

...em **POWER**ing the nation

A2Z INFRA ENGINEERING LTD.



17th Annual Report 2017-18

# INSIDE THIS REPORT

## CORPORATE OVERVIEW

Empowering the Nation	01
FY 2017-18-Major Milestones	02
Message from the Chairman	04
Message from the Managing Director	06
Board of Directors	08
Corporate Information	09

## STATUTORY REPORTS

Directors' Report	10
Management Discussion and Analysis	40
Report on Corporate Governance	49

## FINANCIAL STATEMENTS

Independent Auditor's Report on Standalone Financial Statement	65
Standalone Financial Statements	72
Independent Auditor's Report on Consolidated Financial Statements	139
Consolidated Financial Statements	143

### 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.



# ...emPOWERing the nation

Since beginning, Financial Year 2017-18 (FY18) has been an year full of challenges, achievements and hope for future, for the economy in India and across the globe, the various industry sectors and for A2Z Group as well. As part of our continuous efforts, the Company completed many of its projects during the year under review. The Company's efforts at improving the financial situation have started showing initial results. We, as a Company, are hopeful that our efforts towards achieving success in getting new business opportunities are on positive track and along with this, the improved financial health will result in fruits of success very soon. Empowering the Nation, since adopted as corporate positioning has come a long way to become a vision, an aspiration and a guiding light for us. Today, A2Z Group is marching forward steadily to realize this statement as a mission, thereby adding to the growth of the nation.

We, at A2Z Group moved forward with clear focus on finding solutions to challenges and tapping every opportunity possible in and around our areas of expertise. The dust is seemingly settling down slowly post the major structural & policy level changes effected by the present government over the past two years. The transformational changes like demonetization in FY17 and implementation of GST regime during FY18 were two major factors in this transformation. At the same time, the present Government's initiatives and commitment towards higher economic growth have been the hope bearers. The few bright spots in this opportunity landscape include Bharat Broadband project, schemes like IPDS of central government for improving power infrastructure, Smart City projects, Infrastructure Sector status to Affordable Housing, Housing for All, Electricity for All among others. While it is absolutely critical to handle the challenges diligently and urgently, there are opportunities too for those who seek. These new opportunities are arising out of the policy & program initiatives by the Indian government.

For A2Z Group, the Facility Management business has been one of the turnaround stories during FY18. We bagged two prestigious Government contracts to provide un-skilled, semi-skilled and skilled manpower in Power T&D business and another one for a Power utility department of the State Government, both in the State of Madhya Pradesh. Besides manpower supplying, we bagged cleaning & maintenance contract for the iconic Chhatrapati Shivaji Station of Mumbai Railway, a foundation laid for many more such possibilities going forwards. In our Waste Management business, we bagged order from South Delhi Municipal Corporation (SDMC) for waste collection & transportation. The project is run through our 'Safai Mitra' app for the citizens of SMDC which is the next level in technology driven city sanitation.

In our Engineering Services business, the focus has clearly been on execution of existing projects and carefully picking up only the new projects which offer financial & operational viability with positive cash flows. With this approach and the strategy to diversify geographically, we pitched aggressively and won orders for setting Power T&D infrastructure for the Government of Tanzania's Rural Electricity Agency.

We ventured into multiple green business initiatives that are technology driven. These business initiatives have the capability to set sectoral benchmarks due to the innovative approach and precision execution. We created a unique business proposition for one of the country's top three food delivery players. This included providing of in-house designed & manufactured E-Bicycle that is run with battery and has inverter fitted in it along with trained food delivery personnel. This could well be the next level of environment friendly technology driven manpower supply projects. Another reason to be content was the installation of first and first of its kind 'Smart Bus Shelter-cum-Smart Toilet' in Lucknow Municipal Corporation area. The first such project is a major contributor to a 'Swachh Bharat' and 'Smart Cities'. During the same year, the other major technology-based new green business initiative was 'Magic Brick'. We made the technological break-through to create high-quality construction bricks from Municipal Solid Waste, an area where we already have strong presence & expertise. With this, we'll help the nation manage its waste, create construction material and invest in a green nation for tomorrow.

With these strides we intend to grow sustainably and are hopeful to add significantly to our mission. We believe that this is just a beginning and we have a long way to go in realizing this mission of **'Empowering the Nation'**.



# FY 2017-18 - Major Milestones



## GROWING INTERNATIONAL FOOTPRINT

A2Z Infra Engineering was awarded a contract from Rural Energy Agency of Tanzania for supply and installation of Medium and Low Voltage Lines, Distribution Transformers on turnkey basis amounting to around USD 24.62 million. With this, A2Z Group further expanded its international presence by, adding geographic diversity to Group's business portfolio.



## NEW WASTE MANAGEMENT PROJECT

A2Z Group won 8 year contract for Municipal Solid Waste Collection & Transportation from the South Delhi Municipal Corporation, Delhi. The project involves door-to-door collection and transportation of waste to designated sites. The entire process is IT controlled both at the front end with the help of 'Safai Mitra' app and at the back end with the help of online monitoring and tracking.



## MANPOWER CONTRACT –MADHYA PRADESH ELECTRICITY SUPPLY

The Group was awarded three contracts worth Rs.56 Crores for providing manpower to the Madhya Pradesh Government's electricity supply body – Madhya Pradesh Paschim Ksetra Vidyut Vitran Co. Ltd. The role of the manpower will be to carry out various skill based Operations & Maintenance jobs like Meter Reading, Bill Distribution, Data Entry Operations etc.



## EXCLUSIVE MANPOWER CONTRACT WITH LIQUOR SHOPS IN MADHYA PRADESH

The Group received exclusive contract for providing manpower to all the liquor shops in the state of Chhattisgarh on exclusive basis. The business opportunities are huge in this segment and the Group is eyeing all such opportunities aggressively.



### CLEANING & MAINTENANCE PROJECT FOR INDIAN RAILWAYS

The Group won work order for the cleaning and maintenance at Chhatrapati Shivaji Maharaj Terminus Railway Station and maintenance of bio-toilets in all central railway trains at Mumbai. The Group is in talks with the Railways for more such possibilities to serve them.



### FIRST SMART BUS SHELTER COMMERCIALIZED

A2Z Group has set up first of its' kind Smart Bus Shelter at Lucknow under the aegis of Lucknow Municipal Corporation. This product is highly flexible and customizable and the prototype unit has two kiosks, water dispenser, bus shelter and zero discharge smart toilet. The waste water is 100% recycled and used in flushing.



### E-HIRAN – A TECHNOLOGICAL REVOLUTION

A break from urban traffic chaos, burden of rising fuel pricing.. E-Hiran is a battery driven bicycle with highest safety features and convenience for effortless travel. E-Hiran is providing the business opportunity to individuals, it is equipped with battery pack suitable for 100 Kms ride.



### E-HIRAN & SKILL MANPOWER – UNIQUE PROPOSITION

Our revolutionary E-Cycle also called as E-Hiran was bundled with our skilled manpower, which opens up whole new avenues of income, going forward. In FY18, we bagged our first order from an online Food Delivery & Review platform. We provide E-Hiran alongwith our manpower to strengthen their supply chain. This initiative is unique proposition of combining technology with human resource which delivers financial and operational efficiency to businesses.



### TECHNOLOGY BREAKTHROUGH – MAGIC BRICK

During FY18, Municipal Solid Waste Management (MSW) business made a technology breakthrough and we started manufacturing Bricks as a byproduct of MSW process. The Magic Brick is Durable & Strong; Skid Resistant, Aesthetically Appealing and finally it is a green product coming out of waste management. Various usage of these Bricks include Road Pavements, Building Walls, Toilet Walls, and others. Aligarh Municipal Corporation was awarded as the Best Medium City in Innovative Practices in the Swachh Bharat Awards for adopting this innovation at its Municipal Solid Waste Plant.





## Message from the Chairman

*Dear Shareholders,*

It gives me pleasure to present before you the annual report for the fiscal year 2017-18, wherein your Company continued to take progressive steps to bring it back on a profitable growth path. During the said year, we have made progress in reducing the debt on the balance sheet and efforts are in line to reduce it further. In the flagship division of Engineering Services, we have achieved initial successes in our strategy to go international. Other divisions, viz. Facility Management Services and Municipal Solid Waste Management, bagged new projects in the market with some of them in completely new customer segments. On the whole, there were many developments which make us hopeful about turning the corner soon in the near future. While I have shared some more of my thoughts below, I invite you to peruse the details shared in this report on our performance and future outlook.

Overall economic scenario across the globe was fairly positive in 2017, both the advanced and emerging economies expanded at one of the fastest pace since financial crisis. In addition to the recovery in oil and commodity prices benefitting oil and commodity exporting countries, overall robustness in consumption and investment across most parts of the world meant higher capacity utilizations, upbeat jobs market and buoyant financial markets. This momentum is likely to sustain in 2018 as well. World Bank has forecasted the global GDP growth to be 3.1% in 2018, same as 2017.

Indian economy, on the other hand, was hamstrung because the structural reforms such as Goods & Services Tax (GST), Insolvency & Bankruptcy Code (IBC), Real Estate Regulatory Authority (RERA), etc. legislated by the Government in previous years were implemented in FY2017-18. In addition to this, residual impact of demonetization carried out in FY2016-17 meant that GDP growth in first half was quite muted. However, it recovered in the second half with the last quarter growth of 7.7% meant India was once again the fastest growing large economy in the world and by a wide margin of 90 basis points as compared to China. In FY2018-19, India is expected to maintain this pace and grow at 7.4% - 7.6% as projected by Reserve Bank of India and a few other reputed agencies.

Indian Government's investments under NDA-2 rule in the infrastructure and the social sector have played a huge role in the economic growth for the last four years, with FY2017-18 being no exception. Your Company's business segments are in perfect alignment with the major thrust areas of this Indian Government in these sectors and where it has reportedly been very successful. In the area of Power Supply, the Indian Government achieved its target of 100% electrification of all inhabited villages 12 days ahead of the 1,000 day deadline announced by the Prime Minister (PM). PM has also advanced the deadline for 100% electrification of all household under the 'Saubhagya Yojana' from March 2018 to December 2019. The Swachh Bharat initiative has taken on the form of a movement with 402 districts out of 712 have been declared Open Defecation Free (ODF) by June 2018. The Swachh Sarvekshan survey has acted as a tool for motivation to many municipal corporations and for large-scale citizen participation. It has pushed municipal corporations to adopt modern solid-waste management methods to maintain cleanliness and sanitation, so as to improve their scores on the survey. On the telecom front, Government completed first phase of its BharatNet program to link 100,000 Gram Panchayats with 100 Mbps broadband connections in December 2017. Going further, this initiatives is expected to connect all 250,000 Gram Panchayats with high speed broadband connectivity. Government's reform initiatives and incentives for



Government completed first phase of its BharatNet program to link 100,000 Gram Panchayats with 100 Mbps broadband connections in December 2017. Going further, this initiatives is expected to connect all 250,000 Gram Panchayats with high speed broadband connectivity.

the real estate sector such as interest subsidy for low cost housing, RERA implementation, approval for Real Estate Investment Trusts (REIT), etc. and continued demand from commercial and retail sector for high quality properties means greater market for organized facility management players. The Government is also working on many more initiatives that are of significance to the Company such as Smart Cities, Renewable Energy, Railway Station cleaning, Beach cleaning etc. Given this scenario, your Company is expected to benefit significantly in terms of higher business opportunities.

The Company made significant progress on the strategic realignment front, however there are many more milestones to achieve on this front before it emerges from the overhang of the past. Old projects and their execution continue to take away precious time, effort and resources that could be devoted to exploiting the attractive business opportunities available in the market today. Nevertheless, your Company has succeeded in breaking ground on a few frontiers in FY2017-18. In the Power Transmission & Distribution segment it bagged a few substantial projects in Tanzania. Your Company's eco-friendly bricks branded as 'Magic Brick', which enable 100% utilisation of waste in an innovative way, have found acceptance with Aligarh Municipal Corporation in Uttar Pradesh. Aligarh Municipal Corporation was awarded India's Best Medium City in Innovation & Practices because of this initiative. Your Company has developed battery operated cycle which is the best solution for urban as well as rural area for pollution free, economic way of transportation. It has many advantages over other modes of commutation, as a legally allowed way of speedy commuting for teenagers, in terms of Capex, Opex, and ease of operation. The Company has been selected by one of the top three food delivery aggregator companies, for use of its e-cycles and manpower supply services. Another innovation installed by the Company was the first bus-shelter-cum-green-toilet in Lucknow. It has also won many new orders for providing facility management and manpower supply services especially in new business areas like Railway Station, Railway Coach Factory and Beach management in Karnataka.

As can be seen from our performance and the market outlook, the Company is poised to do well in the near future in the Facility Management Services and Waste Management space. In the EPC segment, the focus will be on newer, viable opportunities in the international market and in sideline manner in Indian Market. It will continue to focus on paring down the debt through bank settlement process to improve balance sheet quality along with efforts to improve margins through new businesses. Even though this difficult journey is expected to last a little longer, we can clearly see the light at the end of this tunnel and hope to touch the bright future soon. Finally, I would like to thank all our shareholders, customers, investors, suppliers, the exchequer and employees for their support, patience and belief in our long-term vision.

Best regards,

**Surender Kumar Tuteja**  
Chairman



## Message from the Managing Director



*Dear Shareholders,*

It is my pleasure to share with you the Company's performance for the financial year 2017-18 (FY18). During this year, we continued our arduous journey to emerge from the shadow of the past difficulties faced in the EPC business. With our success in reducing some of the past loans and in winning projects in new markets and products, the Company was able to significantly reduce its losses at the net level. This performance of ours mirrors the current situation of the Indian economy, which has been held back by the structural realignment and reforms implemented by the Government in FY2017-18 in Banking and Tax Regulations.

Our efforts of increasing footprint in international market during FY17 started paying off with significant new orders bagged by the Company from Rural Energy Agency of Tanzania to supply equipment and set up distribution infrastructure in the Dodoma region. In the domestic market, the Company received two major manpower supply orders, one in the Power Distribution space and another in the Facility Management Space. These projects involved supply of unskilled, semi-skilled and skilled manpower for Operations & Maintenance work from a utility department in Madhya Pradesh and supply of staff for the government-owned corporations in Chhattisgarh. In the core Facility Management Services space, Company won an order for cleaning and maintenance of the iconic Chhatrapati Shivaji Maharaj Terminus (erstwhile Victoria Terminus) railway station. Railway Station cleaning and maintenance is an opportunity that the Company plans to take further by bidding for more such projects. The Company also received new work orders in the Waste Management space from South Delhi Municipal Corporation.

In FY18, we continued with our strategy of the past few years of focusing on speedy execution of old projects, specifically in the Engineering Services business to limit the financial impact from the delays and overruns. Major reason for the Company getting stuck in this situation was the external scenario, where funding crunch and policy paralysis meant many infrastructure and EPC projects were delayed, deferred or dropped. But the Company is determined to come out of these troubles, and make its operations viable again through its execution capability and focus on strategic realignment. While this would mean that legacy issues would continue to be a drag on Company's performance for some more time and our ability to tap newer opportunities in the market, we are committed to do our best to improve the Company's performance.

Environment friendly initiatives of the Company have found new traction in the market during the reported year. E-Hiran, a battery based cycle also doubling up as an inverter, manufactured by the company was selected by one of the top 3, food delivery aggregator companies, for its delivery operations. The Company will also support in supplying trained food delivery personnel to the food delivery aggregator company. An innovation that can have a far reaching impact on the waste management practices was launched by the Company under the brand name 'Magic Brick'. This involves making bricks and blocks from solid waste, which will help municipal corporations achieve 100% utilization of solid waste and contribute towards sustainable future for the cities. Aligarh



Our Municipal Solid Waste business, where the Group develops all required equipment in-house, has seen a turnaround in momentum during the year, with the revenues growing by 19.5%. The Group will also continue working on Waste to Energy projects and for generating Refuse-Derived Fuel.

Municipal Corporation was awarded as the Best Medium City in Innovation & Practices in the Swachh Bharat awards for adopting this innovation from the Company at its Municipal Solid Waste plant.

Beyond these operational successes, the Company has also been able to effectively negotiate for a One Time Settlement with certain lenders of the Company during the year. These agreements involve settlement of outstanding principal and accrued interest of the Company and its subsidiaries in lieu of part payment through fund transfers and allotment of 3.03 crore equity shares at a price of ₹39.8 per share. Overall settlement process has taken longer than anticipated by the Company, but it is committed to taking this to closure so as to improve the Balance Sheet quality and make funds available for the new growth areas.

On the financial results front, the Company's operating revenues were ₹358 crores in comparison with ₹635 crores in FY17, a decline of 43.7%. This reduction is because of Company's Policy to be very selective in taking EPC order and increased business from Facility Management and Waste Management which will soon start to give thrust to the Group's revenue. On a consolidated basis, the Group's operating revenues went down by 28.8% from ₹996 crores in FY17 to ₹709 crores. The net loss at the company level decreased from ₹139 crores in FY17 to ₹114 crores. Similarly at the Group level, it declined from ₹305 crores to ₹87 crores. Financials include impact of exceptional items of ₹136 crore gain out of which ₹315 crore gain was on account of One Time Settlement agreements with certain lenders for the past loans including accrued interest.

Going forward, we foresee FMS business as having significant scope and growth potential, as we have seen in some of the new orders bagged during the year. The FMS space is expected to grow at a rate of 30 - 40% as per an internal estimate. Our Municipal Solid Waste business, where the Group develops all required equipment in-house, has seen a turnaround in momentum during the year, with the revenues growing by 19.5%. The Group will also continue working on Waste to Energy projects and for generating Refuse-Derived Fuel. In the EPC business, the Group will adopt a cautious approach of doing thorough risk assessment related to project feasibility and financial viability before taking up new projects. Major focus area here will be to actively explore international opportunities, especially in Africa and South Asia.

While the financial results do not reflect many of the successes at operational level, we believe we are on the right path. Our endeavor to regain the Group's position as a leader in value creation for its stakeholders will continue steadfastly. While the external environment played truant with the Group and the infrastructure industry as a whole, your Company had the strength and capabilities to tide over these difficult times. Based on the progress we have made, the goal of turning profitable seems much closer than before. We have all the stakeholders, including shareholders, bankers, suppliers and employees to thank for this achievement. I would also like to express my personal appreciation of the guidance and backing that we have received from the Board of Directors. The Group continues to look forward to such continued support going ahead and is confident of achieving its stated goals.

Sincerely yours

**Amit Mittal**  
Managing Director

# Board of Directors



**Mr. Surender Kumar Tuteja**  
Non-Executive  
Independent Chairman



**Mr. Amit Mittal**  
Managing Director



**Ms. Dipali Mittal**  
Non-Executive  
Non-Independent Director



**Mr. Rajesh Jain**  
Whole Time  
Director & CEO



**Dr. Ashok Kumar Saini**  
Whole Time Director



**Dr. Ashok Kumar**  
Non-Executive  
Independent Director



# Corporate Information

## BOARD OF DIRECTORS

**Mr. Surender Kumar Tuteja**

Non-Executive Independent Chairman

**Mr. Amit Mittal**

Managing Director

**Mr. Rajesh Jain**

Whole Time Director & CEO

**Dr. Ashok Kumar Saini**

Whole Time Director

**Dr. Ashok Kumar**

Non-Executive Independent Director

**Ms. Dipali Mittal**

Non-Executive Non-Independent Director

## CHIEF FINANCIAL OFFICER

Mr. G. R. Nagendran

## COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Atul K. Agarwal

## STATUTORY AUDITORS

Walker Chandiok & Co LLP (formerly Walker, Chandiok & Co)  
Chartered Accountants

## REGISTRAR & SHARE TRANSFER AGENT

M/s. Alankit Assignments Ltd. Alankit Heights  
3E/7, Jhandewalan Extension, New Delhi - 110 055  
Ph.: +91 11 42541234, 23541234  
Fax: +91 11 2355200

## REGISTERED OFFICE

0-116, 1st Floor, DLF Shopping Mall,  
Arjun Marg, DLF Phase I,  
Gurugram-122002 Haryana (India)

## CORPORATE OFFICE

Plot No. B-38, Institutional Area,  
Sector -32, Gurugram-122001  
Haryana (India)  
Website: [www.a2zgroup.co.in](http://www.a2zgroup.co.in)

## BANKERS/FINANCIAL INSTITUTIONS

1. State Bank of India
2. Standard Chartered Bank
3. IDBI Bank Ltd.
4. ICICI Bank Ltd.
5. Axis Bank Ltd.
6. IndusInd Bank Ltd.
7. Allahabad Bank
8. Union Bank of India
9. Kotak Mahindra Bank Ltd.
10. DBS Bank Ltd.
11. The Hongkong and Shanghai Banking Corporation Ltd.  
(HSBC Bank)
12. SICOM Ltd.
13. Edelweiss Asset Reconstruction Company Ltd.

