of concession period, the management has reassessed the remaining useful life of certain assets primarily consisting of buildings and plant & machinery with effect from April 1, 2015. Accordingly the useful lives of certain assets required a change from the previous estimates.

The existing and revised useful lives are as below:

Category of assets	Existing useful life (Years)	Revised useful life (Years)
Building	25	15
Plant and machinery	25	15

Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended March 31, 2016 would have been lower by Rs 38,086,046, for assets held at April 1, 2015.

Note : Gross block includes assets acquired on contracts entered on BOOT basis in accordance with terms of respective agreements.

Note 13: INTANGIBLE ASSETS

Assets	GROSS BLOCK					ACCUMULATED AMORTISATION				NET BLOCK	
	As at April 1, 2015	Additions	Adjustment on acquisition/sale of subsidiary	Sale/ Adjustments	As at March 31, 2016	As at April 1, 2015	Charge for the year*	Sale/ Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Intangible assets											
Computer software	87,459,469	14,701	-	-	87,474,170	63,480,823	10,986,228	-	74,467,051	13,007,119	23,978,646
Goodwill (Refer note 13.1)	23,961,858	-	-	-	23,961,858	23,961,858	-	-	23,961,858	-	-
Goodwill on consolidation	550,640,375	-	(52,760,477)	-	497,879,898	-	-	-	497,879,898	550,640,375	-
	662,061,702	14,701	(52,760,477)	-	609,315,926	87,442,681	10,986,228	-	98,428,909	510,887,017	574,619,021
Previous year figures	607,483,196	352,465	54,226,041	-	662,061,702	71,439,336	15,999,768	3,578	87,442,682	574,619,021	536,043,860

Note 13.1: During the year ended March 31, 2010, the Company had entered into three business transfer agreement to purchase the entire business of M/s Surender Chowdhury & Brothers, M/s Mohd. Rashid Contractors and En-Tech Engineers and Contractors for a consideration of Rs 20,000,000, Rs 2,000,000 and Rs 3,000,000 respectively. The difference between the carrying values of Investment and value of net assets acquired amounting to Rs 23,961,858 was carried as goodwill.

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
<u>Note 14: CAPITAL WORK IN PROGRESS</u>		
Plant and equipment (including power plant equipment) under erection	2,628,653,360	2,615,621,610
Buildings under construction	951,533,863	944,499,618
Borrowing costs capitalised	1,328,827,189	1,328,741,994
Other expenses (directly attributable to construction/erection of fixed assets)		
- Employee benefits expense	355,845,279	355,635,285
- Depreciation and amortisation expense	79,730,513	67,502,989
- Other directly attributable expenses (including trial/test run expenses)	750,375,061	758,656,496
Less: Interest income on Group company & others	29,854,708	29,854,708
Less: Revenue during trial run period	31,055,470	29,635,937
Less: Others	7,458,453	7,458,453
	6,026,596,634	6,003,708,894

Note 14.1: The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2016, such plants have a power generation capacity of 15 MW each. The assessment has been done on the basis of assumptions of useful life of assets, discounted cash flows with significant underlying assumptions, achievement of certain operating capacity and the ability of new technology to perform on a consistent basis.

Based on the assessment and advice from an independent legal counsel on the availability of concession period, excluding the available renewal period by exercising the option for renewal/extension of the concession period, the management, is confident, that there exists reasonable certainty that arrangement shall be extended for a term of 5 years. The management has filed an application with the sugar mills for the appointment of an arbitrator for the extension of the concession period. The management believes that the estimates of the useful lives are reasonable and no impairment exists in the carrying value of power generation plants.

	As at March 31, 2016	As at March 31, 2015
<u>Note 15: INTANGIBLE ASSETS UNDER DEVELOPMENT</u>		
Software under implementation	7,341,846	3,150,113
	7,341,846	3,150,113

	As at March 31, 2016	As at March 31, 2015
<u>Note 16: NON CURRENT INVESTMENT</u>		
In equity shares (at cost)		
Other than trade, Unquoted		
10,000 (Previous Year- 10,000) equity shares of Rs.10 each, fully paid up in A2Z Anaerobic Digestion Limited (Formerly A2Z Waste Management (Basti) Limited)	100,000	100,000
	100,000	100,000

Summary of significant accounting policies and notes forming part of the consolidated financial statements
 (Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
<u>Note 17: LONG-TERM LOANS AND ADVANCES</u>		
<u>(Unsecured considered good, unless otherwise stated)</u>		
Capital advances		
- Considered good	674,985,390	605,823,089
- Considered doubtful	2,141,469	-
Deferred purchase consideration against sale of investment		
- Considered good	-	14,599,789
- Considered doubtful	14,599,789	-
	691,726,648	620,422,878
Less: Provision for doubtful advances/ recoverable	16,741,258	-
	674,985,390	620,422,878
Advance recoverable in cash or in kind	28,242,069	22,944,518
Security deposits	51,298,656	45,903,686
Works contract tax recoverable	30,137,682	30,128,948
TDS recoverable / advance tax (net of provision for tax)	481,496,831	428,001,180
Earnest money deposit	14,343,999	8,984,499
	1,280,504,627	1,156,385,709
	As at March 31, 2016	As at March 31, 2015
<u>Note 18: OTHER NON CURRENT ASSETS</u>		
Balance in fixed deposit account*	184,355,138	183,572,634
Security deposits	4,251,345	-
Unamortised loan processing fee	37,544,224	57,037,782
	226,150,707	240,610,416
*held as margin money against bank guarantees and letter of credit and as debt service reserve account against term loans from banks.		
	As at March 31, 2016	As at March 31, 2015
<u>Note 19: CURRENT INVESTMENT</u>		
<u>(at lower of cost or fair value)</u>		
Other than trade, Unquoted		
22,815 (Previous year - 22,815) equity shares of Rs 10 each fully paid up in Weensure E Waste Limited (formerly, A2Z E Waste Management Limited)	228,150	228,150
2,290,000 (Previous year - 2,290,000) 0.01% Non Participative Cumulative Redeemable Preference Shares of Rs 10 each fully paid up in Weensure E Waste Limited (formerly, A2Z E Waste Management Limited)	22,900,000	22,900,000
	23,128,150	23,128,150
	As at March 31, 2016	As at March 31, 2015
<u>Note 20: INVENTORIES (Valued at lower of cost or net realisable value)</u>		
Project stores and spares	125,812,981	123,874,094
Raw material	37,432,500	27,619,587
Work-in progress	2,008,321	11,389,952
Finished goods	403,161,781	396,900,232
Finished goods for projects/trading (material in transit)	63,055,348	737,894
	631,470,931	560,521,759

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
Note 21 : TRADE RECIVABLES (Unsecured)		
Receivables due for a period exceeding six months when they became due for payment		
- Considered good	9,995,762,021	6,313,370,519
- Considered doubtful	1,216,954,095	1,046,824,220
Other receivables		
- Considered good	1,591,856,102	1,651,498,165
- Considered doubtful	12,424,427	6,298,749
	12,816,996,645	9,017,991,653
Less: Provision for doubtful debts	1,229,378,522	1,053,122,969
	11,587,618,123	7,964,868,684

Note 21.1: Trade receivables include retention money of Rs 5,231,151,274 (Previous year- Rs 3,598,351,001) which are due on completion of erection / contracts / final acceptance by the customers. The management is confident of recovering these amounts upon erection / contract completion.