## Boards' Report

To  
The Members of  
A2Z Infra Engineering Ltd.

Your Directors take pleasure in presenting the 17<sup>th</sup> Annual Report together with the annual audited financial statements for the year ended March 31, 2018.

### 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, 2018 are as follows:

(INR in lakh)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
<b>Revenue</b>				
Revenue from Operations	35,751.56	63,455.83	70,853.82	99,550.84
Add: Other Income	3,697.86	1,563.48	4,310.47	3,773.05
<b>Total revenue</b>	<b>39,449.42</b>	<b>65,019.31</b>	<b>75,164.29</b>	<b>1,03,323.89</b>
<b>Expenses</b>				
Cost of Material Consumed	27,804.66	47,240.91	35,817.12	56,340.53
Purchase of Stock in Trade	2,602.17	4,996.99	2,602.17	4,996.99
Changes in Inventories	-	-	294.55	(145.68)
Employee benefit expenses	2,219.43	1,965.05	26,501.06	25,280.45
Finance Cost	12,978.07	11,967.31	20,599.69	20,053.32
Depreciation and amortization expenses	1,284.70	1,447.52	3,264.75	4,307.91
Other Expenses	5,845.46	4,501.85	8,149.34	6,980.62
<b>Total Expenses</b>	<b>52,734.49</b>	<b>72,119.63</b>	<b>97,228.68</b>	<b>1,17,814.14</b>
<b>Loss before Exceptional Items and Tax</b>	<b>(13,285.07)</b>	<b>(7,100.32)</b>	<b>(22,064.39)</b>	<b>(14,490.25)</b>
Exceptional Items	1,828.89	(959.58)	13,557.23	(9,877.58)
<b>Loss before Tax</b>	<b>(11,456.18)</b>	<b>(8,059.90)</b>	<b>(8,507.16)</b>	<b>(24,367.83)</b>
<b>Tax expense</b>				
Current Tax	22.77	3.67	190.85	237.67
Reversal of Tax expense relating to prior years	-	-	1.39	(3.78)
Deferred Tax (Net)	(2.01)	5,855.41	45.01	5,968.30
<b>Total Tax Expense</b>	<b>20.76</b>	<b>5,859.08</b>	<b>237.25</b>	<b>6,202.19</b>
<b>Loss for the year</b>	<b>(11,476.94)</b>	<b>(13,918.98)</b>	<b>(8,744.41)</b>	<b>(30,570.02)</b>
<b>Other Comprehensive Income</b>				
i) Items that will not be reclassified to profit and loss	40.31	29.58	71.26	57.44
ii) Income Tax relating to Items that will not be reclassified to profit and loss	-	-	-	-
<b>Total Comprehensive Income</b>	<b>40.31</b>	<b>29.58</b>	<b>71.26</b>	<b>57.44</b>
<b>Total Comprehensive income (Comprising Loss and other Comprehensive Income)</b>	<b>(11,436.63)</b>	<b>(13,889.40)</b>	<b>(8,673.15)</b>	<b>(30,512.58)</b>

**Note:** The above figures are extracted from the standalone and consolidated annual financial statements of the Company as per Indian Accounting Standards (Ind AS).



**Operations Review****Standalone:**

During the year under review, the Turnover of the Company has shown a decrease as compared to that of the previous year figure by 43.66%. The Company has achieved a Turnover of INR 35,751.56 Lakh as against INR 63,455.83 Lakh in the previous year. The Company has made net Loss after tax of INR 11,436.63 Lakh whereas in the previous year Company has made net Loss of INR 13,889.40 Lakh.

The Net Worth of the Company has increased to INR 61,336.63 Lakh as at the end of the current year from INR 60,470.49 Lakh as at the end of the previous year representing increase in Net Worth by 1.43%.

The Debt Equity ratio of the Company has decreased to 1.20 as at the end of the current year as compared to 1.59 as at the end of the previous year.

**Consolidated:**

The consolidated Turnover of the Company for the current financial year is INR 70,853.82 Lakh as against INR 99,550.84 Lakh in the previous year representing decrease in Turnover by 28.83%. The Company on consolidated basis has made a net Loss of INR 8,673.15 Lakh as against INR 30,512.58 Lakh in the previous year.

The consolidated Net Worth of the Company has increased to INR 37,195.38 Lakh as at the end of the current year from INR 35,868.08 Lakh as at the end of previous year representing increase in Net Worth by 3.70 %.

The consolidated Debt Equity ratio of the Company has decreased to 3.39 as at the end of the current year compared to 4.59 as at the end of previous year.

**2. Consolidated Financial Statements**

The Audited Consolidated Financial Statements of your Company as on March 31, 2018, have been prepared in accordance with the relevant Indian Accounting Standards (Ind AS) issued by Accounting Standards Board (ASB) 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, the Consolidated Financial Statements of the Company, including the financial details of all the subsidiary companies of the Company, forms a part of this Annual Report.

**3. Dividend**

On account of the losses reported by the Company during the current financial year, the Board of Directors does not recommend any dividend for the financial year ended March 31, 2018.

**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 overseas presence in Nepal, Zambia, Uganda and Tanzania.

Under Engineering Services segment we may pursue infrastructure projects like Sewage Network & Treatment Plants, Gas Distribution Networks, and Metro projects in select cities.

**Telecom Infrastructure EPC**

Telecom infrastructure projects is the main business activity of the Company. Major offerings by Company in Telecom Infrastructure EPC are supplying, laying and maintaining of Optical Fibre Cables (OFC) networks. EPC services offered by the Company under this segment include:

- Material Planning & Project Management
- Radio Frequency Engineering Services
- Engineering Construction & Infrastructure Services
- Optical Fiber Cable NLD / Access Networking Construction & Maintenance
- Network Integration
- Telecom Infrastructure Operation & Maintenance Services

Your Company is successfully executing orders for construction of Telecom Network Backbone on Turnkey basis in the untapped toughest terrains of the country like Leh, Ladakh and North East India, which will help in building the optical Network to connect each and every part of the Nation. We combine a proven track record and professional skills woven together with a culture of trust.

Your Company is now expanding its System Integration capabilities to build and operate Data Network and Digital Transmission of Telecom Operators.

To cater the vision of developing India through Smart Cities Project, your Company is also planning to foray into the area of building and operating Surveillance Networks, Aviation Sector, Smart Metering for Power and Water Sector .

### **Waste to Energy- Power Generation Projects (PGP)**

The Company being an Infrastructure Company also provides solutions for Clean and Green Energy. The Company is planning 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. The Company collaborated 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. To ensure continuous supply of RDF to the respective the Power Plants the Company has developed an indigenous process in its waste processing plant for running the said Plants on Refuse Derived Fuel (RDF) from Municipal Solid Waste.

### **5. Change in the nature of business**

There has been no change in the nature of business during the year under review.

### **6. Material Changes and Commitments**

After the period under review and before the date of this report, the following settlements are entered with the Lenders:

1. The Company entered into One Time Settlement (OTS) with The Hongkong and Shanghai Banking Corporation Limited ("HSBC Bank") and has signed the Settlement Agreement with HSBC Bank on April 04, 2018 to settle all the outstanding dues (including interest) for an amount of Rs. 2.80 Crores in terms of the said Settlement Agreement.
2. A2Z Green Waste Management Ltd. (Subsidiary of the Company) ("hereinafter referred to as A2Z Green") has entered into a Business Transfer Agreement on 27<sup>th</sup> July, 2018 to transfer Kanpur Project consisting of 1500 TPD of P&D Unit along with 15MW Power Plant located in Kanpur city to Earth Environment Management Services Pvt. Ltd. (EEMSPL) (a Wholly Owned Subsidiary of A2Z Green) at a consideration of Rs. 203.75 Crores by way of a slump sale on a going concern basis along with all its assets and liabilities.

### **7. Updates on Corporate Debt Restructuring (CDR)**

Corporate Debt Restructuring (CDR) package of Company for restructuring of its debts was approved by Corporate Debt Restructuring Empowered Group ("CDR EG") and the same has been successfully implemented and 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.

Your Company is working assiduously to reduce the debt burden and in line with this strategy the Company has entered into One Time Settlement Agreements with various Lenders including SICOM Limited, Edelweiss Asset Reconstruction Company Limited as representative of EARC Trust SC 299 for the Loan assigned by Yes Bank Limited and Standard Chartered Bank during the FY 2017-18.

### **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 off by the Hon'ble High Court of Punjab & Haryana at Chandigarh and the Company has filed a Petition for Second Motion and the matter is presently sub-judice with the NCLT/ 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 consequently, there was no amount of principal or interest was outstanding towards the Public deposit as on 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 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 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 Standard

The Company is in Compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

## 13. Share Capital

### Authorised Share Capital:

During the year under review, the Authorised Share Capital of the Company has been increased from Rs. 160,00,00,000 (Rupees One Hundred Sixty Crore Only) divided into 16,00,00,000 (Sixteen Crore) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 240,00,00,000 (Rupees Two Hundred Forty Crore Only) divided into 24,00,00,000 (Twenty Four Crore) equity shares of Rs. 10/- (Rupees Ten only) each pursuant to Ordinary Resolution passed by the Shareholders of Company through Postal ballot on December 17, 2017

### Paid up Share Capital:

During the year, following allotments were made: -

1. The Nomination & Remuneration Committee of the Board of Directors of the Company in its meeting duly held on May 29, 2017 has allotted 1,10,005 (One Lakh Ten Thousand Five) equity Shares on the conversion of the ESOP's as per Employee Stock Option Plan, 2013 and 15,000 (Fifteen Thousand) Equity Shares on the conversion of the ESOP's as per Employee Stock Option Plan, 2014 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 & 2014.
2. The Nomination & Remuneration Committee of the Board of Directors of the Company in its meeting duly held on September 21, 2017 has allotted 56,000 (Fifty Six Thousand) equity Shares on the conversion of the ESOP's as per Employee Stock Option Plan, 2013 and 4,15,000 (Four Lakh Fifteen Thousand) Equity Shares on the conversion of the ESOP's as per Employee Stock Option Plan, 2014 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 & 2014.
3. The Nomination & Remuneration Committee of the Board of Directors of the Company in its meeting duly held on February 13, 2018 has allotted 58,000 (Fifty Eight Thousand) equity Shares on the conversion of the ESOP's as per Employee Stock Option Plan, 2013 and 2,40,000 (Two Lakh Forty Thousand) Equity Shares on the conversion of the ESOP's as per Employee Stock Option Plan, 2014 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 & 2014.

4. Further, the Board of Directors of the Company in its meeting duly held on February 13, 2018 pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, has allotted 1,77,13,569 (One Crore Seventy Seven Lakh Thirteen Thousand Five Hundred Sixty Nine) Equity Shares of Rs. 10/- each on Preferential Basis to the Lenders upon conversion of a part of their facilities/loans (including Interest) into Equity Shares at an issue price of Rs. 39.80/- each. The details of aforesaid allotment is as follows:

S. No.	Name of Allottee(s)	No. of Shares
1.	SICOM Limited	62,81,408
2.	Edelweiss Asset Reconstruction Company Ltd. acting as representative of EARC Trust SC 299	1,14,32,161

5. Further, the Board of Directors of the Company in its meeting duly held on February 23, 2018 pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, has allotted 1,25,62,815 (One Crore Twenty Five Lakh Sixty Two Thousand Eight Hundred Fifteen) Equity Shares of Rs. 10/- each on Preferential Basis to Standard Chartered Bank ("the Lender") upon conversion of a part of their facilities/loans (including Interest) into Equity Shares at an issue price of Rs. 39.80/- each.

Consequent to the above said allotments, the paid up share capital of the Company was increased to Rs. 176,11,98,580/- (Rupees One Hundred Seventy Six Crore Eleven Lakh Ninety Eight Thousand Five Hundred Eighty Only) divided into 17,61,19,858 (Seventeen Crore Sixty One Lakh Nineteen Thousand Eight Hundred Fifty Eight) Equity Shares of Rs. 10/- each as at March 31, 2018. With respect to the above said allotments, the Company filed the Listing Application(s) for listing of the issued securities on the respective stock exchange(s) where the securities of the Company are listed and after the approval of the said listing application(s) the issued shares of the Company have been listed on BSE Limited and National Stock Exchange of India Limited.

## 14. Subsidiaries, Joint Ventures, and Associate Companies

As on March 31, 2018, the Company had 31 (Thirty One) direct and step down subsidiary Companies. Further the Company has entered into Joint Venture agreements with unincorporated JV's for bidding of tenders & contracts the details of which is given in the note no. 32 & 33 to the standalone and note no. 34 & 35 to the consolidated financial statements. Also the Company is a member of an association of person (AOP) in which Company is having 60% share 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, 2018, is included as per the prescribed format in this Annual Report. The Financial Statements of these subsidiaries are uploaded on the website of the Company in compliance with Section 136 of the Companies Act, 2013. The Financial Statements 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 except Saturday and Sunday during business hours upto the date of the Annual General Meeting.

During FY 2017-18, there has been no major change in the nature of business of your Company and its subsidiaries. During the year under review, the Company has transferred its entire stake in Star Transformers Ltd. (a subsidiary of the Company), along with Management Control.

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 -[http://a2zgroup.co.in/pdf/Policy\\_on\\_material\\_subsiary.pdf](http://a2zgroup.co.in/pdf/Policy_on_material_subsiary.pdf)

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 Chandiok & Co LLP (Firm Registration No. 001076N/N500013), Chartered Accountants, were appointed as 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. Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in the notice of the 17<sup>th</sup> Annual General Meeting.

The auditor's report presented by M/s Walker Chandiok & Co LLP, Statutory Auditors on the accounts of the company for the financial year ended March 31, 2018 is self-explanatory and requires no comments and the Management replies to the audit observations are as under:

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

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 make the payments as and when the funds are released by the bankers.

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

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, 2017, 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(b) of Auditor's report on Consolidated Financials of A2Z Infra Engineering Ltd., its subsidiaries, joint ventures and associates & para 9 (b) of Auditor's report on Standalone Financials of A2Z Infra Engineering Ltd.

Contract revenue in excess of billings amounting to INR 8,381.36/- Lakh 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, the current provision being carried in the books is adequate and no further material adjustments are considered necessary in respect of above balances.

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

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 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of INR 1,992.17 Lakh. During the year ended March 31, 2015 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 in respect of the matters where the CIT(A) has not accepted the Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Company.

Further, during the current year, the Company has received penalty order for the Assessment year 2008-09 from CIT and for Assessment year 2011-12 and 2013-14 from Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of INR 798.63 lacs against which the Commissioner of Income Tax (CIT) (Appeals) had not granted relief to the Company. The Company has filed appeals with ITAT for the Assessment Year 2008-09 and with CIT(A) for the Assessment Year 2011-12 and 2013-14 challenging the penalty orders.

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 /CIT(A) and does not foresee any material liability. Pending final decision on these matters no adjustment has been made in the financial statements.

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

During financial year 2016-17, the Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities ("the Authority") regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Company has received response to its application wherein the Authority has opined that entire project is covered within the ambit of the service tax. Accordingly, the Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Company has made submissions with the customer in this regard.

Additionally, based on the independent legal advice, the Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no

further adjustments to the books of account are considered necessary.

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

The following subsidiary companies, A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Varanasi) Limited and A2Z Waste Management (Moradabad) Limited, step-down subsidiaries of the Company have incurred net loss for the year ended March 31, 2018 aggregating INR 109.01 lacs, INR 3,910.65 lacs and INR 621.62 lacs respectively and as of that date their accumulated losses aggregating INR 768.50 lacs, INR 2,582.43 lacs and INR 984.76 lacs respectively resulting in complete erosion of the net worth and are presently facing liquidity problems on account of non-realization of trade receivables.

Management is in the process of exploring various options to revive their business and has initiated arbitration proceedings against the respective municipal authorities for realization of the outstanding receivables. Based on independent legal advice, the management believes that amount recoverable from such arbitration proceedings shall be in excess of the aforementioned accumulated losses and shall result in the requisite cash inflow which shall resolve the liquidity issues being presently faced by the Company and support the management plan of revival of business. Hence, the financial statements of the aforementioned subsidiaries have been prepared on the assumption of going concern and no adjustment is necessary to be made in the consolidated financial Statements.

**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 Board of Directors based on the recommendation of 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. 3 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, Company Secretaries as Secretarial Auditors to conduct Secretarial Audit for the Financial Year 2017-18. 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 **Annexure B** (Form MR-3) which forms part of this report.



The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark 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 HAM & Associates, as the Cost Auditors of the Company for the Financial Year ended March 31, 2019. 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. 4 of the Notice convening the forthcoming Annual General Meeting.

### 16. Corporate Social Responsibility (CSR)

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 CSR Policy of the Company as recommended by the CSR Committee and approved by the Board is placed on the website of the Company and may be accessed via following link. -[http://media.a2zgroup.co.in/pdf/CSR\\_Policy\\_A2Z.pdf](http://media.a2zgroup.co.in/pdf/CSR_Policy_A2Z.pdf)

The average net profits calculated as per provisions of Section 198 of the Companies Act, 2013 of the preceding three (3) financial years being negative, 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. Suresh Prasad Yadav who was appointed under the category of Non-Executive Independent Director effective from February 03, 2014 has resigned from his position w.e.f. July 24, 2017.
2. Mr. Gaurav Jain, who was appointed under the category of Non-Executive Non-Independent Director effective from September 17, 2015 has resigned from his position w.e.f. September 01, 2017.
3. Ms. Dipali Mittal who was appointed under the category of Whole Time Director effective from April 01, 2005 has been re-designated as Non-Executive Non-Independent Director w.e.f. August 14, 2017.

#### 4. Retire by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Dipali Mittal, Director, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers herself for re-appointment.

5. 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 (KMP) of the Company as on 31<sup>st</sup> March 2018, are:

1. Mr. Amit Mittal, Managing Director
2. Mr. Rajesh Jain, Whole Time Director & CEO
3. Dr. Ashok Kumar Saini, Whole Time Director
4. Mr. G. R. Nagendran, Chief Financial Officer
5. Mr. Atul Kumar Agarwal, Company Secretary

### 18. Policy on Directors' appointment and Remuneration

As on March 31, 2018, the Board consists of six members, three of whom are Executive or Whole Time Directors, one is Non-Executive and Non-Independent Woman Director and other two 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 also 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 they meet 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 SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and as per the guidance note issued by SEBI dated January 5, 2017 vide its Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004.

The performance of the Board was evaluated by the members of the Board on the basis of the guidance note and criteria laid down 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, competence and experience of Board to conduct its affairs effectively, operations are in line with strategy, integrity of financial information and the robustness of financial and other controls, effectiveness of risk management processes, etc.

The performance of the committees was evaluated by the

board after seeking inputs from the committee members on the basis of the guidance note and criteria laid down such as the composition of committees, effectiveness of committee meetings, committees are appropriate with the right mix of knowledge and skills, effectiveness and advantage of the Committee, independence of the Committees, 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, willingness to devote time and effort to understand the company and its business by the directors, competency to take the responsibility and having adequate qualification, experience and knowledge, quality and value of their contributions at board meetings, effectiveness of Leadership quality of the Chairman etc. 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 were also discussed.

## 21. Number of meetings of the Board of Directors

During the year eight 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 SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, were adhered to while considering the time gap between two consecutive meetings.

## 22. Disclosures Related to Committees and Policies

### a. Audit Committee

The Audit Committee of Directors was reconstituted by the Board of Directors of the Company in accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Audit Committee as on 31<sup>st</sup> March 2018, comprises of:

1. Mr. Surender Kumar Tuteja, Chairman
2. Dr. Ashok Kumar, Member
3. Mr. Rajesh Jain, 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) Regulations, 2015. The Nomination and Remuneration Committee as on 31<sup>st</sup> March 2018, comprises of the following directors:

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

### c. Stakeholders Relationship Committee

The Stakeholders Relationship 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 and Regulation 20 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders Relationship Committee as on 31<sup>st</sup> March 2018, comprising the following Directors:

1. Dr. Ashok Kumar, Chairman
2. Mr. Surender Kumar Tuteja, 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) Regulations, 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, framed a policy for selection and appointment of Directors, KMP and Senior Management and their remuneration.

The Remuneration Policy of the Company can be accessed via following link:-

[http://a2zgroup.co.in/pdf/Remuneration\\_Policy.pdf](http://a2zgroup.co.in/pdf/Remuneration_Policy.pdf)

## 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) Regulations, 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](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 appropriate or exceptional circumstances.

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

Company being the infrastructure Company, Section 186 is not applicable on the Company and particulars of loans, guarantees, investments 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 and the same are disclosed in the Financial Statements.

## **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 2017-18 are disclosed in **Form No. AOC -2** which forms part of the Annual Report as an **Annexure C**. 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](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 annual 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 ratification on 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), A2Z Employees Stock Option Plan 2014 (ESOP 2014), A2Z Employees Stock Option Plan 2013 (Re-grant-I)(ESOP 2013 Re-grant I) and A2Z Employees Stock Option Plan 2014 (Re-grant-I)(ESOP 2014 Re-grant I) of the Company in accordance with the applicable SEBI Guidelines.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31<sup>st</sup> March 2018 with regard to the ESOP 2010, ESOP 2013, ESOP 2014 and ESOP 2013 Re-grant I & ESOP 2014 Re-grant I are provided in **Annexure D** to this Report.

The certificates from the Auditors of the Company that the Schemes have been implemented in accordance with the

SEBI Guidelines/ SEBI (Share Based Employee Benefits) 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 as per Form- MGT-9 for the financial year ended March 31, 2018 made under the provisions of Section 92(3) of the Act is attached as **Annexure E** 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 F**.

## **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 G** which forms part of this report.

## **32. Disclosure requirements**

- As per Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Corporate Governance report with auditors' certificate from DR Associates thereon and Management Discussion and Analysis are attached, which form part of this report.
- Details of the familiarization program of the independent directors are available on the website of the Company (URL: [http://a2zgroup.co.in/pdf/Familiarization\\_Programme\\_for\\_Independent\\_Directors](http://a2zgroup.co.in/pdf/Familiarization_Programme_for_Independent_Directors)).
- In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 Equity Shares of the Company continue to remain listed on BSE Limited (formerly The Bombay Stock Exchange



Limited) and National Stock Exchange of India Limited (NSE). The stipulated listing fees for FY 2018-2019 have been paid to both 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:

- In the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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, 2018 and of the profit and loss of the company for that period;
- 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;

- The directors have prepared the annual accounts on a going concern basis; and
- 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.
- 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 the below mentioned items) during the year under review:

- No profits were transferred to any Reserves.
- No Voluntary revision of Financial Statements or Board's Report.
- No director who is in receipt of any commission from the Company and who is a Managing Director or Whole-time Director of the Company has received any remuneration or commission from any Holding Company or Subsidiary Company of the Company.

However, Mr. Amit Mittal, Managing Director of the Company has been appointed as Managing Director in A2Z InfraserVICES Ltd. ("AISL"), a material subsidiary Company on October 24, 2015. He is in receipt of Rs. 48,00,000/- as remuneration in his capacity as Managing Director of AISL for the financial year 2017-18.

### **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 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**

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

Date : August 14, 2018  
Place : Gurugram

**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 (Including Other Income)	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	Extent of Shareholding (in percentage)
1	A2Z Green Waste Management Limited	22/03/2007	2017-18	INR	2,275.00	(16,797.97)	6,996.29	49,778.10	64,301.07	1,892.67	(1,625.27)	-	(1,625.27)	-	47.89%
2	A2Z Infraseservices Limited	15/04/2008	2017-18	INR	381.60	6,409.87	325.91	23,976.84	17,185.37	27,903.10	478.89	223.78	255.11	-	93.83%
3	Magic Genie Services Limited	10/2/2011	2017-18	INR	8.00	(120.28)	-	118.67	230.95	83.04	(89.90)	-	(89.90)	-	75.00%
4	A2Z Powercom Limited	28/04/2008	2017-18	INR	12.50	164.59	-	4,876.18	4,699.09	1,673.20	(45.65)	(0.70)	(44.95)	-	100.00%
5	A2Z Powertech Limited	28/04/2008	2017-18	INR	140.00	(170.83)	-	124.27	155.10	-	(30.97)	-	(30.97)	-	100.00%
6	Mansi Billee & Rice Mills Limited	10/6/2010	2017-18	INR	5.00	907.06	3,338.24	3,994.58	3,082.52	48.25	(340.45)	-	(340.45)	-	100.00%
7	Chavan Rishi International Limited	1/12/1989	2017-18	INR	114.63	90.74	-	883.21	677.84	64.64	(23.98)	(7.71)	(16.27)	-	100.00%
8	Selligence Technologies Services Private Limited	12/8/2008	2017-18	INR	100.00	23.46	-	131.88	8.42	9.87	2.43	0.68	1.75	-	80.00%
9	A2Z Waste Management (Nainital) Private Limited	28/10/2011	2017-18	INR	5.00	(16.11)	-	665.17	676.28	25.13	(4.90)	1.39	(6.29)	-	60.45%
10	A2Z Waste Management (Aigarh) Limited *	4/12/2009	2017-18	INR	5.00	394.16	-	3,353.62	2,954.46	636.18	(346.35)	-	(346.35)	-	38.31%
11	A2Z Waste Management (Moradabad) Limited *	4/12/2009	2017-18	INR	5.00	(989.81)	-	3,547.67	4,532.48	82.56	(621.95)	-	(621.95)	-	38.31%
12	A2Z Waste Management (Merrut) Limited *	4/12/2009	2017-18	INR	5.00	(261.68)	27.93	3,723.33	3,980.01	176.36	(1,325.78)	-	(1,325.78)	-	38.31%
13	A2Z Waste Management (Varanasi) Limited *	4/12/2009	2017-18	INR	5.00	(2,587.45)	-	7,069.27	9,671.72	254.76	3,910.70	-	3,910.70	-	38.31%
14	A2Z Waste Management (Jaunpur) Limited *	9/11/2010	2017-18	INR	5.00	21.06	-	845.95	819.89	0.09	(10.76)	-	(10.76)	-	47.89%
15	A2Z Waste Management (Badaun) Limited *	10/11/2010	2017-18	INR	5.00	554.09	-	967.45	408.36	0.44	(232.33)	-	(232.33)	-	47.89%
16	A2Z Waste Management (Sambhal) Limited *	10/11/2010	2017-18	INR	5.00	488.26	-	882.74	389.48	3.06	(173.51)	-	(173.51)	-	47.89%
17	A2Z Waste Management (Mirzapur) Limited *	10/11/2010	2017-18	INR	5.00	314.20	-	1,435.95	1,116.75	0.18	(293.23)	-	(293.23)	-	47.89%
18	A2Z Waste Management (Baia) Limited *	10/11/2010	2017-18	INR	5.00	325.73	-	810.23	479.50	1.17	(281.78)	-	(281.78)	-	47.89%
19	A2Z Waste Management (Fatehpur) Limited *	10/11/2010	2017-18	INR	5.00	(20.80)	-	1,714.29	1,730.09	38.44	(152.97)	-	(152.97)	-	47.89%
20	A2Z Waste Management (Ranchi) Limited *	1/3/2011	2017-18	INR	5.00	1,757.92	28.38	3,800.40	2,037.48	206.20	(1,008.01)	-	(1,008.01)	-	47.89%
21	A2Z Waste Management (Ludhiana) Limited *	14/07/2011	2017-18	INR	5.00	927.11	7.55	5,391.46	4,459.35	1,928.70	(273.15)	-	(273.15)	-	47.89%
22	A2Z Waste Management (Dharwad) Private Limited *	28/10/2011	2017-18	INR	1.00	(39.84)	-	564.67	603.51	40.49	(1.03)	-	(1.03)	-	47.89%
23	Shree Balaji Pottery Private Limited*	30/04/2012	2017-18	INR	1.00	(23.67)	-	23.25	45.92	-	(3.92)	-	(3.92)	-	47.89%
24	Shree Hari Om Utensils Private Limited*	30/04/2012	2017-18	INR	1.00	(23.21)	-	23.25	45.46	-	(3.93)	-	(3.93)	-	47.89%
25	A2Z Waste Management (Jaipur) Limited *	10/7/2012	2017-18	INR	5.00	(773.50)	-	177.93	946.43	8.96	(109.01)	-	(109.01)	-	58.31%
26	A2Z Mayo SNT Waste Management (Nanded) Private Limited*	7/8/2012	2017-18	INR	5.00	(7.50)	-	140.78	143.28	-	(2.44)	-	(2.44)	-	28.73%
27	A2Z Waste Management (Ahmedabad) Limited *	15/10/2012	2017-18	INR	5.00	(3.95)	-	162.09	161.04	-	(0.96)	-	(0.96)	-	47.89%
28	Earth Environment Management Services Pvt Ltd*	30/06/2014	2017-18	INR	5.00	(3,971.65)	-	18,188.04	22,154.69	-	(2,726.21)	-	(2,726.21)	-	47.89%
29	Ecogreen Envirotech Solutions Limited (Formerly Known as A2Z Waste Management (Lon) Limited) **	10/11/2010	2017-18	INR	5.00	32.57	-	1,750.52	1,712.95	2,386.65	(54.28)	4.57	(58.85)	-	70.40%
30	A2Z Infraseservices (Lanka) Pvt. Ltd. **	6/1/2017	2017-18	INR	1.00	-	-	-	-	-	-	-	-	-	93.83%
31	Magic Genie Smartech Solutions Limited***	24/06/2016	2017-18	INR	5.00	2.51	-	59.13	51.62	19.46	3.03	-	3.03	-	47.89%
32	Star Transformers Limited****	21/01/2011	2017-18	INR	202.04	2,070.19	-	2,365.25	99.02	343.33	24.01	5.51	29.52	-	49.00%

\* Indirect Subsidiaries through A2Z Green Waste Management Limited

\*\* Indirect Subsidiary through A2Z Infraseservices Limited

\*\*\* Indirect Subsidiary through A2Z Waste Management (Ludhiana) Ltd.

\*\*\*\* Company has transferred its stake in Star Transformers Limited w.e.f. June 20, 2017

**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 (Mirzapur) Limited
6. A2Z Waste Management (Sambhal) Limited
7. A2Z Waste Management (Jaipur) Limited
8. Shree Balaji Pottery Private Limited
9. Shree Hari Om Utensils Private Limited
10. A2Z Mayo SNT Waste Management (Nanded) Private Limited
11. A2Z Waste Management (Ahmedabad) Limited
12. Earth Environment Management Services Private Limited

**Name of subsidiary which has been sold during the year-**

1. Star Transformers 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 31<sup>st</sup> March 2018**

**The Members,  
A2Z Infra Engineering Ltd.  
O-116, 1<sup>st</sup> Floor, DLF Shopping Mall,  
Arjun Marg, Gurugram– 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 Ltd. (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 31<sup>st</sup> March, 2018, 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 31<sup>st</sup> March 2018 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) 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.

As informed by the management, there was no specific law which is applicable to the Company.

Our report is to be read along with the noting as mentioned here-in-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.
- 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:
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.
  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.

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 statutes.

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.

5. During the year under review:

- a) The Company has made disinvestment of 989996 equity shares in Star Transformers Ltd. and thereby Star Transformers ceased to be the subsidiary of the Company.
- b) The Company has allotted 3,02,76,384 equity shares during the financial year under review to the Banks/ Financial Institutions in pursuance of the One time settlement agreement by way of conversion of loans into equity.
- c) The Company has allotted 8,94,005 Equity shares respectively pursuant to the exercise of ESOP's to the eligible employees under A2Z Employee Stock Option Plans.

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.

**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.

**For DR Associates  
Company Secretaries**

**Place : New Delhi  
Dated : 29<sup>th</sup> May 2018**

**Suchitta Koley  
Partner  
CP No.: 714**

**Annexure-C**

**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**

- 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, 2018, which were not at arm length basis.
- 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, 2018 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. Dipali Mittal, Non-Executive & Non-Independent Director of the Company  (Wife of Mr. Amit Mittal, Managing Director of the Company)	Lease Deed (O-116, 1st Floor, DLF Shopping Mall, Haryana - 122002)	Tenure of the deed is 3 years starting from 01.09.2014 till 31.08.2017	The amount of lease rent to be paid is as follows: 1st year - Rs. 72,600/- per month, 2nd Year - Rs 79,860/- per month, 3rd Year - Rs. 87,840/- per month.	13.11.2014	NIL
			Tenure of the deed is 11+11+11=33 months starting from 01.09.2017	The amount of lease rent paid is 87,840/- Per month.	14.08.2017	
2	M/s. A2Z Waste Management (Ludhiana) Ltd. (Direct Subsidiary of A2Z Green Waste Management Ltd.)	Fuel Purchase Agreement	Four (4) Years and 6 months from the date of execution / Commencement i.e. 30.09.2015	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)	11.02.2016	NIL
3	Ms. Sudha Mittal (Relative of Mr. Amit Mittal, Managing Director)	Lease Deed (Manhattan-2, bearing no. MA-2/1A, Building No. 2, Garden Estate, Gurugram- 122002, Haryana)	Tenure of the deed is 11+11+11=33 months starting from 01.04.2016	The amount of lease rent paid is 44,000/- Per month.	28.05.2016	NIL
4	Chavan Rishi International Limited	Leasing Services	Tenure of the deed is 11+11+11=33 months starting from 01.04.2017	Annual Rent is Rs. 30,00,000/-	13.02.2017	NIL
5	A2Z Infraservices Limited	Availing Facility Management Services/Manpower Supply	F.Y.2017-18	Annual amount is up to Rs. 5,00,00,000/- (Exclusive of Service Tax)	29.05.2017	NIL
6	Direct/Indirect Subsidiary of the Company	Sale of Goods/ Services and property of any kind	F.Y.2017-18	Sale of Goods/Services up to Rs. 25,00,000/- per Company	29.05.2017	NIL



## Annexure-D

## Disclosure regarding Employees Stock Option Plans of the Company for the year ended March 31, 2018

S.NO	PARTICULARS	A2Z EMPLOYEES STOCK OPTION PLAN 2010	A2Z EMPLOYEES STOCK OPTION PLAN 2013	A2Z EMPLOYEES STOCK OPTION PLAN 2013	A2Z EMPLOYEES STOCK OPTION PLAN 2014	A2Z EMPLOYEES STOCK OPTION PLAN 2013 (REGRANT-I)	A2Z EMPLOYEES STOCK OPTION PLAN 2014 (REGRANT-I)
			Trench I	Trench II			
1.	Date of Shareholders Approval	30.03.2010	28.09.2013	28.09.2013	27.09.2014	28.09.2013	27.09.2014
2.	Number of Stock options granted	4,77,250	16,95,000	19,05,000	45,00,000	7,88,000	9,72,000
3.	Pricing Formula	Rs. 314.13	Rs. 10.35	Rs. 19.95	Rs. 15.50	Rs. 36.90	Rs. 36.90
4.	Option Vested during the year	NIL	NIL	4,40,000	11,70,000	NIL	NIL
5.	Number of Option exercised during the year	NIL	10,005	2,14,000	6,70,000	NIL	NIL
6.	Number of Shares arising as a result of exercise of option	NIL	10,005	2,14,000	6,70,000	NIL	NIL
7.	Variation of terms of options	NONE	NONE	NONE	NONE	NONE	NONE
8.	Number of option lapsed during the year	55,350	NIL	1,22,000	3,60,000	NIL	NIL
9.	Money realized upon exercise of options	NIL	Rs. 1,03,552	Rs. 42,69,300	Rs. 1,03,85,000	NIL	NIL
10.	Total number of option in force	1,20,550	NIL	2,69,000	19,15,000	7,88,000	9,72,000
11.	(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					
12.	Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The total employee compensation cost as per fair value method for the financial year 2017-18 is Rs. 160.59 Lakh (2016-17- Rs. 140.01 Lakh) and Rs. 35.55 Lakh (2016-17- Rs. 29.52 Lakh) for group entities.					
13.	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted one ordinary Share of the Company of Rs. 10.00/- each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the options and expires at the end of four years from the Vesting date.					
14.	a) Weighted average exercise prices of option granted	NA	Rs. 10.35	Rs. 19.95	Rs. 15.50	Rs. 36.90	Rs. 36.90
	b) Weighted average fair value of options granted on the date of grant	Rs. 221.75	Rs. 7.23	Rs. 14.52	Rs. 10.48	Rs. 39.40	Rs. 39.40
15.	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	Rs. 7.23	Rs. 14.52	Rs. 10.48	Rs. 39.40	Rs. 39.40
	(ii) Exercise Price	Rs. 314.13	Rs. 10.35	Rs. 19.95	Rs. 15.50	Rs. 36.90	Rs. 36.90
	(iii) Annual Volatility (Standard Deviation-Annual)	34.93%	65.19%	67.05%	65.50%	50.14%	50.14%
	(iv) Time To Maturity - in years	10	6	8	8	8	8
	(v) Dividend Yield	2.25%	0.00%	0.00%	0.00%	0.00%	0.00%
	(vi) Risk free Rate – Annual	7.45%	8.90%	8.64%	8.19%	6.74%	6.74%

<b>Summary of the Status of Options</b>						
	A2Z EMPLOYEES STOCK OPTION PLAN 2010	A2Z EMPLOYEES STOCK OPTION PLAN 2013	A2Z EMPLOYEES STOCK OPTION PLAN 2013	A2Z EMPLOYEES STOCK OPTION PLAN 2014	A2Z EMPLOYEES STOCK OPTION PLAN 2013 (REGRANT-I)	A2Z EMPLOYEES STOCK OPTION PLAN 2014 (REGRANT-I)
			<b>Trench I</b>	<b>Trench II</b>		
Total Options Granted	4,77,250	16,95,000	19,05,000	45,00,000	7,88,000	9,72,000
Total Options Lapsed	3,56,700	2,05,000	6,81,000	7,00,000	NIL	NIL
Total Options Exercised	NIL	14,90,000	9,55,000	18,85,000	NIL	NIL
Outstanding at the end of the year	1,20,550	NIL	2,69,000	19,15,000	7,88,000	9,72,000

## 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		A2Z Stock Option Plan 2013 (REGRANT-1)		A2Z Stock Option Plan 2014 (REGRANT-1)	
			Granted on June 02, 2010 & Status as on 31.03.2018	Exercised	Granted on February 03, 2014 & Status as on 31.03.2018	Exercised	Granted on July 03, 2014 & Status as on 31.03.2018	Exercised	Granted on July 06, 2015 & Status as on 31.03.2018	Exercised	Granted, on August 17, 2017 & Status as on 31.03.2018	Exercised	Granted on August 17, 2017 & Status as on 31.03.2018	Exercised
			Grant		Grant		Grant		Grant		Grant		Grant	
1	Mr. Rajesh Jain	Whole-time Director & CEO	25,000*	-	1,25,000*	1,25,000	4,00,000*	2,40,000	10,00,000*	3,00,000	4,00,000*	-	-	-
2	Dr. Ashok Kumar Saini	Whole-time Director	33,750*	-	3,50,000*	3,50,000	-	-	4,00,000*	1,20,000	75,000	-	-	-
4	Mr. Atul Kumar Agarwal	Company Secretary	5,000	-	25,000	25,000	2,00,000*	1,20,000	4,00,000*	2,40,000	2,00,000*	-	-	-
5	Mr. Manoj Gupta	President	33,750*	-	3,50,000*	350,000	-	-	4,00,000*	2,40,000	75,000	-	-	-
6	Mr. Sanjeev Sharma	President	33,750*	-	2,50,000*	250,000	-	-	4,00,000*	1,20,000	-	-	75,000	-
7	Mr. Manoj Tiwari	President	-	-	50,000	50,000	40,000	40,000	1,00,000	60,000	38,000	-	12,000	-

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



**ANNEXURE-E**
**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**
**As on the financial year ended on March 31, 2018**

[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	<b>A2Z INFRA ENGINEERING LTD.</b>
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 <sup>st</sup> Floor, DLF Shopping Mall, Arjun Marg, DLF Phase-I, Gurugram- 122002, Haryana, Telephone No.: +91 124 4517600 Fax No.: +91 124 4380014 E-mail: <a href="mailto:investor.relations@a2zemail.com">investor.relations@a2zemail.com</a> Website: <a href="http://www.a2zgroup.co.in">www.a2zgroup.co.in</a>
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Alankit Assignments Limited 3E/7, Jhandewalan Extension, New Delhi – 110055 Ph.: +91-11-42541234, 42541960 Fax: - +91 11 23552001, 42541201 Email ID: - <a href="mailto:rta@alankit.com">rta@alankit.com</a> , Website : <a href="http://www.alankit.com">www.alankit.com</a>