Note 21.2: Trade receivables include, in case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), a Subsidiary Company an outstanding recoverable of Rs 76,265,817, being receivable from a customer for collection and transportation of municipal solid waste. The Subsidiary Company has filed a writ petition with Honourable High Court of Patna, Bihar for recovery of dues. An interim order was passed directing the customer to release 75% of the amount recoverable. Against the interim order the customer has filed Letters Patent Appeal ('LPA') which has been dismissed, confirming the interim order. Subsequently, the writ petition has been allowed by the Court and customer has been directed to pay the entire amount along with the interest at the rate of 8% p.a from the due date.

	As at March 31, 2016	As at March 31, 2015
Note 22 : CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	2,268,277	7,977,458
Balances with banks		
- in current account	102,870,559	39,768,098
- in cash credit accounts	-	552
- in fixed deposit account (less than 3 month maturity)*	7,303,894	200,000
- in unpaid dividend account**	81,862	81,862
	112,524,592	48,027,970
Other bank balances		
- in fixed deposit account (with maturity more than 3 months but less than 12 months)*	88,505,782	88,718,107
	201,030,374	136,746,077

*Held as margin money against bank guarantees and letter of credit and as debt service reserve account against term loans from banks.

** The Company can utilise these balances only towards settlement of the respective unpaid dividend account.

Summary of significant accounting policies and notes forming part of the consolidated financial statements
 (Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
<u>Note 23: SHORT-TERM LOANS AND ADVANCES (Unsecured)</u>		
Advances recoverable in cash or in kind or for value to be received		
– Considered good*	1,008,919,955	937,717,105
– Considered doubtful	104,167,830	78,402,640
Earnest money deposit with customers		
– Considered good	55,676,824	45,973,696
– Considered doubtful	10,000,000	10,000,000
	1,178,764,609	1,072,093,441
Less: Provision for doubtful advances/ deposits	114,167,830	88,402,640
	1,064,596,779	983,690,801
Security deposits	75,319,049	64,667,252
Loan to employees and directors	5,633,785	1,148,301
Advances and loans to others	-	3,068,295
MAT credit entitlement	1,880,792	3,925,563
Balances with government authorities:		
– CENVAT credit receivable	505,991	1,325,659
– Service tax credit receivable	99,661,613	57,157,986
– WCT / VAT input credit receivable	622,976,974	447,012,073
	1,870,574,983	1,561,995,930
*Includes amount due from a director of the Company- Mr. Amit Mittal	17,948,240	18,277,877

	As at March 31, 2016	As at March 31, 2015
<u>Note 24: OTHER CURRENT ASSETS</u>		
Fixed deposits with banks having maturity more than 3 months but less than 12 months	7,388,784	17,744,621
Interest accrued:		
– on fixed deposits	11,488,037	6,000,450
– on loan given to Associates	-	1,593,299
– on others	33,667,651	-
Contract revenue in excess of billing (Refer note 24.1)	5,477,705,815	3,395,275,723
Subsidy receivable	49,020,449	49,020,449
Unamortised loan processing fee	20,278,943	23,252,812
	5,599,549,679	3,492,887,354

Note 24.1: Contract revenue in excess of billings include unbilled receivables amounting to Rs 1,204,118,263 pertains to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing of these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussions with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to bill and recover the amounts owing to completion of certain administrative and contractual matters, no adjustments are required in respect of these unbilled receivables.

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 25 : REVENUE FROM OPERATIONS</u>		
Revenue from engineering services	9,654,639,200	2,283,279,615
Revenue from operation and maintenance services	38,238,129	47,019,574
Revenue from facility management services	2,939,286,113	2,750,664,674
Revenue from collection and transportation of municipal solid waste	460,532,050	574,135,220
Income from professional services	2,071,034	5,483,069
Revenue from data processing and other services	46,934,495	51,024,941
Revenue from sale of power	9,485,290	-
Sale of compost, refuse derived fuel, fluff and bricks	14,486,109	19,463,917
Sale of traded goods	304,500,314	183,686,910
Other operating revenue		
Bad debts recovered / Liabilities written back	13,202,182	20,846,814
Duty drawback	3,124,460	2,262,829
Scrap sale	1,652,969	6,519,970
	13,488,152,345	5,944,387,533

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 26 : OTHER INCOME</u>		
Interest income		
- on fixed deposit	24,566,566	27,124,353
- on income tax refund	3,839,788	128,430
- on other loans and advances	122,217,407	1,953,288
Mark-to-market gain on derivatives	-	38,157,238
Subsidy amortised	113,336,545	113,211,771
Rental income	-	30,831,029
Profit on sale of fixed assets (net)	52,667,570	110,380
Miscellaneous income	19,284,364	23,779,191
	335,912,241	235,295,680

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 27 : COST OF MATERIAL AND SERVICES</u>		
Opening stock - project inventory	121,200,435	138,250,145
Opening stock - raw material	27,619,587	14,201,764
Add: Raw material purchased	226,718,986	163,462,763
Add: Material purchased for execution of projects	4,802,081,109	1,677,437,317
Less: Recovery from contractors	45,123,473	120,299,604
Less: Theft/damage of material (Refer Note 27.1)	1,925,000	11,833,071
Less: Closing stock - raw material	37,432,500	27,619,587
Less: Closing stock - project inventory	188,868,329	121,200,435
Material consumed	4,904,270,815	1,712,399,292

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
(Contd.)		
Freight and cartage	142,555,927	85,008,909
Sub contractor / erection expenses	3,165,495,689	740,168,449
Electricity expense	7,395,197	13,468,795
Labour charges	47,151,704	78,053,309
Fabrication expenses	1,053,671	1,878,094
Site expenditure	52,584,534	44,075,168
Deduction and demurrage	22,446,320	37,436,499
Technical consultancy for projects	113,811,205	15,082,486
Power Plant running Expenses	-	1,906,704
MSW collection charges / Fuel charges	132,501,669	218,804,337
Consumables / stores and spares	2,910,240	2,988,569
Other direct cost	149,890,549	208,091,011
	8,742,067,520	3,159,361,622

Note 27.1: During the year, the Company has incurred a loss of Rs 1,925,000 (Previous year – Rs 11,833,071) due to theft of material at various project sites against which the Company has filed an insurance claim with the insurance company. The Company has received an amount of Rs 715,000 (Previous year - Rs 11,946,895) as insurance claim from the insurance company during the year.