**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	87.54%

**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 Infraservices Ltd. O-116, 1 <sup>st</sup> Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I, Gurugram - 122002, Haryana	U74140HR2008PLC037820	Subsidiary	93.83	2(87)
2.	A2Z Green Waste Management Ltd. * 28/142, Ground Floor, West Patel Nagar, Delhi - 110008	U45200DL2007PLC160927	Subsidiary	47.89	2(87)
3	A2Z Powercom Ltd. O-116, 1 <sup>st</sup> Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U45204HR2008PLC037877	Subsidiary	100.00	2(87)
4	Magic Genie Services Ltd. O-116, 1 <sup>st</sup> Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U74999HR2011PLC042055	Subsidiary	75.00	2(87)
5	A2Z Powertech Ltd. O-116, 1 <sup>st</sup> Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I, Gurugram - 122002, Haryana	U72900HR2008PLC037875	Subsidiary	100.00	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 Ltd. Plot No- B. 38, Institutional Area, Sector -32 , Gurugram- 122001, Haryana	U51909HR1989PLC053273	Subsidiary	100.00	2(87)
7	Mansi Bijlee & Rice Mills Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U74140HR2010PLC040670	Subsidiary	100.00	2(87)
8	Selligence Technologies Services Private Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002 Haryana	U72300HR2008PTC038259	Subsidiary	80.00	2(87)
9	A2Z Waste Management (Nainital) Private Ltd.** O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90000HR2010PTC040688	Subsidiary	60.45	2(87)
10	A2Z Waste Management (Merrut) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90001HR2009PLC039773	Indirect Subsidiary	38.31	2(87)
11	A2Z Waste Management (Moradabad) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90000HR2009PLC039779	Indirect Subsidiary	38.31	2(87)
12	A2Z Waste Management (Varanasi) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90000HR2009PLC039772	Indirect Subsidiary	38.31	2(87)
13	A2Z Waste Management (Aligarh) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90000HR2009PLC039778	Indirect Subsidiary	38.31	2(87)
14	A2Z Waste Management (Badaun) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90001HR2010PLC041512	Indirect Subsidiary	47.89	2(87)
15	A2Z Waste Management (Balia) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90001HR2010PLC041511	Indirect Subsidiary	47.89	2(87)
16	A2Z Waste Management (Fatehpur) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90002HR2010PLC041517	Indirect Subsidiary	47.89	2(87)
17	A2Z Waste Management (Jaunpur) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90000HR2010PLC041501	Indirect Subsidiary	47.89	2(87)
18	Ecogreen Envirotech Solutions Ltd. (Formerly Known as A2Z Waste Management (Loni) Ltd.) O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90000HR2010PLC041510	Indirect Subsidiary	70.40	2(87)
19	A2Z Waste Management (Mirzapur) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90002HR2010PLC041513	Indirect Subsidiary	47.89	2(87)
20	A2Z Waste Management (Ranchi) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90000HR2011PLC042254	Indirect Subsidiary	47.89	2(87)
21	A2Z Waste Management (Sambhal) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002 Haryana	U90002HR2010PLC041520	Indirect Subsidiary	47.89	2(87)
22	A2Z Waste Management (Ludhiana) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90002HR2011PLC043415	Indirect Subsidiary	47.89	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Subsidiary/ Associate/ Joint Venture	% of Shares Held	Applicable Section
23	A2Z Waste Management (Dhanbad) Private Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90000HR2010PTC040698	Indirect Subsidiary	47.89	2(87)
24	A2Z Waste Management (Jaipur) Ltd.*** O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90009HR2012PLC046455	Indirect Subsidiary	58.31	2(87)
25	Shree Balaji Pottery Private Ltd. Plot No- B. 38, Institutional Area, Sector -32, Gurugram- 122001 ,Haryana	U36101HR2010PTC053098	Indirect Subsidiary	47.89	2(87)
26	Shree Hari Om Utensils Private Ltd. Plot No- B. 38, Institutional Area, Sector -32 , Gurugram- 122001 ,Haryana	U28998HR2010PTC053099	Indirect Subsidiary	47.89	2(87)
27	A2Z Mayo SNT Waste Management (Nanded) Pvt. Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90001HR2012PTC046684	Indirect Subsidiary	28.73	2(87)
28	A2Z Waste Management (Ahmedabad) Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002 Haryana	U90000HR2012PLC047428	Indirect Subsidiary	47.89	2(87)
29	Earth Environment Management Services Pvt. Ltd 28/142, Ground Floor, West Patel Nagar, Delhi-110008	U74140DL2014PTC268424	Indirect Subsidiary	47.89	2(87)
30	Magic Genie Smartech Solutions Ltd.**** Plot No- B. 38, Institutional Area, Sector-32, Gurugram-122001, Haryana	U90009HR2016PLC064756	Indirect Subsidiary	47.89	2(87)
31	A2Z Infraservices Lanka Pvt. Ltd. BOC Merchant Tower, Level 8, No: 28 St. Michael's Road, Colombo 3	119227	Indirect Foreign Subsidiary	93.83	2(87)

\*The Company holds 47.89% stake in A2Z Green Waste Management Ltd.. However, A2Z Green Waste Management Ltd. is treated as a subsidiary company of the Company as the Company has control over the composition of the board of A2Z Green Waste Management Ltd..

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

\*\*\*The Company holds 20% stake in A2Z Waste Management (Jaipur) Ltd. and 80% stake is held by A2Z Green Waste Management Ltd. and the same is classified as subsidiary as per section 2(87)(ii) of Companies Act, 2013.

\*\*\*\*During the year, Magic Genie Services Ltd. has transferred its stake in Magic Genie Smartech Solutions Ltd. to A2Z Waste Management (Ludhiana) Ltd. and hence, Magic Genie Smartech Solutions Ltd. became a Wholly Owned Subsidiary of A2Z Waste Management (Ludhiana) Ltd. w.e.f. 18<sup>th</sup> December, 2017.

The Company held 49% stake in the Star Transformer Ltd. and Star Transformer Ltd. was a subsidiary company of the Company as the Company had control over the composition of the board of Star Transformer Ltd.. The entire 49% stake held by the company was transferred along with its management Control in the Company on 20<sup>th</sup> June, 2017

#### 4. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) AS ON 31<sup>ST</sup> MARCH, 2018

##### a. Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2017)				No. of Shares held at the end of the Year (31.03.2018)				% 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	36698640	0	36698640	25.32	29853485	0	29853485	16.95	(8.37)
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	-



Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2017)				No. of Shares held at the end of the Year (31.03.2018)				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Bodies Corporate	22486000	0	22486000	15.51	22200000	0	22200000	12.61	(2.9)
(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	-
	<b>Sub Total(A)(1)</b>	<b>59184640</b>	<b>0</b>	<b>59184640</b>	<b>40.83</b>	<b>52053485</b>	<b>0</b>	<b>52053485</b>	<b>29.56</b>	<b>(11.27)</b>
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	-
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>59184640</b>	<b>0</b>	<b>59184640</b>	<b>40.83</b>	<b>52053485</b>	<b>0</b>	<b>52053485</b>	<b>29.56</b>	<b>(11.27)</b>
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	-
(b)	Financial Institutions / Banks	8283393	0	8283393	5.71	7236582	0	7236582	4.11	(1.6)
(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	2768439	0	2768439	1.91	4734546	0	4734546	2.69	0.78
(g)	Foreign Venture Capital Investors	4974589	0	4974589	3.43	0	0	0	0.00	(3.43)
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Other (specify)# BANK FOREIGN	0	0	0	0.00	12562815	0	12562815	7.13	7.13
	<b>Sub-Total (B)(1)</b>	<b>16026421</b>	<b>0</b>	<b>16026421</b>	<b>11.06</b>	<b>24533943</b>	<b>0</b>	<b>24533943</b>	<b>13.93</b>	<b>2.87</b>
<b>B 2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	18501640	0	18501640	12.76	28937181	0	28937181	16.43	3.67
(b)	Individuals									
I	Individuals -									
i.	Individual shareholders holding nominal share capital up to Rs 1 lakh	14783681	6997	14790678	10.20	27143687	7047	27150734	15.42	5.22
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	25991761	0	25991761	17.93	33260128	0	33260128	18.88	0.95
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(d)	Any Other (specify)									
(d-i)	Non Resident Indian	10429629	0	10429629	7.20	9403716	0	9403716	5.34	(1.86)
(d-ii)	Corporate Body (Foreign Body)	0	0	0	0.00	0	0	0.00	0.00	-
(d-iii)	Trust	500	0	500	0.00	15250	0	15250	0.01	0.01
(d-iv)	NBFCs registered with RBI	24200	0	24200	0.02	12950	0	12950	0.01	(0.01)
(d-v)	Clearing member	0	0	0	0	752471	0	752471	0.43	0.43
	<b>Sub-Total (B)(2)</b>	<b>69731411</b>	<b>6997</b>	<b>69738408</b>	<b>48.11</b>	<b>99525383</b>	<b>7047</b>	<b>99532430</b>	<b>56.51</b>	<b>8.40</b>
(B)	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>85757832</b>	<b>6997</b>	<b>85764829</b>	<b>59.17</b>	<b>124059326</b>	<b>7047</b>	<b>124066373</b>	<b>70.44</b>	<b>11.27</b>
	<b>TOTAL (A)+(B)</b>	<b>144942472</b>	<b>6997</b>	<b>144949469</b>	<b>100.00</b>	<b>176112811</b>	<b>7047</b>	<b>176119858</b>	<b>100</b>	<b>-</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	-
2	Public	0	0	0	0.00	0	0	0	0.00	-
	<b>Sub-Total (C )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>144942472</b>	<b>6997</b>	<b>144949469</b>	<b>100.00</b>	<b>176112811</b>	<b>7047</b>	<b>176119858</b>	<b>100</b>	<b>-</b>

**b. Shareholding of Promoters/Promoters Group:-**

Sl. No.	Shareholder's/ Promoter Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% 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.	Amit Mittal*	3,32,04,301	22.91	22.91	2,79,07,301	15.85	15.85	(7.06)*
2.	Babita Shivswaroop Gupta**	3,78,155	0.26	0.00	0.00	0.00	0.00	(0.26)**
3.	Dipali Mittal***	11,70,000	0.81	0.81	0.00	0.00	0.00	(0.81)
4.	Priya Goel	10,382	0.01	0.00	10,382	0.01	0.00	—
5.	Shivswaroop Gupta (HUF)	19,35,802	1.34	0.00	19,35,802	1.10	0.00	(0.24)
6.	Devdhar Trading and Consultants Pvt. Ltd.****	2,86,000	0.20	0.20	0.00	0.00	0.00	(0.20)
7.	Mestric Consultants Private Ltd.	2,22,00,000	15.31	15.31	2,22,00,000	12.61	12.61	(2.7)
	<b>Total</b>	<b>5,91,84,640</b>	<b>40.83</b>	<b>39.24</b>	<b>5,20,53,485</b>	<b>29.56</b>	<b>28.46</b>	<b>(11.27)</b>

\* During the F.Y. 2017-18, 52,97,000 equity Shares held by Mr. Amit Mittal, were invoked by the IL&FS Financial Services Ltd. out of the pledged shares to set off the outstanding dues of Indirect Subsidiary of the Company along with interest.

\*\* 3,78,155 equity Shares have been sold in the Open Market by Ms. Babita Shivswaroop Gupta which resulted in decrease of her shareholding in the Company to NIL.

\*\*\*During the F.Y. 2017-18, 11,70,000 equity Shares held by Ms. Dipali Mittal, were invoked by the IL&FS Financial Services Ltd. out of the pledged shares to set off the outstanding dues of Indirect Subsidiary of the Company along with interest.

\*\*\*\* During the F.Y. 2017-18, 2,86,000 equity Shares held by M/s Devdhar Trading and Consultants Pvt. Ltd, were invoked by the IL&FS Financial Services Ltd. out of the pledged shares to set off the outstanding dues of interest and other charges for the facilities availed by the Promoter/Group Companies from IFIN.

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

	Shareholding at the beginning of the year (01.04.2017)		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	5,91,84,640	40.83	30.06.2017	3,78,155	Equity Shares have been sold in the Open Market by Ms. Babita Shivswaroop Gupta	5,88,06,485	33.39
			03/07/2017	52,97,000	Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged Shares of Mr. Amit Mittal ("promoter of the Company") to set off the outstanding dues.	5,35,09,485	30.38
			03/07/2017	11,70,000	Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged Shares of Ms. Dipali Mittal ("promoter of the Company") to set off the outstanding dues.	5,23,39,485	29.72
			03/07/2017	2,86,000	Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged Shares of M/s Devdhar Trading and Consultants Pvt. Ltd, ("promoter of the Company") to set off the outstanding dues.	5,20,53,485	29.56
At the end of the year	5,20,53,485	29.56	31/03/2018	-	-	5,20,53,485	29.56

**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 (01.04.2017)		Change in Shareholding (No. of Shares)		Shareholding at the end of the year (31.03.2018)	
		No. of Shares	% of total Shares of the company	Increase	Decrease	No. of Shares	% of total Shares of the company
1.	Shankar Sharma	8200000	5.66	-	-	8200000	4.66
2.	ICICI Bank Ltd.	8167662	5.63	-	7640051	527611	0.30
3.	IL and FS Financial Services Ltd.**	7478000	5.16	-	7478000	-	-
4.	Mohammad Mansoor	5171180	3.57	145000	-	5316180	3.02
5.	Beacon India Investors Ltd.**	4974589	3.43	-	4974589	-	-
6.	Jane Sequeira Pinto	3151089	2.17	-	546188	2604901	1.48
7.	Aspire Emerging Fund	2756439	1.90	-	53000	2703439	1.53
8.	Sangeeta Khandelwal**	2500000	1.72	-	2500000	-	-
9.	Four Dimensions Securities (India) Ltd.**	2060786	1.42	-	2060786	-	-
10.	Naveen Kumar Kedia**	1750000	1.21	-	1750000	-	-
11.	Standard Chartered Bank*	-	-	12562815	-	12562815	7.13
12.	Edelweiss Asset Reconstruction Company Ltd.*	-	-	11432161	-	11432161	6.49
13.	SICOM Ltd.*	-	-	6281408	-	6281408	3.57
14.	IL AND FS Securities Services Ltd.	305784	0.21	1395291	-	1701075	0.97
15.	Globe Capital Market Ltd	137639	0.09	1026285	-	1163924	0.66
16.	YUYU Medimpex P. Ltd*	-	-	1186768	-	1186768	0.67

**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 1<sup>st</sup> April, 2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31<sup>st</sup> March, 2018.

\*\*Ceased to be in the Top 10 shareholders as on 31<sup>st</sup> March, 2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 1<sup>st</sup> April, 2017.

**e. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (01.04.2017)		Cumulative in Shareholding during the year (31.03.2018)	
		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	3,32,04,301	22.91	2,79,07,301	15.85
5.	Ms. Dipali Mittal	11,70,000	0.81	NIL	NIL
6.	Mr. Rajesh Jain	6,65,480	0.46	4,67,988	0.27
7.	Dr. Ashok Kumar Saini	4,09,491	0.28	3,00,000	0.17
8.	Mr. Gaurav Jain**	2,44,100	0.17	2,22,252	0.13
9.	Mr. Atul K. Agarwal	1,80,079	0.12	2,42,966	0.14
10.	Mr. G. R. Nagendran	Nil	Nil	Nil	Nil

\* Mr. Suresh Prasad Yadav, Independent Director ceased to be the director of the Company w.e.f. 24<sup>th</sup> July, 2017.

\*\* Mr. Gaurav Jain, Non-Executive and Non-Independent Director ceased to be the director of the Company w.e.f. 1<sup>st</sup> September, 2017.



## 5. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding / accrued but not due for payment

(In Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2017)</b>				
i) Principal Amount	9,61,02,47,072	-	-	9,61,02,47,072
ii) Interest due but not paid	1,31,59,45,144	-	-	1,31,59,45,144
iii) Interest accrued but not due	1,71,16,198	-	-	1,71,16,198
<b>Total (i+ii+iii)</b>	<b>10,94,33,08,414</b>	<b>-</b>	<b>-</b>	<b>10,94,33,08,414</b>
<b>Change in Indebtedness during the financial year</b>	<b>-</b>			
Addition	-	-	-	-
Reduction	2,25,13,43,851	-	-	2,25,13,43,851
<b>Net Change</b>	<b>(2,25,13,43,851)</b>	<b>-</b>	<b>-</b>	<b>(2,25,13,43,851)</b>
<b>Indebtedness at the end of the financial year (31.03.2018)</b>	<b>-</b>			
i) Principal Amount	7,35,89,03,221	-	-	7,35,89,03,221
ii) Interest due but not paid	1,53,88,39,571	-	-	1,53,88,39,571
iii) Interest accrued but not due	1,07,98,326	-	-	1,07,98,326
<b>Total (i+ii+iii)</b>	<b>8,90,85,41,118</b>	<b>-</b>	<b>-</b>	<b>8,90,85,41,118</b>

## 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/WT/Manager				Total Amount
		Mr. Amit Mittal (Managing Director)	Ms. Dipali Mittal (Whole time Director)	Mr. Rajesh Jain (CEO cum Whole time Director)	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	Nil*	6,67,741**	18,00,000	18,00,000	42,67,741
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	Nil	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	Nil	-	-	-	-
2.	Stock Option	Nil	-	-	-	-
3.	Sweat Equity	Nil	-	-	-	-
4.	Commission- as % of profit	Nil	-	-	-	-
5.	Others, Allowances	Nil	-	-	-	-
	<b>Total (A)</b>	<b>Nil</b>	<b>6,67,741</b>	<b>18,00,000</b>	<b>18,00,000</b>	<b>42,67,741</b>
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)	-	-	-	-	-

\*The Company has not paid any remuneration to Mr. Amit Mittal. However, he has been appointed as Managing Director in A2Z Infraserivies Ltd. ("AISL"), a material subsidiary Company on October 24, 2015 and he is in receipt of RS. 48,00,000/- p.a. as remuneration in his capacity as Managing Director of AISL for the financial year 2017-18.

\*\*Ms. Dipali Mittal was designated as a Non Executive Non Independent Director, liable to retire by rotation w.e.f. 14th August, 2017. Ms. Dipali Mittal was paid a remuneration @ RS. 1,50,000/- p.m. for the period served as a Whole Time Director of the Company i.e. from 01.04.2017 till 14.08.2017.

# Salary includes Basic Salary, House Rent Allowance, Special Allowance, 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
	<b>Independent Directors</b>				
1.	Mr. S. K. Tuteja	5,50,000	NIL	NIL	5,50,000
2.	Mr. Ashok Kumar	6,00,000	NIL	NIL	6,00,000
3.	Mr. Suresh Prasad Yadav	1,00,000	NIL	NIL	1,00,000
4.	Ms. Dipali Mittal	2,00,000	NIL	NIL	2,00,000
5.	Mr. Gaurav Jain	2,25,000	NIL	NIL	2,25,000
	<b>Total</b>	<b>16,75,000</b>	<b>NIL</b>	<b>NIL</b>	<b>16,75,000</b>

**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
		Dr. G R Nagendran (Chief Financial Officer)*	Mr. Atul Kumar Agarwal (Company Secretary)	
1.	<b>Gross salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	29,24,805/-	34,23,695/-	<b>63,48,500/-</b>
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
2.	Stock Option*	-	42,63,954/-	<b>42,63,954/-</b>
3.	Sweat Equity	-	-	-
4.	Commission- as % of profit	-	-	-
5.	Others, Allowances	-	-	-
	<b>Total (A)</b>	<b>29,24,805/-</b>	<b>76,87,649/-</b>	<b>1,06,12,454/-</b>

#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.

\*During the Financial year 2017-18, 1,80,000 equity shares were allotted to Mr. Atul Kumar Agarwal pursuant to exercise of options under A2Z Employee Stock Option Plan 2013 and 2014.

**d. Compounding of Offences:****A. COMPANY**

S. No.	C.P. No.	Section of Companies Act 1956/2013	Brief Description	Compounding Fee Imposed	Authority	Appeals made, if any
1	171	621A and 629A	Section 224(8), 142	Rs. 1,00,000/-	NCLT, Chandigarh	N.A.
2	174	621A of Co. Act 1956 and 441 of Co. Act. 2013	Section 372 A(10)	Rs. 2,23,850/-	NCLT, Chandigarh	N.A.

## B. DIRECTORS

### MR. AMIT MITTAL – MANAGING DIRECTOR

S. No.	C.P. No.	Section of Companies Act 1956/2013	Brief Description	Compounding Fee Imposed	Authority	Appeals made, if any
1	168	621A	Schedule IV read with Section 211 (1) and Schedule VI part-2 and Section 209(6)	Rs. 28,000/-	NCLT, Chandigarh	N.A.
2	169	621A	AS-29 read with section 211(3A), 209(3)(b), 209(1), 211(1)	Rs. 28,000/-	NCLT, Chandigarh	N.A.
3	170	621A	Section 211(3A), 211(3B), 211 (3C) read with AS-9	Rs. 28,000/-	NCLT, Chandigarh	N.A.
4	171	621A and 629A	Section 224(8), 142	Rs. 1,00,000/-	NCLT, Chandigarh	N.A.
5	172	621A	Section 3 a,b,c read with AS-7 and 211(7)	Rs. 35,000/-	NCLT, Chandigarh	N.A.
6	173	621A	AS-19 read with section 211(3A), 211 (3B)	Rs. 35,000/-	NCLT, Chandigarh	N.A.
7	174	621A of Co. Act 1956 and 441 of Co. Act. 2013	Section 372 A(10)	Rs. 2,23,850/-	NCLT, Chandigarh	N.A.
8	175	621A	AS-22 read with Section 211	Rs. 28,000/-	NCLT, Chandigarh	N.A.
9	176	621A	Section 295	Rs. 50,000/-	NCLT, Chandigarh	N.A.

### MS. DIPALI MITTAL – DIRECTOR

S. No.	C.P. No.	Section of Companies Act 1956/2013	Brief Description	Compounding Fee Imposed	Authority	Appeals made, if any
1	171	621A and 629A	Section 224(8), 142	Rs. 1,00,000/-	NCLT, Chandigarh	N.A.
2	174	621A of Co. Act 1956 and 441 of Co. Act. 2013	Section 372 A(10)	Rs. 2,23,850/-	NCLT, Chandigarh	N.A.
3	176	621A	Section 295	Rs. 50,000/-	NCLT, Chandigarh	N.A.

## C. OFFICER

### MR. ATUL KUMAR AGARWAL – COMPANY SECRETARY

S. No.	C.P. No.	Section of Companies Act 1956/2013	Brief Description	Compounding Fee Imposed	Authority	Appeals made, if any
1	171	621A and 629A	Section 224(8), 142	Rs. 60,000/-	NCLT, Chandigarh	N.A.
2	174	621A of Co. Act 1956 and 441 of Co. Act. 2013	Section 372 A(10)	Rs. 1,50,900/-	NCLT, Chandigarh	N.A.
3	176	621A	Section 295	Rs. 50,000/-	NCLT, Chandigarh	N.A.



**ANNEXURE-F****Particulars of employees**

The information required under Section 197 of the Companies Act, 2013 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
<b>Non-executive directors</b>	
Mr. S. K. Tuteja	3.35
Dr. Ashok Kumar	3.66
Mr. Suresh Prasad Yadav**	0.61
Mr. Gaurav Jain**	1.37
<b>Executive directors</b>	
Mr. Amit Mittal*	NA
Ms. Dipali Mittal***	5.29
Mr. Rajesh Jain	10.98
Mr. Ashok Kumar Saini	10.98

\*Nil Remuneration has been paid to Mr. Amit Mittal during the Financial Year 2017-18.

\*\*Mr. Suresh Prasad Yadav and Mr. Gaurav Jain have given resignation from the directorship of the Company due to pre-occupation on 24<sup>th</sup> July, 2017 and 01<sup>st</sup> September, 2017 respectively.

\*\*\*Ms. Dipali Mittal has been re-designated as Non-Executive Non-Independent Director w.e.f. August 14, 2017 and has not received any remuneration after that except sitting fee.

**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
Dr. Ashok Kumar Saini	NIL
Mr. Surender Kumar Tuteja	NIL
Mr. Suresh Prasad Yadav*	NIL
Dr. Ashok Kumar	NIL
Mr. Gaurav Jain*	NIL
Mr. Atul Kumar Agarwal (Company Secretary)	NIL
Dr. G.R Nagendran**	25%

\* Mr. Suresh Prasad Yadav and Mr. Gaurav Jain have given resignation from the directorship of the Company due to pre-occupation on 24<sup>th</sup> July, 2017 and 01<sup>st</sup> September, 2017 respectively.

\*\*\* Board of Directors of the Company at their meeting duly held on 14<sup>th</sup> August, 2017 has given approval for increasing the remuneration of Mr. G R Nagendran, Chief Financial Officer of the Company.

**C. The percentage increase in the median remuneration of employees in the financial year: -**  
(8.98%)

**D. The number of permanent employees on the rolls of Company: 584**

**E. 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 (16.70) and there are no exceptional circumstances for increase in the managerial remuneration.

**F. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per remuneration policy of the Company.

**G. 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 not applicable on the Company.**

**ANNEXURE G****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****A. Conservation of energy:**

## i). The steps taken or impact on conservation of energy:

A number of energy conservation techniques were initiated and successfully implemented by the Company during the financial year 2017-18 at its Corporate Office and its Power Plant Sites. Some of the key initiatives undertaken were as follows:

- Reduction in Power consumption at office premises and its Power Plant Sites through:
  - VFD's has been installed on the selected motors to save the power and to optimize the process.
  - Conventional Tube light replaced with LED Tube Light.
  - 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, saving the energy consumption up to approximately 30%.
  - Additives are being used in DG Set for improving the efficiency of DG Sets.
  - Most of the Air Conditioners are replaced with star rating AC's for conservation of energy.
- 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 and all fuel conveying using belt conveyor system covered to provide clean working atmosphere within plant. As per CPCB guideline installed Continuous Emission Monitoring System (CEMS) and successfully connected it with PPCB server. 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.
- Installed LED Lights allover within the Nakodar Power Plant site.

## ii). The capital investment on energy conservation equipment's:- Nil

**B) Technology Absorption:**

- (i) The efforts made towards technology absorption at Nakodar power plant site;
- 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 fuel in to the Boiler.
  - New arrangement of air pre heater (APH) by increasing Tube ID from existing  $\phi$  38 mm to  $\phi$  63.5 mm
  - Designed, developed and installed successfully shredder for Refused derived fuel (RDF)
  - Our Ludhiana waste processing facility already functional and producing 180-200 MT/day RDF after segregation, Drying and de-stoning process. RDF is then transported to Nakodar, Punjab power plant to produce green energy from the Municipal solid waste.
- (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	INR 426.80 Lakh
Outgo: Expenditure in Foreign Currency	INR 43.42 Lakh
CIF value of Imports	Nil

## Management Discussion & Analysis

### 1. Economic overview

#### a. Global economy

The global economy activity grew at a fast pace of 3.1% in 2017 as against 2.4% in 2016. Advanced economies regained the momentum and grew by 2.3% as against 1.7% in 2016. Both United States of America and the Euro zone grew at an accelerated pace, 2.3% and 2.4% respectively in 2017 vs. 1.7% and 1.5% in 2016. Emerging and developing economies also showed improvement in growth rate to 4.3% (from 3.7% in 2016) on account of moderate rise in energy and commodity prices and improving trade volumes. India and Mexico were the major exceptions on this trend because of structural reforms and elections affecting business activity. China, the largest economy in this block, increased its pace of growth from 6.7% to 6.9% amidst the rebalancing of its economy.

For the year 2018, some of the major concerns in the outlook arise from the continued rollback of monetary easing, which is leading to lower capital flows and dollar strength, threat of trade wars due to unilateral punitive actions proposed by United States against all major economies, and higher energy prices affecting consumption. But with the momentum gathered in 2017, the World Bank still projects the global economy to grow at 3.1% in its Global Economic Prospects report of June 2018. The advanced economy block is likely to continue to grow at above average rate of 2.2%, which is however, a tad lower than 2017. Though growth in China is likely to ease to 6.5%, the emerging economies as a whole are anticipated to progress at a faster rate of 4.5% in 2018.

#### b. Indian economy

Indian economy stuttered in FY 2017-18 due to implementation of structural changes such as Goods & Services Tax (GST), demonetization, Insolvency & Bankruptcy Code (IBC), Real Estate Regulatory Authority Act (RERA), etc. by the Government. GDP growth slowed down from 7.1% in previous year to 6.7% in FY2017-18. Overhang of stressed balance sheets and dampened credit offtake due to high Non-Performing Assets (NPA) also continued to cast its shadow on private investment. Major impact of these was felt in the first half of the year, and the economy recovered by the end of the year to grow at 7% in the 3<sup>rd</sup> quarter and 7.7% in the 4<sup>th</sup> quarter. By the end of the year, India was once again the fastest growing large economy in the world overtaking China.

Reserve Bank of India has projected the GDP to grow by 7.4% in FY 2018-19. The economy is expected to remain on high growth path like in 4<sup>th</sup> quarter of FY2017-18 in spite of some of the potential roadblocks such as implementation of e-way bill mechanism under GST, rising oil prices, potential fear of trade war with US, and

strengthening interest rates. These are however compensated by some of the tailwinds due to continuing growth in consumption, especially in rural areas, rise in credit offtake observed in later half of FY2017-18, continued infrastructure investments by the Government, normal monsoon and rupee depreciation driving export growth.

### 2. Industry overview

#### Infrastructure

Infrastructure deficit is a major roadblock for an emerging country such as India, and hence this sector has been a focus of most governments, especially the incumbent NDA government. Economic Survey of 2018 projected that India would need about US \$4.5 trillion in the next 25 years for infrastructure development. The sector has seen massive underinvestment in the past with respect to its needs and this gap is expected to continue to grow for the next 25 years. Hence, it is going to be imperative for the governments to attract private investments in this sector, which had withdrawn from the sector on account of collapse of Public Private Partnership (PPP) model, especially in waste management, power and telecom projects, and issues related to land and environmental clearances. Financial stress on balance sheets of most companies also contributed to this situation.

Major areas of infrastructure that are currently focus of the government are transportation, power, housing, sanitation and cleanliness. Some of the key government initiatives in these areas and related spends are captured as follows:

1. For the Power sector, the government allocated Rs 3,800 crore for Deendayal Upadhyaya Gram Jyoti Yojna (DUGJY), Rs 4,900 crores for Integrated Power Development Scheme (IPDS) and Rs 16,000 crore for the Sahaj Bijli Har Ghar Yojana (Saubhagya) to enable last mile connectivity for rural households in its 2018-19 budget.
2. Rs 17, 843 crore was allocated for Swachh Bharat Mission, which targets to achieve clean India by 2019. Rs 15,343 crore out of the total was allocated to rural areas, and rest to urban localities. The government set a target of building 188 lakh individual household latrines during FY 2018-19 and reduce open defecation from 20% to 10%.
3. Smart City mission was allotted Rs. 6,169 crore in FY 2018-19 budget and 99 out of 100 cities have been selected. Overall outlay for the mission was expected to be Rs. 2.04 lakh crore.
4. Under the BharatNet project, the Government had set a target to complete installation of high-speed broadband connectivity for 250,000 gram panchayats within India. The Government allocated Rs. 10,000 crore for creation and expansion of telecom infrastructure, primarily under the BharatNet program in its 2018 budget.



5. Government has set a target of 2022 for achieving the goal of Housing for All. Hence, it has given Affordable Housing sector infrastructure status. It has also offered a credit-linked subsidy scheme for affordable housing to Economically Weaker Section (EWS), Low Income Groups (LIG) and Medium Income Groups (MIG). Total outlay for the EWS and LIG under this scheme was increased from Rs. 8 billion in FY 2017-18 to Rs. 10 billion for FY 2018-19, and Rs. 6 billion to Rs. 9 billion for the MIG.
6. Similarly outlay for Pradhan Mantri Awas Yojana (Urban) jumped to Rs. 6,505 crore in Budget 2018-19 as compared to Rs. 6,042.81 crore in 2017-18. Pradhan Mantri Awas Yojana (Gramin) allocation increased from Rs. 23,000 crore last year to Rs. 33,000 crore in 2018 budget with a target to build 49 lakh houses.
7. In budget for 2018-19, the Government has allocated budgetary and extra budgetary expenditure for the transportation sector of Rs.5.97 lakh crore, which has been increased from Rs.4.94 lakh crore in 2017-18.
8. Government approved 'Bharatmala Pariyojana' project for road network, which would invest Rs. 5,35,000 crore in Phase I for development of 35,000km of highway. Total target is to develop 83,677km of highway.

This clearly illustrates the fact that government will continue to be the major provider of investment for the infrastructure sector in the near future.

#### a. Engineering Procurement & Construction (EPC)

2012 – 2015 was a difficult period for the EPC sector due to some of the issues listed above which meant the projects either got delayed or availability of funds was a problem. With the thrust shown by the government in the sector, there have been signs of revival not only due to new projects announced by it, but also a push to debottleneck old projects which were stuck. This has led to a minor revival in fortunes of EPC companies. Private investment was also seen picking up in the last quarter of FY 2017-18 and resolution process for NPAs in banking sector gained traction due to recapitalization program announced by Government and the IBC. Private investment is expected to lead growth for the country in FY 2018-19 with the Gross Fixed Capital Formation (GFCF) forecasted to grow by 8.8% during the year, as against 6.8% in FY 2017-18. EPC is chosen as one of the preferred model by the government, where private participation in public projects through PPP model may not be feasible and faster turnaround is necessary.

The EPC market in India has nearly 150 Indian and foreign players operating in this space. The space was projected to grow at a CAGR of 20.26% over 2014-2019 as per a research report India EPC Market 2015-2019. Major segments within the sector are Power, Roads & Bridges, Telecommunications, Railways, Irrigation & Watershed, Water Supply & Sanitation, Ports & Inland Water Transport, Oil & Gas, Mass Rapid Transport Systems (MRTS), Airports and Storage. Roads & Bridges, Railways and MRTS form the largest segment as they contribute 42% to overall EPC opportunity.

#### Power

The government had set itself a target of adding 100GW capacity in 5 years from 2017 to 2022, with a major portion coming from the renewable sector. India's overall installed power generation capacity reached 345.5 GW by July 2018, with renewables accounting for 35.6% of the total capacity. The gross electricity generated in India was 1,485.5 TWh and consumption was 1,149 kWh per capita in FY 2017-18. India is the third largest producer and consumer of electricity. However, its per capita consumption is still way below some of the other major emerging markets such as China, which had 4,475 kWh per capita consumption in 2017. Distribution of the overall installed capacity between different power source was Thermal Power – 64.4%, Hydro – 13.1%, Nuclear – 2.0% and balance was from other Renewable Energy Sources (RES) (Source: Central Electricity Authority). Distribution in the other RES mix was Wind – 48.5%, Solar – 32.6% Bio Power – 12.5% and remaining from Small Hydro Power. RES is expected to be major source of capacity addition as seen in the movement from over last few years and stated goal of Governments to achieve RES installed capacity of 175 GW by 2022, with 100 GW from Solar. The Central Electricity Authority (CEA) has projected that India will be a power surplus country in 2018-19 with energy and peak power surplus at 4.6% and 2.5%, respectively.

The Government successfully completed 100% electrification of all the villages in the country 12 days before the 1,000 day deadline set by Prime Minister when he took over the mantle. All 18,452 villages that were yet to be electrified before May 2014 were now connected to the grid. The Government has now targeted to achieve 100% electrification of all households under the Saubhagya scheme, i.e. the last mile connectivity, by March 2019.

#### Telecom

India has the second largest telecom subscriber base in the world and is the fastest growing market in terms of net subscriber additions. The total number of mobile subscribers as on March 2018 were 1.035 billion, whereas the total telecom subscribers were 1.206 billion. The overall teledensity for India touched 92.84 with the urban and rural figures at 165.90 and 59.05 respectively.

Entry of Reliance Jio has driven a wave of consolidation in the sector. Some of the players were acquired or merged, while a few such as Aircel filed bankruptcy. But with the reduction in cost of data due to competitive offers launched by Jio, data consumption has zoomed. At the end of 2017, the total internet subscriber base was 445.96 million with 4G subscribers at 238.34 million, 3G at 105.83 million and 2G count at 79.62 million. The number of broadband subscribers increased to 362.87 million in December 2017 (Source: TRAI).

As predicted by Ericsson Mobility, India smartphone subscriber base is expected to grow four-fold to 810 million users by 2021; the total smartphone data traffic

is expected to increase seventeen-fold to 4.2 Exabytes (EB) per month by 2021. All the players including Jio, who is set to launch JioFibre product in the year 2018-19, are also investing in broadband infrastructure.

For the telecom EPC companies, major opportunity will come from the Phase 2 of Pan India Optic Fiber Cable Network (BharatNet) project, Network for Spectrum (NFS) project Phase 2, Smart City project and additional projects to connect hitherto remote parts of North East India, Andaman & Nicobar Islands and Lakshadweep Islands. BharatNet project, which aims to connect all 250,000 villages in India with high-speed broadband connectivity, has been assigned to Bharat Broadband Network Limited (BBNL); it has successfully completed the first phase of connecting 100,000 gram panchayats by December 2017. Second phase to connect the balance 150,000 is currently underway and expected to be completed by the end of 2018. NFS project aims to lay an alternate communication network for defense forces in return for release of spectrum held by the armed forces. The total budget for this project was enhanced by Rs. 11,330 crore in May 2018, over and above the initially approved Rs. 13,334 crore. Additional opportunities may arise from other Digital India initiatives, such as free Rail Wi-Fi services implemented at 400 railway stations in collaboration with Google. Telecom infrastructure was expected to grow massively over 2-3 years period from 2017 onwards by the Department of Telecom with an expected investment of Rs 1.3 lakh crore.

#### **b. Facility Management Services (FMS)**

Overall economic growth leading to expansion in commercial properties, emphasis on quality of physical infrastructure and cleanliness are key driving factors for expansion in market for organized Facility Management Services (FMS). In addition to the end-to-end management of facilities such as Commercial Offices, Malls, Railway Stations, Airports, Residential Complexes, Hotels, etc., the sector also encompasses supply of skilled, semi-skilled and unskilled manpower for customer-facing, security and technical services. Some newer opportunities are in management of public places such as beaches and parks, etc.

Facilities management was estimated to be a USD 1.2 trillion market globally. In comparison, Indian market is only a small fraction of the total world market at USD 75 billion. But it is growing at a fast rate of 25% annually. Organized FMS space has an employment potential of 5 million people in the next three years from 2017 and can grow to USD 19.4 billion from USD 7.6 billion in 2017. Percentage of such work outsourced in India is only 25% as against 51% globally. Commercial real estate segment has been performing extremely well in the last few years, and in 2017 as well the absorption rate continued to be upwards of 30 million sq. ft. for the 4<sup>th</sup> straight year, as reported by Cushman & Wakefield. This is one of the major factor driving demand for FMS services. An older report by Technavio had projected CAGR of more than 17% for the FMS market from 2016

to 2020.

#### **c. Municipal Solid Waste Management (MSW)**

On account of primitive waste management practices and continuously growing amount of solid waste generated in the country, the situation has reached a stage where municipal corporations and urban local bodies are overwhelmed with the scale of problem. Some of the negative outcomes of this situation are incorrect and potentially unsafe disposal methods, which may lead to environmental and health risks in the short and long term. However, this situation also means corporations are amenable to taking help from experts and also outsourcing this activity to professional agencies, who can bring global expertise and latest methods of waste management. Launch of Swachh Bharat Mission has been a big booster to the push for outsourcing. With promotion of modern waste management practices under the mission and incentivisation for adoption, urban local bodies are increasingly coming out with tenders for outsourcing. But there are challenges on account of labor intensive nature of the sector, and resistance from existing workforce of these bodies. In addition to this awareness of segregation practices and general attitude of the public and lack of accessible market for processed reusable material pose a different problem. The 20-30 years concession period offered in majority of Indian cities for the contract and growth in volumes make most MSW projects attractive. Increasing urbanization, where 2,775 towns (growth of 53.8%) were added within a decade going to 2011, means the market is expected to expand at a fast clip. Integrated Solid Waste Management (ISWM) approach that also include waste reduction initiatives are finding increasing traction with the industry.

India generates 960 million tonnes of solid waste annually which includes <“350 million tonnes are organic wastes from agricultural sources; <“290 million tonnes are inorganic waste of industrial and mining sectors, <“62 million tonnes of municipal waste and <“4.5 million tonnes is hazardous waste. In case of municipal waste, only 75 – 80% of municipal waste gets collected and 22 – 28% gets treated. There are many issues with the collection, treatment and disposal methods followed currently. And there is no formal sector to extract value from waste, because 70 – 80%% of residual waste is currently dumped rather than properly processed or even landfilled. With the introduction of SWM rules 2016 clear norms have been defined for the urban local bodies to follow with regards to various types of wastes. MSW companies in organized sector can offer right solutions for the urban local bodies to meet these challenges.

### **3. Business segment review**

#### **Company overview**

A2Z Group was established in the year 2002 as a Facility Management business and later expanded into Engineering, Procurement & Construction (EPC) for the Power and

Telecom sector, and Municipal Solid Waste (MSW) management. In addition to these four core offerings, the Group further diversified into Waste-to-Energy Power Generation and launched innovative sanitation and environment friendly products such as 'Magic Genie Homes Services', 'Magic Genie Eco Tech Smart Green Toilet', 'Magic Bricks', 'Safai Mitra', Bus Shelter-Cum-Toilet and 'E-Hiran'. The Group has carved out a leading place for itself in the Engineering & Infrastructure Services sector in India and in the recent future has also added international projects in its kitty.