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 28: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE</u>		
Opening inventory of work in progress	11,389,952	18,202,518
Opening inventory of finished goods	396,900,232	398,130,826
Opening inventory of traded goods	737,894	3,932,600
Less: Closing inventory of work in progress	2,008,321	11,389,952
Less: Closing inventory of finished goods	403,161,781	396,900,232
Less: Closing inventory of traded goods	-	737,894
	3,857,976	11,237,866

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 29: EMPLOYEE BENEFITS EXPENSE</u>		
Salaries, bonus and other allowances (including directors' remuneration)	2,308,471,293	2,320,996,416
Contribution to provident and other funds (Refer note 29.1)	218,219,656	210,710,102
Gratuity expense (Refer note 29.2)	22,675,317	30,794,543
Compensated absences benefits (Refer note 29.3)	(1,731,813)	(340,093)
Staff welfare expenses	14,169,416	18,320,521
	2,561,803,869	2,580,481,489

	For the year ended March 31, 2016	For the year ended March 31, 2015
Note 29.1: Defined contribution plans		
Employer's contribution to provident fund*	152,364,275	143,392,420
Employer's contribution to employee state insurance*	65,352,206	66,834,190
Employer's contribution to labour welfare fund*	503,175	552,595
	218,219,656	210,779,205

*includes Rs Nil (Previous year - Rs 69,103) which has been carried under capital work in progress

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

Note 29.2: Defined benefit plans

The Group has a defined benefit gratuity plan. 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. The scheme is funded with an insurance Company in the form of a qualifying insurance policy in case of parent and few of its Subsidiaries. The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss (Net employee benefit expense)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Current service cost	28,971,513	24,169,315
Interest cost on benefit obligation	7,481,111	6,401,441
Expected return on plan assets	(2,518,918)	(3,461,730)
Net actuarial (gain)/loss recognised in the year	(11,110,986)	3,685,517
Past service cost	(147,403)	-
Net benefit expense	22,675,317	30,794,543
Actual return on plan assets	1,617,544	4,402,725

Balance sheet

	As at March 31, 2016	As at March 31, 2015
Defined benefit obligation	(101,996,062)	(94,224,992)
Fair value of plan assets	16,633,710	31,685,361
Expected return on plan assets	(85,362,352)	(62,539,631)
Less: Unrecognised past service cost	(147,403)	-
Plan liability	(85,214,949)	(62,539,631)

Changes in the present value of the defined benefit obligation are as follows:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening defined benefit obligation	94,224,992	69,041,342
Interest cost	7,481,111	6,401,441
Current service cost	28,971,514	24,169,316
Benefits paid	(16,669,195)	(9,986,321)
Actuarial loss/(gain) on obligation	(12,012,360)	4,599,214
Closing defined benefit obligation	101,996,062	94,224,992

Changes in the fair value of plan assets are as follows:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening fair value of plan assets	31,685,361	37,268,958
Expected return	2,518,918	3,461,730
Benefits paid	(16,669,195)	(9,986,321)
Actuarial gain/(loss)	(901,374)	940,994
Closing fair value of plan assets	16,633,710	31,685,361

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount rate	7.72% - 8.09%	7.94% - 9.25%
Expected rate of return on assets	7.72% - 8.03%	7.94% - 9.25%
Expected rate of increase in compensation level	5.00%	5.00%
Expected average remaining working life of employees (in years)	19 - 33 years	19 - 32 years

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

Amounts for the current and previous year are as follows:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Defined benefit obligation	101,996,062	94,224,992
Plan assets	16,633,710	31,685,361
Deficit	(85,362,352)	(62,539,631)
Experience gain on plan liabilities	(15,220,915)	(10,151,178)
Experience gain / (loss) on plan assets	(901,374)	940,995

Note 29.3: Other employee benefits-compensated leave absences

For determination of the current years' liability in respect of compensated absences, the Company has used following actuarial assumptions:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount rate	7.72% - 8.09%	7.94% - 8.09%
Rate of increase in compensation levels	5.00%	5.00%

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Note 30: FINANCE COSTS</u>		
Interest cost	1,877,145,290	1,700,338,488
Loan processing fees	21,190,154	31,685,856
Amortisation of premium on redemption of debentures	-	43,154,050
Bank charges	83,050,181	82,982,625
	1,981,385,625	1,858,161,019

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<i>Note 31 : OTHER EXPENSES</i>		
Electricity	13,666,327	14,541,404
Rent (Refer note 31.1)	130,289,778	114,673,496
Rates and tax	24,034,608	9,433,000
Insurance	27,461,691	17,588,296
Freight outward	3,282,703	2,278,261
Repair and maintenance		
- Building	381,961	624,999
- Plant and machinery	1,110,338	2,879,312
- Others	82,151,753	71,092,973
Brokerage	284,783	-
Travelling and conveyance	70,421,741	82,142,128
Communication expenses	14,005,141	18,007,088
Printing and stationary	8,256,455	10,059,461
Legal and professional charges (including payment to statutory auditors)	75,973,235	99,049,340
Director sitting fees	1,275,000	660,000
Foreign exchange fluctuation (net)	75,622,612	149,660,182
Donation and contribution (other than political party)	-	607,734
Provision for contract revenue in excess of billing	191,717,394	-
Provision for doubtful advances	42,692,533	107,900,699
Provision for bad and doubtful debts	176,255,553	312,861,524
Bad debts written off	59,755,611	5,149,185
Tender expenses	1,475,303	-
Fees and subscription / inspection charges	7,845,501	5,176,006
Business promotion	12,111,195	13,598,734
Warranty expense (Refer note 7)	9,157,275	1,721,272
Advances from suppliers written off	6,294,240	2,097,514
Capital work in progress written off	10,750,000	-
Theft of material (Refer note 27.1)	1,023,127	4,717,659
Loss on sale of long term investment	1,382,465	-
Royalty expenses	-	2,059,347
Miscellaneous expenses	53,799,593	46,387,057
	1,102,477,916	1,094,966,671

Note 31.1: The Group has entered into various short-term cancellable lease agreements at a notice period up to three months for leased premises and equipment. Gross rental expenses aggregate to Rs 130,289,778 (Previous year – Rs 114,673,496).