A2Z Infra Engineering is the parent company that is listed on the stock exchanges, which caters to the EPC business. It operates in other domains through subsidiary companies. In the EPC business, it offers services for end-to-end implementation of Power Transmission & Distribution lines and Telecom projects. The FMS offering comprises of Technical Maintenance of large establishments like Airports, Railway Stations, Commercial Buildings, etc. along with Housekeeping, Security, Hospitality, manpower supply and related maintenance services for commercial and residential facilities. MSW business offers solid waste management services to urban local bodies and includes manpower supply, collection, transport, treatment and recycling/disposal. As a downstream integration, it has also set-up Waste-to-Energy power generation plants.

The group is structured into four strategic business units (SBUs) taking care of all its offerings – Engineering Services (ES), Facility Management Services (FMS), Waste-to-Energy – Power Generation Projects (PGP) and Municipal Solid Waste (MSW). ES SBU includes the complete infrastructure EPC business.

## **Business segments**

### **1. Engineering Services (ES)**

ES is the largest segment for the Group, which contributed 46.6% of the Group revenues in FY 2017-18. On account of the conscious strategy of the Group to focus on execution of old projects, the revenue for the segment declined over FY 2016-17, when it contributed 60.1% of the total revenues. The unexecuted order book from this segment at the end of FY 2017-18 is Rs. 1221.02 Crores. Within the ES segment, the Group caters to two major industry segments – Power Transmission & Distribution (T&D) EPC and Telecom Infrastructure EPC. New offerings that the group may pursue under Engineering Services segment are urban infrastructure projects such as Sewage Network & Treatment Plants, Gas Distribution Networks, Smart Cities and Metro projects in select cities.

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

In the Power Transmission & Distribution segment, A2Z is a well-known name in offering EPC services for 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.

Strategy of the Group since the tough times faced in 2012 to 2015 period by the infrastructure industry is to complete on-going projects, add only viable new projects with secured funding and good payment terms, and tap international markets. A major achievement for the Group in this segment during FY 2017-18 was the award of contract by the Rural Energy Agency of Tanzania for supply and installation of medium and low voltage lines, distribution transformers and connection to customers in Dodoma region of the country on a turnkey basis and the value of the contracts awarded during the year under review was Rs. 23.70 Crores to be executed over next year.

### **b. Telecom Infrastructure EPC**

Telecom infrastructure projects are a specialty of the EPC division of the group. Major offering area addressed by the group in this segment is supplying, laying and maintaining Optical Fibre Cables (OFC) networks. EPC services offered by the company under this segment include:

- Material Planning & Project Management
- Radio Frequency Engineering Services
- Engineering Construction & Infrastructure Services
- Optical Fiber Cable NLD / Access Networking Construction & Maintenance
- Network Integration
- Telecom Infrastructure Operation & Maintenance Services

The Group sees the BharatNet project, Smart Cities, Defense Projects and various requirements of private Telecom Service Providers as significant opportunities in this space.

### **2. Facility Management Services (FMS)**

Facility management services of the Group is a one-stop shop for soft, security and technical services involved in operation and maintenance of corporate offices, railways stations, railway coaches, airports, ports, residential complexes and other commercial establishments. The Group is a leading and trusted organized player in this space due to its long track record. FMS segment revenue share in the total pie went up from 27.1% to 38%. In coming times, this business segment offers tremendous opportunities in different business verticals and the Group is focusing on it as a



primary growth driver. The Group has maintained the business almost at the same level in recent past due to financial stress in other business units, which are settled now and this segment will be in the driver's seat for growth in coming time.

One major service area in this segment is outsourcing of technical / semi-skilled labor. One major win that was achieved in this offering by the Group was contract for supply of manpower to all the liquor shops operated by Chhattisgarh government corporations that exclusively operate all such shops in the state. This service area has a big potential for growth and the Group is capable and ready to exploit this opportunity to the fullest. Another success in this segment was for supply of unskilled, semi-skilled and skilled manpower for Operations & Maintenance work from a regional electricity distribution company in Madhya Pradesh. In FY 2017-18, the Group won a prestigious contract for cleaning and maintenance of the iconic Chhatrapati Shivaji Maharaj Terminus railway station in Mumbai and it is in discussion with Railway authorities for more such projects. It is also targeting similar contracts for airports not only in India, but also in the Middle-East region. Some of the other interesting opportunities that the Group intends to pursue in this segment are for cleaning of beaches and outsourcing of facility management by the Government in its own offices.

The Group has also diversified the customer base in this segment by targeting B2C market through some innovative products and services such as 'Magic Genie Eco Tech Smart Green Toilet', which is a self-sustaining and self-cleaning toilet without need for any external water supply or sewage lines, and 'Magic Genie Home Services' offered through a mobile app to retail customers for facility management. Targeted customer category include end-consumer and SMEs, who are seeking high quality solution similar to those offered to large commercial establishments.

### **3. Municipal Solid Waste (MSW)**

MSW segment is currently a high growth segment for the Group with the revenue growing by 19.5% on a YOY basis over FY 2016-17. The revenue share for the segment nearly doubled in FY 2017-18 to 7.9% from 4.7% in FY 2016-17.

This segment involves execution of solid waste management contracts for urban local bodies in the country and the nature of work consists of collection, treatment and disposal or recycling of solid waste generated in cities and towns. With the high emphasis on improving urban infrastructure and cleanliness placed by the current Government, this segment is expected to continue to generate growth for the Group for some time to come. Smart City project and Swachh Bharat initiative will be the major drivers of work for the Company in this space. In the recent past, it bagged project from South Delhi Municipal Corporation for

collection and transportation of Municipal Waste Material. This project is a first of its kind of project as major new technical initiative has been taken to ensure that garbage is always kept away from the eye of public and is transported in that manner. The group enjoys up to 30 years' concession period in most cities where it is handling MSW projects. It is also actively involved in pursuing opportunities with the Swachh Bharat Abhiyaan and the national river clean-up programs of the Central Government.

One of the major objective for the municipal corporations is to have 100% utilization of the solid waste through reuse or recycling. The Group has innovated to develop a 'Magic Brick' product which converts solid waste into bricks or blocks that may be used for construction purpose. This product was instrumental in Aligarh Municipal Corporation securing the Best Medium City in Innovation & Practices award as part of the Swachh Bharat awards. The Group also works towards reuse of waste in the form of organic compost and Refuse Derived Fuel (RDF), for which it has developed indigenous technology and uses in its own waste-to-energy plants. Another cutting edge innovation developed by the Group is a direct-to-customer smartphone app based service offering called the 'SafaiMitra' for direct collection of waste from households and offices.

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

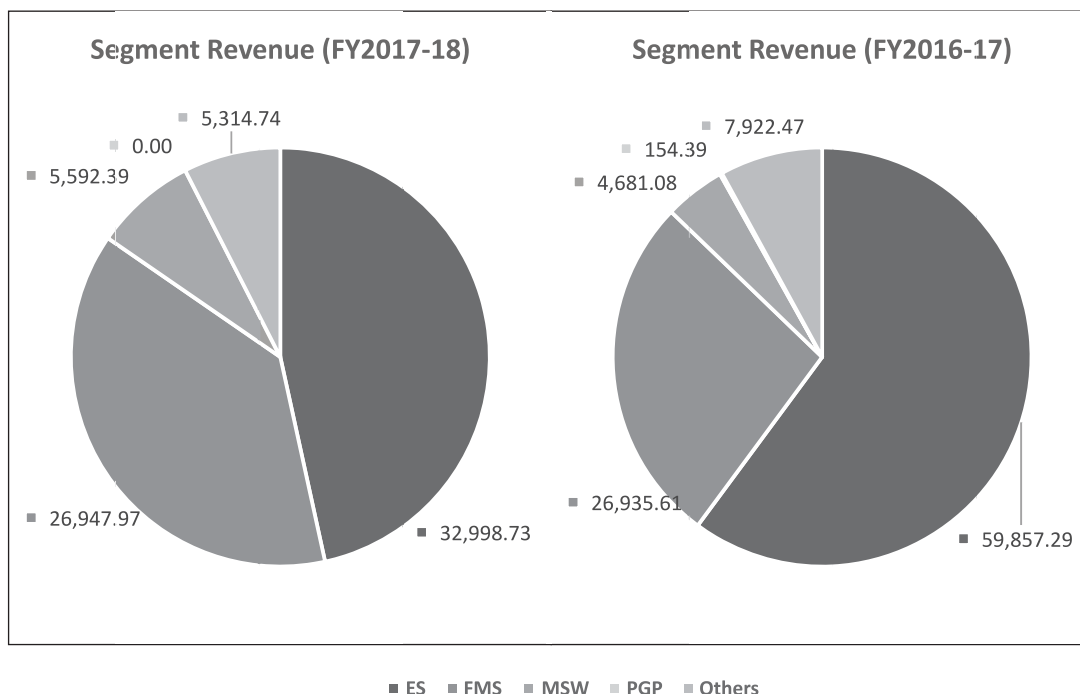
The PGP segment is currently small and the revenue for FY 2017-18 was nil. In previous years, the Group had commissioned four waste-to-energy plants in Punjab and Uttar Pradesh of rated generation capacity of 15 MW each. Similar to FY 2016-17, the management has taken an impact of impairment of capital assets of this segment in FY 2017-18 as well.

The company was facing challenges, as availability of RDF was not as per the requirement of the power plant. However, the Company has developed an indigenous process in its waste processing plant to ensure desired quality of RDF and has successfully run the trial of Nakodar Power Plant by using the RDF for trial during the year. Very soon plant will run continuously and other Power Plant shall also pulled on the same path.

### **4. Financial Review**

The Group's operating revenues for the FY 2017-18 on a consolidated basis were Rs. 709 crores as against Rs. 996 crores in FY 17. This translates into a decline of 28.8%. Major reason for this decline was the 44.9% de-growth in the ES segment revenue, as part of a conscious strategy of pursuing selective new business in the domestic market, and a related 40.2% decline in 'Others' revenues, as seen in the chart below. This was partially offset by 19.5% growth in the MSW business whereas FMS business remained at the same level as compared to previous year.





\* Inter-segment revenue has been netted off from the Others segment revenue

During the year under review, the Group reported an EBITDA of Rs. 18 crore vs. Rs. 99 crore EBITDA in the previous year. This was mainly on account of relatively fixed manpower costs and growth in Other expenses even though the revenue declined. The net loss for the Group was however lower than the previous year mainly due to gain from an exceptional item relating to One Time Settlement agreements with certain lenders for outstanding loans and accrued interest. Net loss declined from Rs. 305 crore in FY 2016-17 to Rs. 87 crore, a drop of 71.6%, because of net gain from Exceptional Items being Rs. 136 crore in FY 2017-18 as against net loss of Rs. 99 crore in the previous year. Other Exceptional Items related to charge for impairment of power generation assets, write-off of excess contract revenue vis-à-vis billing and loss on sale of investment in erstwhile subsidiary, Star Transformers Limited.

## 5. Business Strengths

### • Diversified business and new opportunity

Wide portfolio of businesses that the Group operates in has been one of the key reasons for the Group managing to survive the tough times it has faced in its EPC division. It is currently present in different industry segments such as Power & Utilities, Telecom EPC, Facility Management Services, Solid Waste Management, Power Generation from Waste and Environment-friendly Innovative Products. Given the infrastructure deficit and lack of organized players in facility and waste management, all the segments have a huge potential, notwithstanding the troubles faced in EPC business. In addition, diversified customer base with B2G, B2B and B2C business models is another aspect of this strength.

Indian Government is opening up its various segments for outsourcing of facilities management to private players. Instead of in-house management, with an aim to get international services on SLA basis at competitive cost. A2Z being one of the very few facilities management company having international level of experience have tremendous opportunity in this business segment and already have started new business from various sections of Government.

Also, because of drive of Swachh Bharat and regular monitoring of waste management and ranking system, municipal corporations are now opening up to engage private players with renewed zeal and as time passed, sector has withstood various stray issues during the execution of such long term service contracts, hence all such mitigation are captured in contracts to avoid stress on the payment which had been the major reason of failure of waste management contract in earlier phase of contract during the period of 2010-2015. Since very few companies could survive those tough times and A2Z being one of those with leading position have opportunity to grow business in multifold manner in coming years.

### • Strong sector knowledge and capabilities

With its more than 15 years of track record in these varied industry segments, with many firsts to its name, the Group has developed deep expertise in most offering areas, especially the core service offerings of Power & Utilities and Telecom EPC, FMS and MSW management. Leveraging these capabilities it has been able to develop some innovative products such as E-Hiran, Magic Bricks, Safai Mitra, Bus Shelter-Cum-Toilet

etc. Some of the accolades and appreciations that have come its way are also a testament to the Group's expertise and capabilities as a leading player in these industry segments.

- **Business synergies**

The Group has been able to well exploit the interdependencies and integration between its various divisions. This enables the Group to develop economies of scale in sourcing and cross-leverage of raw material, equipment and manpower. It is also able to cross-sell solutions from multiple divisions to its customers. Some of the examples of such synergies are:

- a. Dependence of Power Generation Projects and Magic Bricks on solid waste from its MSW division.
- b. Fungible workforce between FMS and MSW divisions.
- c. Leverage of core engineering expertise in the EPC division for FMS offerings.
- d. Cross-sell of innovative offerings such as 'Magic Genie', 'Magic Bricks', 'Safai Mitra' and 'E-Hiran' to its existing customer base in EPC, FMS and MSW businesses respectively.
- e. Availability of on-demand manpower for its large EPC contracts.

## **6. Risk Management**

The Group has adopted a robust risk management framework that covers identification, assessment and mitigation of risks. These practices are integrated with the Group's business processes across planning, execution and review activities. The framework focuses on prioritizing risk mitigation based on the probability and severity of impact. The key risks that may manifest during conduct of normal business activity by all group companies and corresponding mitigation approaches are listed below:

### **1. Macro-economic Risks**

Overall economic activity in an economy has a direct link with the demand scenario within the industry segments in which the group companies operate. A significant part of the Group's business is influenced by Government policies and spends, and hence such macro-economic factors can sway its fortunes. Hence, risk of deceleration in economic growth and lower relevant spending by the Government due to fiscal deficits or different priorities is one of the major risk to be mitigated. In light of the substantial debt on the Group's balance sheet, even the risk of adverse monetary policy changes can affect financing cost for the Group.

#### **Risk mitigation**

One of the key approach to mitigate economic risks is through portfolio diversification by avoiding high dependence on a small number of markets, whether geographical or industry. Hence, the Group is pursuing international expansion in Middle East, Africa and South Asian markets to minimize reliance on Indian market.

Within India as well, the Group is expanding its presence in more number of states. The Group is already into multiple offering areas, but is now pursuing new market segments for these offerings, where it can leverage its strengths to grow profitably. The Group is working hard to reduce the debt to reduce the exposure to variations in interest rates.

### **2. Customer Concentration Risks**

Over reliance on customer segments such as State Electricity Boards, which have very long payment cycles, in the EPC domain can affect the fund flow for the Company. This in turn would lead to increase in debt on the books and hence, financing costs. In addition to this, any withdrawal of large orders or loss of such large client/s can have a disproportionate impact on the financial performance.

#### **Risk mitigation**

Widening the customer base and improving the customer-mix by increasing exposure to fiscally sound customers and to non-B2G segments can go a long way managing the customer concentration risk. By putting more focus on Facility Management, wherein its clients are majorly from private sector its dependence on government policy and budget allocation to different projects has reduced significantly.

### **3. Working Capital Risks**

EPC projects require a continuous, substantial fund allocation during the execution. Hence, availability of working capital at the right time and in right amount is decisive to ensure timely and within budget project execution. Any delay in securing working capital may impact project viability.

#### **Risk mitigation**

This risk is has extreme severity in case of EPC business and funds availability has been one of the major reason for the current issues faced by the Company in this business. Hence, the Group has strategically chosen to focus on other divisions and thus diversifying the cash flow sources. It has also launched many B2C products, such as Magic Genie and SafaiMitra that generate ready cash. Within the EPC business, projects with positive cash flow and hiring onus on clients are being targeted.

### **4. Execution Risks**

Most of the projects undertaken by the Group, especially in the EPC space, are complex and of long duration with a web of inter-related tasks and needing skilled and unskilled workforce. In addition to funds and availability of right managerial and delivery resources, project execution also requires raw materials, regulatory clearances and client support. Any delays or roadblocks in securing these for the project may lead cost and time over runs, affecting viability of the project and as a result Company's profitability. Another execution risk arises from deficiency in performance on account of quality or other issues with the delivery.

**Risk mitigation**

Performance risk in project execution is usually mitigated by purchasing adequate professional liability insurance cover. In addition to this, Standard Operating Procedures (SOP) and Quality Manuals for project delivery are developed across businesses and projects audited to ensure compliance so as to reduce probability of failure in execution through standardization. It also periodically reviews and implements improved internal control measures to maintain compliance in project execution. The Group's calculated withdrawal from EPC projects that were generating losses is a way to minimize the high execution risk in EPC projects. Chasing profitable and viable EPC projects with reasonable payment terms is also part of the strategic overhaul at the Group. In addition, Group is partnering local players who also share financial and execution risk of the project to reduce execution risk exposure of the Group significantly.

**5. Talent Risks**

As a major part of the Group revenues are from services, availability of managerial, skilled and unskilled workforce is the basic building block for all its businesses. Non-availability of the right skilled personnel can create roadblocks in Group's efforts to grow and deliver projects. Quality and commitment of its staff can make or break the project execution, hence the Group not only has to ensure availability, but also put in place processes to build an encouraging work environment and performance oriented culture.

**Risk mitigation**

Developing a strong Human Resource (HR) management team with best capabilities in sourcing, training and development, and employee engagement is the basic step necessary to minimize the HR risk in Group's operations. Adoption of evolved HR practices that keep the workforce motivated and committed to business objectives of the Group is also necessary. Appropriate compensation program matching or beating industry averages, performance oriented rewards and recognition program, and alternative compensation strategies such as ESOP are an important tool to attract and retain top talent.

**7. Human Resources**

Given the business portfolio of the Group, its workforce consists of a mix of managerial, skilled and unskilled human resources. This requires the Group to address a diverse set of aspirations and needs of its employees, and the same is achieved through appropriate HR policies and practices that help it achieve the objective of maintaining a healthy, safe and productive work environment. One of the major thrust in this regards is the continuous and transparent communication maintained with employees to keep them updated about the latest developments and changes across the Group companies, which helps in building trust and commitment. The Group is mindful of the need for a right mix of talent with the requisite skills and

competencies, hence, it focuses on recruiting the brightest, investing in skill and competency development and driving a performance driven culture. Processes are in place to recognize and reward outstanding performers across departments in a fair and transparent manner.

At the end of March 2018, the Group had a total of 15,043 employees as against 14,484 employees before beginning of the financial year. During the year, there was gross recruitment of 559 employees across the Group. The count of technical employees among the overall pool was 283 as on 31<sup>st</sup> March 2018.

**8. Corporate Social Responsibility**

Based on Section 135 of Companies Act 2013, the group companies are exempted from the mandate of spending 2% of its profits on Corporate Social Responsibility (CSR) activities because the minimum defined threshold for profits is not breached. However, the all the group companies operate in areas which are of importance to the nation from a social and infrastructure development perspective. The Group therefore contributes in an indirect manner to the society and country as a whole. One of the major contribution by the Group is towards the objective of achieving 'Clean India' under the 'Swachh Bharat' mission through its Municipal Solid Waste management offerings, including the innovative products such as Magic Bricks and SafaiMitra. These offerings play a critical in promoting waste management methods that lead to sustainable development of society. Access to power is important for the low income households having a better quality of life, and Company's EPC division facilitates this through the Distribution projects that it executes. These indirect contributions reflect Group's awareness of its role as a responsible corporate citizen, and is further committed to do its fair share after it starts making profits.

**9. Internal Control Systems**

Robust internal control framework has been adopted by the Company to ensure compliant, orderly and efficient conduct of business operations across the Group. These controls have been designed to maintain alignment with the stated goals and plans, protect its assets, fraud prevention and detection, accuracy and completeness of financial records and timely preparation of reliable financial information. These controls are in line with the organization structure and built into the laid down policies and processes so as to promote order and ensure compliance.

The Group reviews these policies and procedures periodically and makes changes in line with the business and regulatory requirements. Stringent and regular internal and statutory audits are conducted by auditors to check compliance. The Audit Committee, on a quarterly and annual basis, reviews such non-compliances, and also the adequacy and effectiveness of the internal controls being exercised. This also includes financial information of the Group, which is

validated by the Statutory Auditors and Audit Committee on a periodic basis as per the requirements of Companies Act, Listing agreement, ICAI guidelines, etc.

#### **10. Forward Looking Statements**

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.



## Corporate Governance Report

This Report states the compliance status of the Company as per the requirement 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

Company is fully committed in practicing sound corporate governance and upholding the highest business standards in conducting business. Our philosophy is based on the collective efforts to achieve business excellence, improving efficiency as well as enhancing investor confidence. Being a value-driven organization, the Company has always worked towards building trust with the stakeholders. We, at A2Z, follow principles of good corporate governance, viz., integrity, transparency, fairness, disclosure, accountability and commitment to values. The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value. The Company has complied with the Corporate Governance 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. Our Company has an appropriate combination of Executive, Non-Executive and Independent Directors to maintain independence and efficiency of the Board in its functions of governance & management.

Our Company's directors are highly experienced professionals in their respective functional areas and provide directions to the management on operational issues, adoption of systems and best practices in management and oversight of compliance of various legal and other requirements. The Board reviews and admires the strategy and oversees the action and results of management to ensure the achievement of long term objectives.

The members of our Board are from diverse backgrounds 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 in depth 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.

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 the Managing Director. The Board of Directors complies with the provisions of SEBI LODR, 2015 and Companies Act, 2013 in regard to the meetings of the Board and Committees thereof. The Management and Board of the Company continuously and actively supervise the Arena of Corporate Strategy, planning, external contracts and other board matters on continual basis. The Senior Management Personnel heading separate divisions are responsible for day to day operations of their respective divisions.

#### 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, 2018, the Board comprises of Six (6) Directors. Out of the total strength, two (2) are Non-Executive Independent directors; one (1) is a Non-Executive Non Independent Women director. The Chairman is a Non-Executive Independent Director. Further, three (3) Directors are Executive Directors, one of whom is the Managing 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 and Section 149(6) of Companies Act, 2013. The Board periodically evaluates the need for change in its composition.

Name of the Director	Category	No. of other Directorships and Committee memberships/chairmanships		
		Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Surender Kumar Tuteja	Non-Executive & Independent Director	7	5	5
Dr. Ashok Kumar	Non-Executive & Independent Director	3	1	2

Name of the Director	Category	No. of other Directorships and Committee memberships/chairmanships		
		Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Amit Mittal	Executive Non-Independent Director (Managing Director)	2	1	-
Mr. Rajesh Jain	Executive Non-Independent Director (Whole time Director & CEO)	1	1	-
Dr. Ashok Kumar Saini	Executive Non-Independent Director (Whole time Director)	1	-	-
Ms. Dipali Mittal	Non- Executive & Non-Independent Director	2	1	-

In terms of Regulation 26(1) of SEBI (LODR) 2015:

- Foreign companies, private limited companies and companies under Section 8 of the Companies Act, 2013 are excluded for the purpose of considering the limit of directorship.
- The committees considered for the purpose are audit committee and stakeholders' relationship committee.
- None of the Directors was a member of more than 10 committees or Chairman of more than 5 committees across all listed companies in which he/she is a Director.

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

## 2.2 NUMBER OF BOARD MEETINGS

The Board of Directors oversee the overall functioning of the Company and takes 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) arises and as per the statutory requirement. In case of any exigency/ emergency, resolutions are passed by circulation. The Board of Directors met eight (8) times during the financial year 2017-18 i.e. on May 29, 2017, May 30, 2017, June 19, 2017, August 14, 2017, September 21, 2017, November 13, 2017, February 13, 2018, and February 23, 2018. The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under Regulation 17(2) of the SEBI LODR, 2015.

**Below mentioned table gives the attendance record of the Directors at the Board Meeting and Last Annual General Meeting**

Name of the Director	Attendance Particulars		Whether attended last AGM
	No. of Board Meeting held	No. of Board Meeting Attended	
Mr. Surender Kumar Tuteja	08	05	Yes
Dr. Ashok Kumar	08	07	Yes
Mr. Suresh Prasad Yadav*	08	02	No
Mr. Gaurav Jain*	08	04	No
Mr. Amit Mittal	08	08	Yes
Ms. Dipali Mittal	08	08	Yes
Mr. Rajesh Jain	08	08	Yes
Dr. Ashok Kumar Saini	08	08	Yes

\* Mr. Suresh Prasad Yadav and Mr. Gaurav Jain ceased to be director of the Company w.e.f. July 24, 2017 and September 24, 2017 respectively.

**The details of the shareholding of Directors as on March 31, 2018 are as follow:**

S. No	Name of the Director	No. of Shares	Percentage (%) of Holding
1.	Mr. Amit Mittal	2,79,07,301	15.85%
2.	Mr. Rajesh Jain	4,67,988	0.27%
3.	Dr. Ashok Kumar Saini	3,00,000	0.17%

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/Familiarization\\_Programme\\_for\\_Independent\\_Directors.pdf](http://a2zgroup.co.in/pdf/Familiarization_Programme_for_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 Three (3) Directors, two (2) of them are Non-Executive Independent Directors and one is Executive Director. 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. Qualifications in the draft audit report;
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. Approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
11. Discussion with internal auditors of any significant findings & follow up there on;
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
14. To review the functioning of the whistle blower mechanism;
15. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
16. All Other duties, responsibilities as defined under section 177 of the companies Act, 2013 & Regulation 18 of the SEBI LODR, 2015.

Additionally, the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors; if any
4. Internal audit reports relating to internal control weaknesses; and
5. Statement of deviations:

- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

**(b) Meeting and Attendance**

During the financial year 2017-18 ended on March 31, 2018, the Committee met Four (4) times i.e. on May 29, 2017, August 14, 2017, November 13, 2017, and February 13, 2018. The CFO, Internal Auditor and Statutory Auditors are permanent invitees of the Meetings.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2018 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Mr. Surender Kumar Tuteja	Chairman	Non- Executive & Independent Director	03
Dr. Ashok Kumar	Member	Non- Executive & Independent Director	04
Mr. Suresh Prasad Yadav*	Member	Non- Executive & Independent Director	01
Mr. Gaurav Jain*	Member	Non Executive & Non Independent Director	02
Mr. Rajesh Jain*	Member	Executive & Non Independent Director	02

\*Audit Committee was re-constituted by the Board of Directors of the Company on August 14, 2017 and Mr. Suresh Prasad Yadav left the Audit Committee due to his resignation from the Board of Directors of the Company. Audit Committee was further reconstituted on September 21, 2017 whereby Mr. Rajesh Jain was admitted as member of the Committee and Mr. Gaurav Jain left the Audit Committee due to his resignation from the Board of Directors of the Company.

- ✓ Mr. Atul K. Agarwal, Vice President and Company Secretary 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 29, 2017.

**3.2 Nomination & Remuneration Committee**

**(a) Constitution and Terms of Reference**

The Nomination & Remuneration Committee comprises of (2) Two Non-Executive Independent Directors and one Non- Executive Non Independent Director. 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. Devising a policy on diversity of Board of Directors;
4. 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.
5. 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.
6. 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 2017-18 ended as on March 31, 2018, the committee met five (5) times i.e. on May 29, 2017, August 14, 2017, August 17, 2017, September 21, 2017, and February 13, 2018.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2018 are given below:



Member	Designation	Category of Directorship	Number of Meeting attended
Dr. Ashok Kumar	Chairman	Non- Executive & Independent Director	05
Mr. Surender Kumar Tuteja	Member	Non- Executive & Independent Director	04
Mrs. Dipali Mittal*	Member	Non- Executive & Non Independent Director	02
Mr. Suresh Prasad Yadav*	Member	Non- Executive & Independent Director	01
Mr. Gaurav Jain*	Member	Non Executive & Non Independent Director	02

\*Nomination & Remuneration Committee was re-constituted by the Board of Directors of the Company on August 14, 2017 whereby Mr. Surender Kumar Tuteja was admitted as member of the Committee and Mr. Suresh Prasad Yadav left the Nomination & Remuneration Committee due to his resignation from the Board of Directors of the Company. Committee was further reconstituted on September 21, 2017 whereby Ms. Dipali Mittal was admitted as member of the Committee and Mr. Gaurav Jain left the Nomination & Remuneration Committee due to his resignation from the Board of Directors of the Company

**(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 and as per the guidance note issued by SEBI dated January 5, 2017 vide its Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, the Nomination & Remuneration Committee of the Board had carried out the evaluation of every Director's Performance based on specified criteria to ensure:

- that the directors demonstrate a willingness to devote time and effort to understand the company and its business;
- that the directors are competent to take the responsibility and having adequate qualification, experience and knowledge;
- the quality and value of their contributions at board meetings;
- whether to extend or continue the term of appointment of Independent Directors;
- their contribution to development of strategy and to oversee the effectiveness of their relationships with fellow board members, the company secretary and senior management.
- the effectiveness of Leadership quality of the Chairman.

Details of the performance evaluation criteria for Independent Directors of the Company is provided in the Boards' 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](http://a2zgroup.co.in/pdf/Remuneration_Policy.pdf)

**Remuneration to Non-Executive Directors**

The Non-executive & Independent Directors are paid sitting fees of Rs. 25,000/- (Rupees Twenty Five 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 2017-18 is as under:

**(Amount in Rs.)**

S.No.	Name	Sitting Fees paid	Commission payable
1.	Mr. Surender Kumar Tuteja	5,50,000	NIL
2.	Dr. Ashok Kumar	6,00,000	NIL
3.	Mr. Suresh Prasad Yadav	1,00,000	NIL
4.	Mr. Gaurav Jain	2,25,000	NIL
5.	Ms. Dipali Mittal	2,00,000	NIL
	<b>Total</b>	<b>16,75,000</b>	<b>NIL</b>

#### **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 ended March 31, 2018 is as follows:

**(Amount in Rs.)**

Name	Salaries	Benefits Perquisites and Allowances	Commission	ESOP
Mr. Amit Mittal <sup>1</sup> Managing Director for 3 Years (till December 31, 2020)	NIL	NIL	NIL	NIL
Ms. Dipali Mittal* Whole time Director (till August 14, 2017)	6,67,741	NIL	NIL	NIL
Mr. Rajesh Jain Whole time Director for 3 Years (till November 12, 2020)	18,00,000	NIL	NIL	NIL
Dr. Ashok Kumar Saini Whole time Director for 3 Years (till February 14, 2021)	18,00,000	NIL	NIL	NIL

1. The Company has not paid any remuneration to Mr. Amit Mittal. However, he has been appointed as Managing Director in A2Z Infraservices Ltd. ("AISL"), a material subsidiary Company on October 24, 2015 and he is in receipt of Rs. 48,00,000/- as remuneration in his capacity as Managing Director of AISL for the financial year 2017-18.

\*During the Financial year 2017-18, Ms. Dipali Mittal was re-designated as a Non-Executive, Non-Independent Director w.e.f. August 14, 2017 pursuant to shareholder's approval in the Annual General held on September 29, 2017. Hence, the remuneration has been paid proportionately for the period served as Whole Time Director i.e. from 01.04.2017 to 14.08.2017.

### **3.3 Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee is constituted in line with the provisions of Part D of Schedule II and Regulation 20 of SEBI LODR, 2015 read with section 178 of the Companies Act, 2013. The Committee is responsible for assisting the Board of Directors in resolving the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, if any.

The Stakeholders Relationship Committee comprises of three (3) Directors out of which two (2) are Non-Executive Independent Directors and one (1) Non-Executive, Non-Independent Director. During the Financial year 2017-18 ended on March 31, 2018, the Committee met five(5) times i.e. on May 29, 2017, June 26, 2017, August 14, 2017, November 13, 2017 and February 13, 2018.

The composition and attendance of the members of the Stakeholders Relationship Committee at the meetings held during the financial year ended March 31, 2018 are given below:

S. No.	Name of the Director	Designation	Category	No of Meetings Attended
1.	Dr. Ashok Kumar	Chairman	Non-Executive & Independent Director	05
2.	Mr. Surender Kumar Tuteja*	Member	Non-Executive & Independent Director	03
3.	Ms. Dipali Mittal	Member	Non Executive & Non Independent Director	05
4.	Suresh Prasad Yadav*	Member	Non Executive & Independent Director	01

\*During the year, Stakeholders Relationship Committee was reconstituted on August 14, 2017 whereby Mr. Surender Kumar Tuteja was admitted as member of the Committee and Mr. Suresh Prasad Yadav left the Stakeholders Relationship Committee due to his resignation from the Board of Directors of the Company.

Name and designation of compliance officer: Mr. Atul K Agarwal designated as Vice President & Company Secretary.

**Details of investor complaints received and redressed during the year 2017-18 are as follows:**

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

### 3.4 Corporate Social Responsibility Committee (CSR Committee)

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. Surender Kumar Tuteja, Non-Executive Independent Director, Mr. Amit Mittal, Managing Director and Ms. Dipali Mittal, Non-Executive, Non-Independent Director, as members of the committee. The CSR Policy of the Company as approved by the Board is placed on the website of the Company and may be accessed via following link.-[http://media.a2zgroup.co.in/pdf/CSR\\_Policy\\_A2Z.pdf](http://media.a2zgroup.co.in/pdf/CSR_Policy_A2Z.pdf)

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, the Company was not under any obligation to spend any amount on CSR for the Financial Year ending March 31, 2018.

### 3.5 Separate Independent Directors' Meetings

As per the Schedule IV of Companies Act, 2013 & Regulation 25(3) of SEBI LODR, 2015, the Independent Directors duly held their separate meeting on February 13, 2018, 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.

### 3.6 Other Committees 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, to consider various business matters related to finance and banking, and delegated their powers and responsibilities with respect to specific purposes.

## 4. SUBSIDIARY COMPANY(S)

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(s) 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\\_subsidary.pdf](http://a2zgroup.co.in/pdf/Policy_on_material_subsidary.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	Venue	Date	Time	Special Resolution passed in last three Annual General Meetings
2017	HSI IDC Hall, Phase-V, Udyog Vihar, Gurugram-122016, Haryana	September 29, 2017	09:30 AM	1. Re-appointment of Mr. Rajesh Jain as Whole Time Director of the Company 2. Re-appointment of Mr. Amit Mittal as Managing Director of the Company 3. Re-appointment of Dr. Ashok Kumar Saini as Whole Time Director of the Company
2016	HSI IDC Hall, Phase-V, Udyog Vihar, Gurugram-122016, Haryana	September 24, 2016	10:30 AM	No special resolutions were passed
2015	HSI IDC Hall, Phase-V, Udyog Vihar, Gurugram-122016, Haryana	September 26, 2015	10:30 AM	No special resolutions were passed

### B. POSTAL BALLOT

During the FY 2017-18, two ordinary resolutions and a special resolution respectively for increase in authorized share capital of the Company and alteration of the Capital clause of the Memorandum of Association of the Company, enter into pre-emptive options agreement(s) with the lender(s), and for conversion of debt into equity shares of the Company were passed through Postal Ballot Notice dated September 21, 2017, result of which was declared on December 19, 2017.

The Board of Directors has appointed Mr. Deepak Gupta, (C.P. No. 4629) Partner, DR Associates, Company Secretaries in practice, as scrutinizer for the above postal ballot to conduct the process in a fair and transparent manner. The details of voting pattern are given herein below:

i. **Ordinary Resolution for increase in authorized share capital of the Company and alteration of the Capital clause of the memorandum of association of the company.**

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	5,20,53,485	5,20,53,485	100.00%	5,20,53,485	0	100.00%	0
Public-Institutional holders	74,84,088	0	0	0	0	0	0
Public-Others	8,60,07,901	1,89,29,129	22.0086%	1,89,28,689	440	99.9977%	0.0023%
Total	14,55,45,474	7,09,82,614	48.7701%	7,09,82,174	440	99.9994%	0.0006%

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



## (ii) Ordinary Resolution to enter into pre-emptive options agreement(s) with the lender(s)

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	5,20,53,485	0	0	0	0	0	0
Public-Institutional holders	74,84,088	0	0	0	0	0	0
Public-Others	8,60,07,901	1,89,30,119	22.0097%	1,89,28,456	1,663	99.9912%	0.0088%
Total	14,55,45,474	1,89,30,119	13.0063%	1,89,28,456	1,663	99.9912%	0.0088%

## iii. Special Resolution for conversion of debt into equity shares of the company

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	5,20,53,485	5,20,53,485	100.00%	5,20,53,485	0	100.00%	0
Public-Institutional holders	74,84,088	0	0	0	0	0	0
Public-Others	8,60,07,901	1,89,29,129	22.0086%	1,89,19,831	9,298	99.9509%	0.0491%
Total	14,55,45,474	7,09,82,614	48.7701%	7,09,73,316	9,298	99.9869%	0.0131%

\* 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 LODR, 2015 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 postal ballot or e-voting.

**5.1 MEANS OF COMMUNICATION**

- I. The Quarterly and Annual Financial 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](http://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 helped 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 corporate. 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 regularly files 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 will upload 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, interalia, Audited Annual Financial Statements, 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](http://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 17<sup>th</sup> Annual General Meeting

Date : September 29, 2018  
 Day : Saturday  
 Time : 10.30 A.M  
 Venue : G.I.A. House, G.I.A. Marg, Opp. Sector 14,  
 I.D.C, Mehrauli Road, Gurugram-122001, Haryana

### 6.3 Financial Calendar

Financial year : April 01 to March 31  
 Results for the quarter ending : Actual/Tentative Date for approval  
 30<sup>th</sup> June, 2018 : August 14, 2018  
 30<sup>th</sup> September, 2018 : On or before November 14, 2018  
 31<sup>st</sup> December, 2018 : On or before February 14, 2019  
 31<sup>st</sup> March, 2019 : Latest by May 30, 2019

### 6.4 Date of Book Closure

The Register of members and Share Transfer books of the Company will remain closed from Saturday, September 22, 2018 to Saturday, September 29, 2018 (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 2017-18 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)

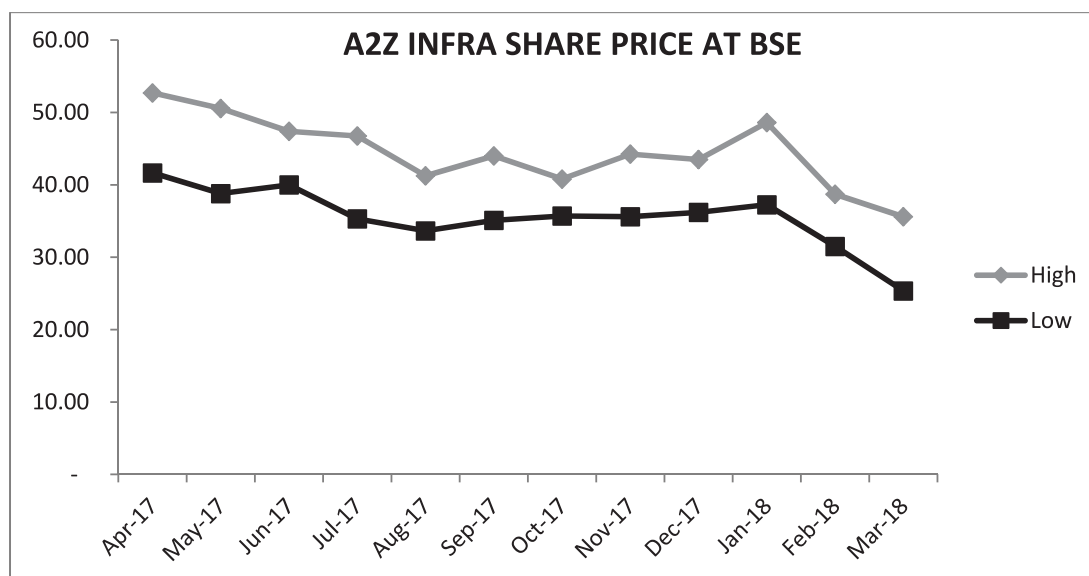
ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized equity shares of the company. The ISIN number of the shares of Company is INE619I01012.