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Payable within 1 years	27,442,352	38,187,745
Payable between 1-5 years	45,179,830	52,976,949
Payable after 5 years	6,626,446	6,493,829

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

Note 32: EARNINGS PER SHARE (EPS)

The calculations of earning per share are based on the profit and number of shares as computed below:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Net profit / (loss) excluding extra-ordinary and prior period items	(1,324,369,239)	(2,087,319,942)
Less : Extra-ordinary and prior period items (net of tax)	6,077,003	-
Net loss for the year	(1,330,446,242)	(2,087,319,942)
Face value of share	10	10
Weighted average number of equity shares in calculating basic EPS	113,952,726	77,862,790
Weighted average number of equity shares in calculating diluted EPS	113,952,726	77,862,790
Basic earnings per share	(11.68)	(26.81)
Diluted earnings per share*	(11.68)	(26.81)

*The effect of dilutive potential equity shares are considered whereas anti-dilutive potential equity shares are ignored in calculating diluted EPS.

Note 33: DEFERRED TAX

Break-up of deferred tax assets / (liabilities):

Timing difference on account of	Deferred tax assets/ (liability) as at March 31, 2015	Current year charge / (credit)	Deferred tax assets/ (liability) as at March 31, 2016
Deferred tax liabilities			
Depreciation	(29,260,819)	58,992,995	(88,253,814)
Sub Total (A)	(29,260,819)	58,992,995	(88,253,814)
Deferred tax assets			
Unabsorbed business loss and depreciation*	881,058,595	(1,019,570)	882,078,165
Expenditure debited to statement of profit and loss in the current year but allowable for tax purposes in the following years	80,723,962	13,541,847	67,182,115
Provision of doubtful advances	2,616,168	8,458,854	(5,842,686)
Provision for gratuity	-	-	
Provision of doubtful debts	386,069,897	(66,025,255)	452,095,152
Sub Total (B)	1,350,468,622	(45,044,124)	1,395,512,746
Net Deferred tax assets (A+B)	1,321,207,803	13,948,871	1,307,258,932

* The Company has entered into agreements with its customers for providing engineering services and based on developments in certain new projects, the Company will have certain revenue and future taxable income. Accordingly, the Company has recognised deferred tax assets to the extent there exists virtual certainty with convincing evidences on realisability of such future taxable income in accordance with Accounting Standard -22 "AS 22 Accounting for taxes on income". Due to accumulated losses, some subsidiaries have deferred tax asset with loss as a major component. Since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, these subsidiary companies have not recognized deferred tax asset on such timing differences.

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
Note 34 : CONTINGENT LIABILITIES AND COMMITMENTS:		
a) The details of contingent liabilities are as follows:		
Right to recompense (CDR Scheme)	1,055,996,000	760,800,000
Open letters of credit	37,914,250	94,885,657
Litigations under workmen compensation act*	1,745,712	1,745,712
Litigations with contractors and others*	3,468,504	3,601,168
Sales tax demand under dispute	734,999,335	556,392,184
Income Tax demand under dispute**	260,866,739	194,354,489
Service Tax Demand	-	71,137,262
Total	2,094,990,540	1,682,916,472

*Based on discussions with the solicitors / favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

**The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the Assessment Orders for the assessment years 2007-08 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of Rs. 199,216,987. The Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority has granted partial relief to the Company. The Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the Orders for these assessment years.

Based on their assessment and upon consideration of advice from the independent legal counsel, the management believes that the Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending final decision on these matters no adjustments have been made in the consolidated financial statements.

In case of A2Z Infraservices Limited and A2Z Powercom Limited, The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 of the Income Tax Act, 1961. During financial year 2014-15, assessment officer had raised a demand notice on the basis of block assessment done for the financial year 2008-09 to 2012-13. The Company had filed an appeal with Commissioner of income tax (CIT) (Appeals) against the demand notice and based on the opinion of tax advisers, management believe that no provision is required to be made in the financial statements.

b) Commitments outstanding:

Estimated amount of contracts to be executed and not provided for:

Particulars	As at March 31, 2016	As at March 31, 2015
Capital commitments	318,342,062	324,119,222
Other commitments	3,686,502,475	7,422,900,000
	4,004,844,537	7,747,019,222

	For the year ended March 31, 2016	For the year ended March 31, 2015
Note 35 : DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 7 "CONSTRUCTION CONTRACTS"		
Contract revenue recognized as revenue in the year	9,663,013,977	2,283,279,615
Aggregate amount of cost incurred and recognized profits up to the reporting date on contract under progress	36,339,220,517	30,831,232,791
Amount of advance received on contract under progress and outstanding at year end	184,297,535	262,766,974
Amount of retentions on contract under progress	5,214,735,386	3,598,351,001
Gross amount due from customers for contract work as an asset	5,426,655,718	3,374,328,222
Gross amount due to customers for contract work as a liability	103,544,770	156,665,624

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

Note 35.1: The Company has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under the law/accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts. The Company does not have any derivative contracts at the end of the year.

Note 36 : INTEREST IN JOINT VENTURES

The Company's interest and share in joint ventures in the jointly controlled operations as at March 31, 2016 are as follows:

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of incorporation
1	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from June 18, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Maharashtra State Electricity Transmission Company Limited for Design, Manufacture and Supply of all materials, execution of relevant civil works, erection, testing and commissioning of new 220KV Sub-station at Airoli, Sonkhar & Vasai and 132 KV Substation at Jam, Patur, Ghatanji, Wardha, Akola, Pandharkawda, Elichpur and Kundalwadi on turnkey basis.	See Note 36(a).1 below	*
2	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from December 12, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Construction of 220/132KV Grid Sub-Station at Bishnah (J&K).	See Note 36(a).1 below	*
3	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from December 31, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Construction of 220/132KV Grid Sub-Station at Budgam (Pkg A) & Mir Bazar (Pkg B)	See Note 36(a).1 below	*
4	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from June 14, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Bihar State Electricity Board for Turnkey Construction of 220/132/33 KV Grid station at Begusarai.	See Note 36(a).1 below	*
5	M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO)	Jointly Controlled Operations	A Joint Venture Agreement effective from January 21, 2008. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package of 220kv D/C Wagoora-Budgam Zainakot Transmission Line in Kashmir Valley.	See Note 36(a).1 below	*
6	M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO)	Jointly Controlled Operations	A Joint Venture Agreement effective from February 15, 2008. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package of Construction of 1x20 MVA, 132/33 KV Grid Sub-Station at Chandak, District Poonch (J&K).	See Note 36(a).1 below	*
7	M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO)	Jointly Controlled Operations	A Joint Venture Agreement effective from February 15, 2008. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package of Construction of 1x50 MVA, 132/33 KV Grid Sub-Station at Battal, Manwal, District Udhampur (J&K).	See Note 36(a).1 below	*
8	M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO)	Jointly Controlled Operations	A Joint Venture Agreement effective from November 15, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package for Survey, Engineering, Design, Fabrication of Lattice Type Structures Galvanisation Supply of Structures, Laying of foundation, Protection Works, Erection of Towers, laying & stringing of ACSR PANTHER Conductor, Testing and Commissioning of Transmission lines from Badampora – Bandipora and from Lassipora – Sopian.	See Note 36(a).1 below	*
9	M/s Linkwell Telesystems Private Limited	Jointly Controlled Operations	Joint Venture Agreement effective from August 9, 2008. The principal activity of the Venture is to bid jointly and enter into contract with Madhya Pradesh Poorva Kshetra Vidyut Vitaran Co. Ltd. ('MPPKVVCL'), Jabalpur for design, manufacture, supply, install, commission, operate and maintain Remote Metering of LT Consumers above 10 BHP.	See Note 36(a).1 below	*
10	M/s Shyama Power (India) Private Limited	Jointly Controlled Operations	Joint Venture effective from August 22, 2008. The principal activity of the Venture is to submit a bid jointly and enter into contract with NHPC Ltd for the design manufacture, supply and erection, testing and commissioning of Equipment / Materials stipulated in the bidding documents for Rural Electrification works along with 66 KV Transmission Line each in Leh and Kargil District of Jammu & Kashmir.	See Note 36(a).1 below	*
11	M/s Cobra Instalaciones Y Servicios, S.A	Jointly Controlled Operations	Joint Venture agreement effective from December 12, 2008. The principal activity of the venture is to bid for tender and enter into contract with Maharashtra State Electricity Transmission Company Limited (MSETCL), Mumbai for Design, Manufacture and Supply of all materials execution of relevant civil works, erection, testing and commissioning for establishment of new 220 KV Sub-Station at Kudus, Talegaon, Jath, Patoda, Bhokardhan and 132 KV Sub-station at Badnapur on Turnkey basis.	See Note 36(a).1 below	*
12	M/s Karamtara Engineering Private Limited	Jointly Controlled Operations	Joint Venture agreement effective from July 10, 2009. The principal activity of the venture is to bid for tender and enter into contract with Power Grid Corporation of India Limited (PGCIL) for Design, Manufacture, Supply, Erection, Testing & Commissioning of Equipments/Materials for 765 KV S/C Meerut-Agra Transmission Line (Part-I) associated with 765 KV system for central part of Northern Grid.	See Note 36(a).1 below	*
13	M/S Richardson & Cruddas (1972) Limited	Jointly Controlled Operations	Joint Venture agreement effective from September 19, 2008. The principal activity of the venture is to bid for tender and enter into contract with Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RRVPLN), Jaipur for Design, Manufacture and Supply of materials for construction of 220KV/132KV transmission lines on turnkey basis.	See Note 36(a).1 below	*

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of incorporation
14	M/S Satya Builders	Jointly Controlled Operations	Joint Venture agreement effective from September 17, 2010. The principal activity of the venture is survey, design, supply of all material & labour, T & P and laying of Branch – lateral, Main and Trunk sewer lines and appurtenants works under Mussoorie sewerage in different Zones of Mussoorie, Dehradun under Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) Programme.	See Note 36(a).1 below	*
15	M/S Sudhir Power Projects Limited	Jointly Controlled Operations	Joint Venture agreement effective from May 8, 2013. The principal activity of the venture is procurement of plant, design, supply and installation of package - 21(B) - 132 KV substation Uralna with 2*40/50 MVA, 132/33 KV transformers, 66 KV substation Sector 20, Panchkula with 2*25/31.5 MVA, 66/11 KV transformers, 66 KV substation Laha with 1*12.5/16 MVA, 66/11 KV transformers of HaryanaVidyut Prasaran Nigam Limited.	See Note 36(a).1 below	*

One of the subsidiaries, A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited) had entered into following Joint Venture Agreements:

16	M/s Ram Engineering & Construction Co.	Jointly Controlled Operations	Joint venture agreement with M/s Ram Engineering & Construction Co. and M/s Bhumika Transport effective from February 6, 2008 and M/s Karnataka Compost Development Corporation effective from March 3, 2008. The principal activity of the venture is Collection, segregation, storage, transportation of solid waste to site, construction of waste processing system, composting, treatment of leachate and integrated landfill facility including supply and installation of all equipments and accessories required to handle municipal solid waste in various cities of Uttar Pradesh on turnkey basis as well Build, Own, Operate, Transfer contract for operation and maintenance.	See Note 36(a).1 below	*
	M/s Bhumika Transport				
	M/s Karnataka Compost Development Corporation				
17	Eco Save System (P) Limited (Representative of Burn Environmental and Technologies Private Limited)	Jointly Controlled Operations	Joint venture agreement effective from March 20, 2008. The principal activity of the venture is to bid for tender and take support in technical, plant engineering, installation, operations, maintenance and management of various municipal solid waste to compost projects in state of Uttar Pradesh.	See Note 36(a).1 below	*
18	M/s Maccaferri Environmental Solutions Pvt. Ltd	Jointly Controlled Operations	Joint venture agreement effective from February 15, 2008. The principal activity of the venture is to bid for tender and enter into contract for Collection, segregation, storage, transportation of solid waste to site, construction of waste processing system, composting, treatment of leachate and integrated landfill facility including supply and installation of all equipments and accessories required to handle municipal solid waste on National Level on turnkey basis as well Build, Own, Operate, Transfer contract for operation and maintenance.	See Note 36(a).1 below	*

*Country of Incorporation not applicable, as these are unincorporated Joint Ventures.

Note 36(A).1: As per joint venture agreements, the scope and value of work of each partner has been clearly defined and accepted by the clients. The Group's share in assets, liabilities, income and expenses are duly accounted for in the consolidated financial statements of the Group in accordance with such division of work and therefore does not require separate disclosure. However, joint venture partners are jointly and severally liable to clients for any claims in these projects.

Note 37: RELATED PARTY

Names of related parties

Joint venture partners

- UB Engineering Limited
- Southern Petrochemical Industries Corporation Limited (SPIC-SMO)
- Linkwell Telesystems Private Limited
- Cobra Instalaciones Y Servicios, S.A
- Karamtara Engineering Private Limited
- Richardson & Cruddas (1972) Limited
- Satya Builders
- Bhumika Transport
- Maccaferri Environmental Solutions Private Limited
- Eco Save System (P) Limited (Representative of Burn Environmental and Technologies Private Limited)

Key Management Personnel ('KMP')

- Mr. Amit Mittal (Managing director)
- Mrs. Dipali Mittal (Whole time Director)
- Mr. Rajesh Jain (CEO and Whole time director)
- Dr Ashok Kumar Saini (with effect from Feb 15, 2015)

- Mr. Deepak Agarwal
- Mr. Ankit Agarwal
- Mr. Ashish Mittal
- Ms. Indu Mittal
- Mr. Sanjiv Saklani
- Mr. Lovkesh Bajaj

Relatives of Key Management Personnel

- Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)

Enterprise in control of relatives of Key Management Personnel

- Mestric Consultants Private Limited
- Devdhar Trading and Consultants Private Limited

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year :

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015		
	Joint Ventures	Enterprise in control of KMP	KMP/ Relative of KMP	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Sale of goods / services					
- UB Engineering Limited	923,904	-	-	-	-
Purchase of goods or services					
- Cobra Instalaciones Y Servicios, S.A	-	-	852,318	-	-
Rent expense / equipment hiring charges					
- Amit Mittal	-	-	-	-	360,000
- Dipali Mittal	-	-	1,434,420	-	1,126,200
- Sudha Mittal	-	-	528,000	-	520,000
Share application money received					
- Mestric consultants private limited	-	-	-	1,000,000	-
- Amit Mittal	-	-	-	-	123,400,000
Provision for doubtful debts expense					
- UB Engineering Limited	284,768,914	-	-	87,593,857	-
- SPIC-SMO	115,076,965	-	-	28,552,379	-
Loan / advances given					
- Maccaferri Environment Solutions Private Limited	1,000,000	-	-	-	-
- Devdhar Trading and Consultants Private Limited	-	1,300,000	-	-	-
Loan / advances refunded					
- Amit Mittal	-	-	1,000,000	-	1,181,235
Remuneration					
- Dipali Mittal	-	-	1,908,000	-	1,800,000
- Rajesh Jain	-	-	1,800,000	-	-
- Ashok Saini	-	-	1,800,000	-	-
- Deepak Agarwal	-	-	1,800,000	-	1,800,000
- Sanjiv Saklani	-	-	4,918,065	-	8,514,000
- Ashish Mittal	-	-	493,750	-	1,185,000
- Indu Mittal	-	-	592,500	-	592,500
- Ankit Agarwal	-	-	1,785,000	-	446,250
- Lovkesh Bajaj	-	-	984,800	-	-
Interest income on loan given					
- Devdhar Trading and Consultants Private Limited	-	30,831	-	-	-

Particulars	For the year ended March 31, 2016			For the year ended March 31, 2015		
	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Balance outstanding at the end of the year						
Share application money pending allotment						
- Mestric consultants private limited	-	-	-	-	222,000,000	-
Trade receivable / advances recoverable						
- UB Engineering Limited	848,908,032	-	-	888,793,171	-	-
- SPIC-SMO	247,769,544	-	-	255,170,193	-	-
- Karamiara Engineering Private Limited	6,218,312	-	-	6,218,312	-	-
- Satya Builders	5,144,000	-	-	5,144,000	-	-
- Amit Mittal	-	-	18,277,877	-	-	18,277,877
- Devdhar Trading and Consultants Private Limited	-	1,300,000	-	-	-	-
Provision for doubtful debts						
- UB Engineering Limited	-	-	-	280,147,821	-	-
- SPIC-SMO	-	-	-	100,553,780	-	-
Remuneration payable						
- Deepak Agarwal	-	-	401,160	-	-	706,660
- Dipali Mittal	-	-	1,362,276	-	-	1,362,280
- Rajesh Jain	-	-	299,980	-	-	-
- Ashok Saini	-	-	201,275	-	-	-
Other current liability (creditor for capital goods)						
- Maccaferri Environment Solutions Private Limited	-	-	-	13,968,020	-	-
Other current assets (interest accrued)						
- Devdhar Trading and Consultants Private Limited	-	27,748	-	-	-	-
Trade payable						
- Linkwell Telesystems Private Limited	2,203	-	-	2,203	-	-
- Eco Save Systems (P) Limited	985,400	-	-	985,400	-	-
- Maccaferri Environment Solutions Private Limited	12,954,402	-	-	-	-	-
- Richardson & Cruddas (1972) Ltd.	1,460,542	-	-	1,460,542	-	-
- Cobra Instalaciones Y Servicios, S.A	485,374	-	-	485,374	-	-
- Bhumika Transport	288,287	-	-	288,287	-	-

Note: In the opinion of the management, the transactions reported herein are on arms' length basis.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

Note 38 : SEGMENTAL INFORMATION

Business segments

The primary reporting of the Group 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 group is operating into following segments – (i) Engineering Service (ES), (ii) Facility Management Services (FMS), (iii) Municipal Solid Waste Management (MSW), (iv) Power generation projects ('PGP') (v) Others represents trading of goods, renting of equipments, manufacturing of electrical equipment and operation and maintenance services, etc

Particulars	ES March 31, 2016	ES March 31, 2015	FMS March 31, 2016	FMS March 31, 2015	MSW March 31, 2016	MSW March 31, 2015	PGP March 31, 2016	PGP March 31, 2015	Others March 31, 2016	Others March 31, 2015	Elimination March 31, 2016	Elimination March 31, 2015	Total March 31, 2016	Total March 31, 2015
Revenue														
Operating income	9,672,243,076	2,316,479,446	2,941,732,882	2,752,319,545	475,018,158	593,845,117	9,485,290	9,485,290	389,672,938	281,743,425	-	-	13,488,152,344	5,944,387,533
Other income	65,076,948	54,332,735	-	-	118,546,451	113,547,951	-	-	1,665,081	51,685	-	-	185,288,480	167,932,371
Intersegment Revenue	420,000	-	17,258,310	22,709,308	1,419,533	3,329,044	-	-	32,005,759	33,330,549	51,103,602	59,368,901	-	-
Total revenue	9,737,740,024	2,370,812,181	2,958,991,192	2,775,028,853	594,984,142	710,722,112	9,485,290	9,485,290	423,343,778	315,125,659	51,103,602	59,368,901	13,673,440,824	6,112,319,904
Segment costs	(9,100,601,540)	(3,283,588,443)	(2,764,195,249)	(2,591,237,282)	(830,234,741)	(1,057,056,586)	(21,625,889)	(21,625,889)	(502,041,877)	(637,437,801)	(99,391,114)	(59,694,574)	(13,119,308,182)	(7,252,531,392)
Result	637,138,484	(912,776,262)	194,795,943	183,791,571	(235,250,599)	(346,334,474)	(42,905,854)	(42,905,854)	(78,698,099)	(22,312,142)	(48,287,512)	(325,673)	554,132,642	(1,140,211,488)
Unallocated income														38,157,238
Interest income														29,206,071
Financial Expense														(1,981,385,625)
Prior period items														6,077,003
Exceptional items														-
Provision for tax														45,654,602
Current income tax														
Deferred tax (charge)/credit														(79,453,934)
Tax expense relating to prior years														(13,948,872)
MAT Credit entitlement														34,305,592
Net loss after tax	17,641,691,238	11,596,317,414	1,307,739,329	1,368,566,057	6,245,530,065	6,255,053,667	6,154,310,967	6,154,310,967	625,160,310	735,436,055	(22,346,514)	45,563,521	31,785,622,920	26,064,120,639
Other information														
Segment assets	17,641,691,238	11,596,317,414	1,307,739,329	1,368,566,057	6,245,530,065	6,255,053,667	6,154,310,967	6,154,310,967	625,160,310	735,436,055	(22,346,514)	45,563,521	31,785,622,920	26,064,120,639
Unallocable corporate assets														1,813,864,705
Total assets	17,641,691,238	11,596,317,414	1,307,739,329	1,368,566,057	6,245,530,065	6,255,053,667	6,154,310,967	6,154,310,967	625,160,310	735,436,055	(22,346,514)	45,563,521	33,599,487,625	27,843,551,630
Segment liabilities	8,464,183,863	3,104,354,194	653,004,131	477,893,955	1,194,481,863	970,414,163	231,361,936	231,361,936	132,457,856	221,936,863	592,392,029	493,991,800	10,083,097,620	4,628,348,231
Unallocable corporate liabilities														16,097,355,676
Total Liabilities	8,464,183,863	3,104,354,194	653,004,131	477,893,955	1,194,481,863	970,414,163	231,361,936	231,361,936	132,457,856	221,936,863	592,392,029	493,991,800	17,557,611,223	20,725,703,907
Capital expenditure	(333,776)	29,755,658	20,033,382	13,655,393	102,379,620	26,409,440	(5,796,162)	46,203,096	4,097,988	-	-	(1,921,607)	120,381,052	117,945,194
Depreciation included in segment expenses	107,790,489	90,968,377	15,964,840	18,207,731	265,927,278	271,254,316	60,429,160	60,429,160	7,725,787	8,296,737	-	325,672	457,837,554	405,745,850
Other Non cash expenditure														709,867,238

Geographical segments : The secondary reporting segment of the Group has been performed on the basis of Geographical segment. The Group operates in two principal geographical areas of the world, in India, its home country, and the other countries.

The following table presents revenue and trade receivables regarding geographical segments as at March 31, 2016 and March 31, 2015.

Particulars	India		Other countries		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Segment revenue	13,391,082,254	5,746,700,881	432,982,332	432,982,332	13,824,064,586	6,179,683,213
Segment trade receivables (including retention money)	11,453,416,874	7,830,467,435	134,201,249	134,201,249	11,587,618,123	7,964,868,684

*The Group has common assets for domestic market and overseas market. Hence, separate figures for assets / additions to assets cannot be furnished.

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

Note 39: UNHEDGED FOREIGN CURRENCY EXPOSURE:

a) In case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited) and its subsidiaries

The detail of unhedged foreign currency exposures as at March 31, 2016:

Particulars	Name of Company	As at March 31, 2016		As at March 31, 2015	
		USD	INR (notional)	USD	INR (notional)
Foreign Currency Loans	A2Z Waste Management (Aligarh) Limited	875,000	58,041,288	875,000	54,766,950
Foreign Currency Loans	A2Z Waste Management (Badaun) Limited	1,057,000	70,113,875	1,057,000	66,158,476
Foreign Currency Loans	A2Z Waste Management (Baliala) Limited	740,000	49,086,346	740,000	46,317,192
Foreign Currency Loans	A2Z Waste Management (Fatehpur) Limited	730,000	48,423,017	730,000	45,691,284
Foreign Currency Loans	A2Z Waste Management (Merrut) Limited	3,125,000	207,290,313	3,125,000	195,596,250
Foreign Currency Loans	A2Z Waste Management (Mirzapur) Limited	912,500	60,528,771	912,500	57,114,105
Foreign Currency Loans	A2Z Waste Management (Moradabad) Limited	875,000	58,041,288	875,000	54,766,950
Foreign Currency Loans	A2Z Waste Management (Ranchi) Limited	5,167,500	342,775,261	5,167,500	323,437,959
Foreign Currency Loans	A2Z Waste Management (Sambhal) Limited	922,500	61,192,100	922,500	57,740,013
Foreign Currency Loans	A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	5,216,250	346,008,956	5,216,250	326,489,260
Foreign Currency Loans	A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	3,040,000	201,652,016	3,040,000	190,276,032

b) The detail of unhedged foreign currency exposure of the Group as at balance sheet date are as under:

Particulars	Amount in Rupees	Amount in Foreign currency	Currency	Exchange rate as on March 31, 2016
Foreign currency in hand	22,952	347	USD	1 USD = INR 66.143
Foreign currency in hand	25,110	1,391	AED	1 AED = INR 18.052
Foreign currency in hand	6,540	371	Riyal	1 Riyal = INR 17.628
Foreign currency in hand	476	490	Ruble	1 Ruble = INR 0.971
Foreign currency in hand	72,350	760	GBP	1 GBP = INR 95.197
Foreign currency in hand	7,736	753	RMB	1 RMB = INR 10.274
Foreign currency in hand	9,762	130	EURO	1 Euro = INR 75.092
Foreign currency in hand	1,968	397,500	Indonesian Rupiah	1 Rupiah= INR 0.005
Foreign currency in hand	3,334	1,780	Bhat	1 Bhat = INR 1.873
Bank Balance with Standard chartered Bank (Zambia) \$	1,774,609	26,830	USD	1 USD = INR 66.143
Bank Balance with Standard chartered Bank (Zambia)	703,125	120,292	Zambian Kwacha	1 ZK = INR 5.845
Bank Balance with Stanbic Bank (Uganda)	6,626,893	100,191	USD	1 USD = INR 66.143
Bank Balance with Stanbic Bank (Uganda) UGX	2,620,845	135,095,123	Uganda Shillings	1 UGX = INR 0.0194
Bank Balance with Standard chartered Bank (Uganda) UGX	43,056	2,219,370	Uganda Shillings	1 UGX = INR 0.0194
Bank Balance with Bank of Baroda (Uganda) UGX	12,362	637,230	Uganda Shillings	1 UGX = INR 0.0194

Summary of significant accounting policies and notes forming part of the consolidated financial statements
(Unless otherwise stated, all amounts are in Indian Rupees)

The detail of unhedged foreign currency exposure of the Group as at March 31, 2015 are as under:

Particulars	Amount in Rupees	Amount in Foreign currency	Currency	Exchange rate as on March 31, 2015
Foreign currency in hand	89,048	1,423	USD	1 USD = INR 62.590
Foreign currency in hand	14,878	875	AED	1 AED = INR 17.003
Foreign currency in hand	6,172	371	Riyal	1 Riyal = INR 16.633
Foreign currency in hand	3,290	1,780	Bhat	1 Bhat = INR 1.848
Foreign currency in hand	1,908	397,500	Indonesian Rupiah	1 Rupiah= INR 0.005
Foreign currency in hand	456	490	Ruble	1 Ruble = INR 0.931
Foreign currency in hand	70,289	760	GBP	1 GBP = INR 92.459
Foreign currency in hand	7,579	753	RMB	1 RMB = INR 10.065
Foreign currency in hand	8,711	130	EURO	1 EURO = INR 67.011
Bank Balance with Standard chartered Bank (Zambia) \$	1,516,958	24,236	USD	1 USD = INR 62.590
Bank Balance with Standard chartered Bank (Zambia)	5,632,137	686,988	Zambian Kwacha	1 ZK = INR 8.198
Bank Balance with Standard chartered Bank (Uganda) \$	55,245	883	USD	1 USD = INR 62.590
Bank Balance with Stanbic Bank (Uganda)	24,667	394	USD	1 USD = INR 62.590
Bank Balance with Standard chartered Bank (Uganda) UGX	11,825	569,585	Uganda Shillings	1 UGX = INR 0.021
Bank Balance with Bank of Baroda (Uganda) UGX	199,283	9,599,359	Uganda Shillings	1 UGX = INR 0.021

	For the year ended March 31, 2016	For the year ended March 31, 2015
Note 40: PRIOR PERIOD ITEMS		
Liability written back	8,999,103	-
Additional demand of provident fund	(2,922,100)	-
Total	6,077,003	-

Note 41 :

Additional Information, as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

S. No.	Name of Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
	Holding Company				
	A2Z Infra Engineering Limited (formerly known as A2Z Maintenance & Engineering Services Limited)	105.7%	5,188,652,354	32.0%	(426,233,704)
	Subsidiary Companies				
	Indian subsidiaries				
1	A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)	11.3%	554,540,855	43.6%	(580,647,571)
2	A2Z Infraservices Limited	0.4%	21,312,185	-1.6%	21,109,784
3	A2Z Powercom Limited	-0.2%	(9,803,339)	-0.6%	7,581,031
4	A2Z Powertech Limited	0.2%	8,880,519	0.0%	250,971
5	Selligence Technologies Services Private Limited	0.0%	(228,385)	0.0%	(647,584)
6	Mansi Bijlee and Rice Mills Limited	0.1%	4,734,425	0.2%	(3,256,657)

Summary of significant accounting policies and notes forming part of the consolidated financial statements (Unless otherwise stated, all amounts are in Indian Rupees)

S. No.	Name of Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
7	Star Transformers Limited	2.6%	127,041,309	1.6%	(20,888,764)
8	Magic Genie Services Limited (Formerly A2Z Water Solutions Limited)	0.1%	3,833,909	0.1%	(1,419,587)
9	Chavan Rishi International Limited	1.7%	82,847,978	0.6%	(7,783,599)
10	A2Z Waste Management (Nainital) Private Limited	-0.1%	(3,986,830)	0.0%	(393,500)
11	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	1.1%	53,881,573	0.4%	(4,724,540)
12	A2Z Waste Management (Aligarh) Limited	-3.2%	(157,328,137)	2.3%	(30,848,609)
13	A2Z Waste Management (Moradabad) Limited	-4.0%	(195,497,987)	3.4%	(44,645,843)
14	A2Z Waste Management (Meerut) Limited	-2.1%	(101,004,348)	2.8%	(36,722,175)
15	A2Z Waste Management (Varanasi) Limited	-4.1%	(199,949,353)	5.0%	(66,408,191)
16	A2Z Waste Management (Mirzapur) Limited	-0.3%	(15,796,123)	0.5%	(6,414,466)
17	A2Z Waste Management (Badaun) Limited	-0.3%	(12,574,094)	0.5%	(6,892,611)
18	A2Z Waste Management (Balai) Limited	-0.1%	(4,001,630)	0.4%	(4,903,335)
19	A2Z Waste Management (Fatehpur) Limited	-0.9%	(42,580,288)	0.6%	(8,273,432)
20	A2Z Waste Management (Jaunpur) Limited	0.0%	570,103	0.0%	(25,207)
21	A2Z Waste Management (Loni) Limited	0.0%	(384,166)	0.0%	(27,776)
22	A2Z Waste Management (Sambhal) Limited	-0.2%	(11,763,949)	0.5%	(6,279,112)
23	A2Z Waste Management (Ranchi) Limited	-1.1%	(52,001,514)	1.9%	(25,046,779)
24	Green waste Management Private Limited (formerly A2Z Waste Management (Haridwar) Private Limited)	0.0%	(85,260)	0.0%	(6,964)
25	A2Z Waste Management (Dhanbad) Private Limited	-0.1%	(3,592,605)	0.0%	(487,588)
26	A2Z Waste Management (Ludhiana) Limited	-0.4%	(18,947,627)	-0.4%	5,268,618
27	A2Z Waste Management (Jaipur) Limited	-1.8%	(87,723,667)	0.8%	(10,833,221)
28	A2Z Mayo SNT Waste Management (Nanded) Private Limited	0.0%	(73,244)	0.0%	(28,074)
29	A2Z Waste Management (Ahmedabad) Limited	0.0%	(221,279)	0.0%	(11,492)
30	Shree Balaji Pottery Private Limited	0.0%	(1,535,943)	0.0%	(44,858)
31	Shree Hari Om Utensils Private Limited	0.0%	(1,491,228)	0.0%	(46,546)
32	Earth Environment Management Services Private Limited	-2.1%	(101,584,811)	5.3%	(69,918,053)
	Minority Interest in all Subsidiaries	-2.4%	(115,433,337)	0.1%	(796,812)

Note 42: Previous year figures have been regrouped/reclassified wherever considered necessary.

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

Place: **Gurgaon**
Date : **May 28, 2016**

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN No. 00058944)

Sd/-
Lalit Mohan Gulati
Chief Financial Officer

Sd/-
Rajesh Jain
Chief Executive Officer and Whole Time Director
(DIN No. 07015027)

Sd/-
Atul Kumar Agarwal
Company Secretary



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A2Z INFRA ENGINEERING LIMITED

(formerly known as A2Z Maintenance & Engineering Services Limited)

CIN: L74999HR2002PLC034805

REGISTERED OFFICE

O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF Phase - I, Gurgaon - 122002, Haryana (India)

Ph. No.: +91 124 4300426 | Fax: +91 124 2566651

CORPORATE OFFICE

Plot No. B-38, Institutional Area, Sector -32, Gurgaon - 122001, Haryana (India)

Ph. No.: +91 124 4517600 | Fax: +91 124 4380014