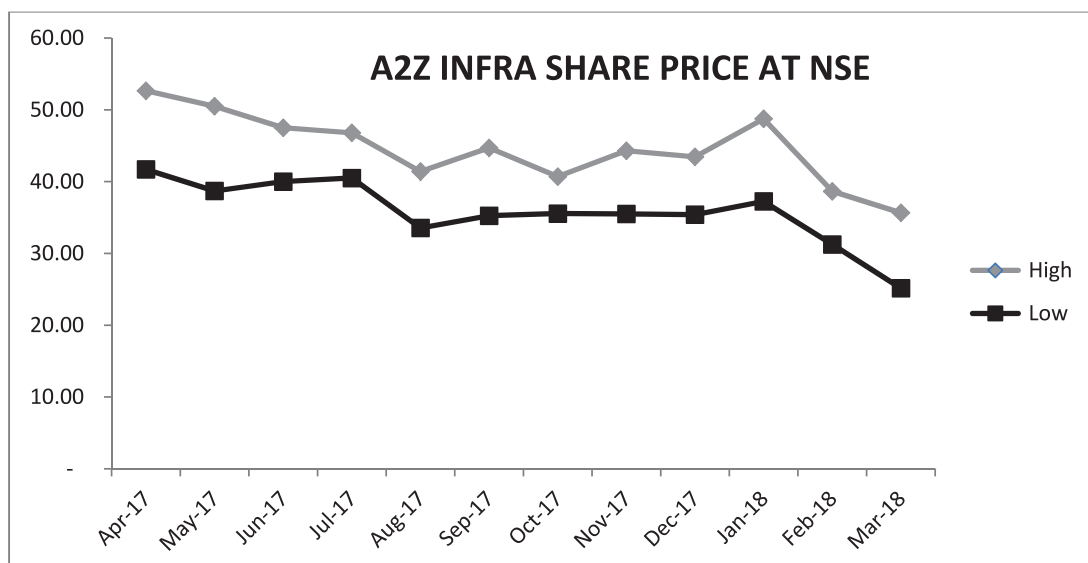
### 6.8 Market Price Data

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 2017-18 are as under:

BSE Limited				
Month & Year	A2Z Stock (in Rs.)		Sensex	
	High Price	Low Price	High	Low
Apr-17	52.70	41.65	30184.22	29241.48
May-17	50.55	38.80	31255.28	29804.12
Jun-17	47.40	40.00	31522.87	30680.66
Jul-17	46.75	35.30	32672.66	31017.11
Aug-17	41.25	33.65	32686.48	31128.02
Sep-17	44.00	35.10	32524.11	31081.83
Oct-17	40.80	35.70	33340.17	31440.48
Nov-17	44.25	35.60	33865.95	32683.59
Dec-17	43.50	36.20	34137.97	32565.16
Jan-18	48.60	37.25	36443.98	33703.37
Feb-18	38.70	31.50	36256.83	33482.81
Mar-18	35.60	25.35	34278.63	32483.84

National Stock Exchange of India Limited				
Month & Year	A2Z Stock (in Rs.)		Nifty	
	High Price	Low Price	High	Low
Apr-17	52.65	41.70	9367.15	9075.15
May-17	50.50	38.70	9649.60	9269.90
Jun-17	47.50	40.00	9709.30	9448.75
Jul-17	46.80	40.50	10114.85	9543.55
Aug-17	41.40	33.55	10137.85	9685.55
Sep-17	44.70	35.25	10178.95	9687.55
Oct-17	40.70	35.55	10384.50	9831.05
Nov-17	44.30	35.50	10490.45	10094.00
Dec-17	43.45	35.40	10552.40	10033.35
Jan-18	48.75	37.25	11171.55	10404.65
Feb-18	38.65	31.25	11117.35	10276.30
Mar-18	35.65	25.15	10525.50	9951.90





### 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, transfers 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

3E/7, Jhandewalan Extension, New Delhi – 110 055

Ph.: +91 11 42541234, +91 11 42541960

Fax: +91 11 23552001, +91 11 42541201

Email: [rta@alankit.com](mailto:rta@alankit.com), Website: [www.alankit.com](http://www.alankit.com)

### 6.10 Share Transfer System

All the transfers 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 of the Board of Directors. The Company obtains half year Compliance Certificate from DR Associates, Company Secretaries in practice for due compliance of share transfer formalities by the Company and ensuring that all the certificates have been issued within thirty days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies..

### 6.11 Distribution of Shareholding

#### (a) By number of shareholder & shares as on March 31, 2018

S. No.	Range of Shares	No. of Shareholders	% to Total Shareholders	No. of Shares	% of Shares to total shares
1	1-100	14,109	34.82	7,61,297	0.43
2	101-500	14,279	35.24	44,08,277	2.50
3	501-1000	5,187	12.80	44,94,653	2.55
4	1001-5000	5,115	12.62	1,26,37,522	7.18
5	5001-10000	885	2.18	67,23,811	3.82
6	10001-20000	478	1.18	70,70,521	4.02
7	20001-30000	171	0.42	43,50,617	2.47
8	30001-40000	71	0.18	24,58,732	1.40
9	40001-50000	58	0.14	27,27,265	1.55
10	50001-100000	77	0.19	56,12,003	3.19
11	100001-500000	71	0.18	1,50,41,900	8.54
12	500001 and Above	22	0.05	10,98,33,260	62.35
	<b>TOTAL</b>	<b>40,523</b>	<b>100.00</b>	<b>17,61,19,858</b>	<b>100.00</b>



## (b) By category of shareholders as on March 31, 2018

Sr. No.	Category of Shareholder	Total number of shares	% of Holding
(I)	<b>Shareholding of Promoter and Promoter Group</b>		
	(a) Indian	5,20,53,485	29.56
	(b) Foreign	-	-
	<b>Total Shareholding of Promoter &amp; Promoter Group</b>	<b>5,20,53,485</b>	<b>29.56</b>
(II)	<b>Public shareholding</b>		
	<b>(A) Institutions</b>		
	(a) Mutual Funds/ UTI	-	-
	(b) Financial Institutions / Banks	1,97,99,397	11.24
	(c) Central Government/ State Government(s)	-	-
	(d) Venture Capital Funds	-	-
	(e) Insurance Companies	-	-
	(f) Foreign Institutional Investors	-	-
	(g) Foreign Venture Capital Investors	47,34,546	2.69
	(h) Qualified Foreign Investor	-	-
	(i) Any Other (specify)	-	-
	<b>(B) Non-institutions</b>		
	(a) Individuals		
	Individuals-		
	i. Individual shareholders holding nominal share capital up to Rs 2 lakh	3,01,11,623	17.10
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	2,71,59,776	15.4
	(b) Qualified Foreign Investor	-	-
	(c) NBFCs registered with RBI	12,950	0.01
	(d) Any Other (specify)		
	(d-i) Non Resident Indian	94,03,716	5.34
	(d-ii) Corporate Body	2,89,37,181	16.43
	(d-iii) Trust	15,250	0.01
	(d-iv) Clearing Member	7,52,471	0.43
	(d-v) Resident (HUF)	31,39,463	1.78
	<b>Total Public Shareholding (A+B)</b>	<b>12,40,66,373</b>	<b>70.44</b>
	<b>GRAND TOTAL (I+II)</b>	<b>17,61,19,858</b>	<b>100.00</b>

## 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, 2018. 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, 2018)

Particulars of Shares	Equity Shares of Rs. 10/- each		Shareholders	
Dematerialised	Number	% of Total Shares	Number	% of Total Shareholders
NSDL	14,00,19,409	79.51	21,470	53.0
CDSL	3,60,93,402	20.48	19,030	47.0
Sub total	17,61,12,811	99.99	40,500	100.0
Physical form	7,047	0.01	23	Negligible
<b>Total</b>	<b>17,61,19,858</b>	<b>100.00</b>	<b>40,523</b>	<b>100.00</b>

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

As on March 31, 2018, there are no outstanding Warrants or any convertible instruments and all the warrants have been converted into equal no. of equity shares.

**(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 partly 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 BodiwallaPitha, Fazilka, Firozpur, Punjab

**6.14 Address for Correspondence**

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

**Mr. Atul K. Agarwal**  
**Company Secretary cum Compliance Officer**  
**A2Z INFRA ENGINEERING LTD.**  
 Plot no.-B-38, Institutional Area,  
 Sector-32, Gurugram-122001, Haryana  
 Telephone No.: +91 124 4517600  
 Fax No.: +91 124 4380014  
 E-mail: [complianceofficer@a2zemail.com](mailto:complianceofficer@a2zemail.com)  
 Website: [www.a2zgroup.co.in](http://www.a2zgroup.co.in)

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

**M/s Alankit Assignments Limited**  
 3E/7, Jhandewalan Extension,  
 New Delhi – 110 055  
 Ph.: +91 11 42541234, +91 11 42541960  
 Fax: +91 11 23552001, +91 11 42541201  
 Email: [rta@alankit.com](mailto:rta@alankit.com)  
 Website: [www.alankit.com](http://www.alankit.com)

**7. OTHER DISCLOSURES:**

- i. **Materially Significant Related Party Transactions:** - There were no material significant transactions entered by the Company with the related 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](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 i.e. 2015-16, 2016-17 and 2017-18 respectively:**  

An inspection was held by Registrar of Companies (RoC) and 13 (thirteen) show cause notices were issued by the Registrar of Companies (RoC), New Delhi against the Company and its Directors and replies were filed by the Company/ Directors. Out of these 13 (thirteen) Notices, proceedings against 4 (four) Notices were dropped by the RoC after filing of satisfactory reply by the Company. For the remaining 9 (nine) Notices, Company approached the National Company Law Tribunal, Chandigarh Bench, Chandigarh (NCLT) for Compounding and the NCLT passed 7 (seven) Orders dated July 21, 2017 and 2 (two) Orders dated August 30, 2017 for compounding of the said Notices.

Further the final orders passed by the NCLT were filed with the Registrar of Companies, NCT of Delhi & Haryana in e-Form INC-28. The said Compounding Petitions now stand disposed of and all the penalties were duly paid to the concerned authority.
- 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\\_Blowe\\_13\\_Apr\\_2015.pdf](http://a2zgroup.co.in/pdf/Whistle_Blowe_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 were also uploaded on the website of the Company at below mentioned links :-

[http://a2zgroup.co.in/pdf/Policy\\_for\\_Determination\\_of\\_Materiality\\_of\\_Events.pdf](http://a2zgroup.co.in/pdf/Policy_for_Determination_of_Materiality_of_Events.pdf).

[http://a2zgroup.co.in/pdf/Archival\\_Policy.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](http://www.a2zgroup.co.in).

Declaration from the Whole time director cum Chief Executive Officer, of the Company 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, 2018 is attached as **Annexure-I**.

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

#### **8. CERTIFICATE ON CORPORATE GOVERNANCE**

A Certificate from 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.

#### **Equity Shares in the Suspense Account:**

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI LODR, 2015, 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, 2017.	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, 2018 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, 2018.

**For A2Z INFRA ENGINEERING LTD**

**Place: Gurugram  
Date: 29.05.2018**

**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 Ltd.**  
Gurugram

We have examined the compliance of conditions of Corporate Governance by A2Z Infra Engineering Limited ('the Company'), for the financial year ended 31st March 2018, as stipulated in Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to examine the 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 Regulations.

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**

**Place: New Delhi  
Date: 14.08.2018**

**Sd/-  
Suchitta Koley  
Partner  
CP No.: 714**



## Independent Auditor's Report

**To**  
**The Members of**  
**A2Z Infra Engineering Limited**

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of A2Z Infra Engineering Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branches at Zambia, Uganda and Nepal.

### 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 these 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 these 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matters

9. We draw attention to;
  - a) Note 3.1 to the accompanying standalone financial statements, which describe the significant estimates and assumptions, including extension of the concession period, used by the management for determining recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 9,679.00 lacs and Rs. 18,027.12 lacs respectively as at 31 March 2018, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, Impairment of Assets. Basis this valuation the management believes that no adjustment is required to the carrying value of the aforesaid cogeneration power plants.
  - b) Note 7.1 to the accompanying standalone financial statements, with respect to unbilled revenue relating to certain contracts which are still in progress aggregating to Rs. 8,381.36 lacs, recognised in the earlier years. Based on ongoing discussions/ negotiations with the customers, management believes that these amounts are completely billable.
  - c) Note 39 to the accompanying standalone financial

statements, which describes the uncertainty relating to the outcome of litigation pertaining to income tax matters pursuant to orders received by the Company against which management and the assessing authorities have filed appeals with relevant Income Tax Authorities. The final outcome of these matters is presently unascertainable.

- d) Note 21.1 to the accompanying standalone financial statements, which describes the uncertainty relating to utilisation of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/ vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Company will be able to avail the input tax credit for aforementioned matter.
- e) Note 5.2 to the accompanying standalone financial statements regarding the Company's non-current investment in its subsidiary company, and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such subsidiary company as on that date aggregating Rs. 20,151.90 lacs, Rs. 410.73 lacs and Rs. 592.85 lacs, respectively. The consolidated net worth of the aforesaid subsidiary company as at 31 March 2018 has been fully eroded and has been incurring losses. Based on the future business plans and projections of the subsidiary company at consolidated level, which have been developed by the management using certain assumptions and estimates, as described in the aforementioned note, management believes that the realizable amount is higher than the carrying amount of such non-current investment, other current financial assets (net of impairment) and current financial assets -loan and hence fully recoverable.

Our opinion is not modified in respect of above matters.

#### **Other Matters**

10. We did not audit the separate financial statements of three branches located outside India, included in the accompanying statement of standalone financial statement, whose financial statements reflects total revenues (after eliminating intra-group transactions) of Rs. 7,609.44 lacs and net profit after tax of Rs. 84.54 lacs for the year ended 31 March 2018 and total assets of Rs. 5,415.20 lacs as at 31 March 2018, as considered in these standalone financial statements. These financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries.

Our opinion in so far it relates to the amounts and disclosure in respect of these branches is solely based on report of the other auditors and the conversion adjustment prepared by the management of the Company, which have been

audited by us. 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 Ind AS specified under Section 133 of the Act;
  - (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 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 May 2018 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in Note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

- ii. the Company, as detailed in Note 38 to the standalone financial statements, has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, 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 Company;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November, 2016 to 30 December,

2016 which are not relevant to these standalone financial statements. Hence, reporting under this Clause is not applicable.

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

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

**Place : Gurugram**  
**Date : 29 May 2018**

---

**Annexure I to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited, on the standalone financial statements for the year ended 31 March 2018**

**Annexure I**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the 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 three 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 which are included under the head 'Property, plant and equipment' 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 the of 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, goods and service tax (GST), 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 (INR lacs)	Period to which the amount relates	Due Date	Date of payment
Income Tax Act, 1961	Tax deducted at source	573.43	March 2016 to August 2017	7 <sup>th</sup> day of subsequent month	Not yet paid
Chapter V of Finance Act, 1994	Service tax	5,513.25	March 2016 to June 2017	5 <sup>th</sup> day of subsequent month (6 <sup>th</sup> for online payment)	Not yet paid
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Employee Provident fund	53.42	November 2015 to August 2017	15 <sup>th</sup> day of subsequent month	Not yet paid
Employee State Insurance Act, 1948	Employee State Insurance	10.64	June 2016 to August 2017	21 <sup>st</sup> day of subsequent month	Not yet paid
Employee Welfare Fund	Employee welfare fund	0.46	November 2016 to August 2017	25 <sup>th</sup> day of subsequent month	Not yet paid
Madhya Pradesh State Tax on Professions, Trades, Callings and Employment Act, 1995	Professional Tax	6.99	July 2012 to August 2017	10 <sup>th</sup> day of subsequent month	Not yet paid
West Bengal State Tax on Professions, Trades, Callings and Employment Act, 1979	Professional Tax	0.67	April 2015 to August 2017	21 <sup>st</sup> 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 the dues	Amount (in lacs)	Amount Paid Under Protest (in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand made under section 153A and 153B	2,790.80	-	Assessment Years 2009-10 to 2013-14	Income Tax Appellate Tribunal, Delhi
Bihar Value Added Tax, 2005	Value Added Tax	1,644.31	125.00	2013-14	Commissioner, Commercial tax, Bihar
	Value Added Tax	83.55	-	2010-11	Assessing Officer Commercial Tax, Bihar
	Value Added Tax	203.61	61.08	2012-13	Commissioner, Commercial tax, Bihar
Jharkhand Value Added Tax, 2005	Value Added Tax	138.46	58.24	2008-09 to 2011-12	Commissioner, Commercial tax, Ranchi, Jharkhand
The West Bengal Value Added Tax, 2003	Value Added Tax	653.11	50.00	2009-10	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	Value Added Tax	1,019.40	175.00	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	Central Sales Tax	54.13	-	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	Central Sales Tax	229.16	-	2011-12	Additional Commissioner (Appeals) Sales Tax

Name of the statute	Nature of the dues	Amount (in lacs)	Amount Paid Under Protest (in lacs)	Period to which the amount relates	Forum where dispute is pending
	Central Sales Tax	2.07	-	2014-15	Joint Commissioner (Appeal), Sales Tax
	Value Added Tax	192.72	-	2014-15	Joint Commissioner (Appeal), Sales Tax
The Maharashtra Value Added Tax, 2002	Central Sales Tax	17.92	-	2011-12	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Central Sales Tax	131.42	-	2007-08	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Value Added Tax	1,801.79	-	2008-09	Maharashtra Sales Tax Tribunal
	Value Added Tax	15.52	-	2009-10	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Central Sales Tax	154.06	-	2009-10	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Value Added Tax	22.88	-	2010-11	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Central Sales Tax	225.99	-	2010-11	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Central Sales Tax	19.88	-	2012-13	Sales Tax Tribunal, Mumbai, Maharashtra- Appeal
	Value Added Tax	29.10	-	2012-13	Sales Tax Tribunal, Mumbai, Maharashtra- Appeal
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	62.95	31.25	2010-11	Andhra Pradesh Sales Tax and VAT Appellate Tribunal, Hyderabad
Jammu and Kashmir Value Added Tax Act, 2005	Central Sales Tax	64.66	-	2013-14	Deputy Commissioner (Appeals), Sales tax
	Central Sales Tax	86.02	-	2012-13	Deputy Commissioner (Appeals), Sales tax
The Madhya Pradesh VAT Act, 2002	Central Sales Tax	3.25	-	2013-14	Joint Commissioner, Indore, M.P.-Appeal filed
	Central Sales Tax	103.05	45.34	2011-12	Sales Tax Tribunal, Madhya Pradesh
Haryana VAT Act, 2003	Central Sales Tax	1,930.50	-	2009-10	Sales Tax Revisional Authority, Gurgaon
Kerala VAT Act, 2003	Central Sales Tax	219.38	-	2011-12	Hon'ble High Court of Kerala, Ernakulam

(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:

(Amount in lacs)

Particulars	Default (in months)			
	(0-3)	(3-6)	(6-12)	(More than 12)
<b>Banks</b>				
Allahabad Bank	523.39	9.21	-	-
Axis Bank	497.48	65.28	3.86	2.15
DBS Bank	234.94	157.77	544.57	8,648.62
ICICI Bank*	761.48	282.25	1,891.01	4,266.29
HSBC bank	31.09	20.55	68.90	417.87
IDBI Bank	391.90	131.87	30.45	-



Particulars	Default (in months)			
Banks	(0-3)	(3-6)	(6-12)	(More than 12)
Indusind Bank	160.81	13.17	-	-
Kotak Mahindra Bank	434.84	-	-	-
State Bank of Hyderabad	76.66	40.53	175.88	452.85
State Bank of Mysore	89.95	42.30	210.56	191.20
State Bank of Patiala	742.31	314.47	1,803.79	765.98
State Bank of Travancore	96.74	44.37	229.30	104.89
Standard Chartered Bank	325.85	321.54	626.38	3,867.49
State Bank of India	255.18	121.91	643.22	1,701.46
Union Bank of India	290.77	15.97	0.65	-
Yes Bank	362.57	370.43	1,139.26	1,655.61
<b>Financial Institutions:</b>				
SICOM	189.04	186.99	373.97	751.54

\*During the previous year ICICI bank has transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion 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 and provided 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:

(Amount in lacs)

S. No	Payment made to	Financial year	Amount Paid/ provided in excess of limits prescribed (Rs)	Amount due for Recovery as at March 31, 2018 (Rs)	Steps taken to secure the recovery of the amount	Remarks (if any)
1	Managing Director	2012-13	94.54	29.99	The Company has obtained a declaration from the Managing Director that such amount has been held in trust and 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	94.94	94.94		

(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 Ind AS.

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

Place : Gurugram  
Date : 29 May 2018

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

**Annexure II to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited on the standalone financial statements for the year ended 31 March 2018****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 ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at 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 the 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.

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

**Inherent Limitations of Internal Financial Controls 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 Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, 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 Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
per **Neeraj Sharma**

Partner

Membership No.: 502103

**Place : Gurugram**  
**Date : 29 May 2018**

## Standalone Balance Sheet as at March 31, 2018

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

	Notes No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS:</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	3	14,397.09	16,311.51
Capital work-in-progress	3	18,056.80	20,877.12
Intangible assets	4	13.33	43.77
Financial assets:			
Investments	5	29,067.65	29,802.85
Loans	6	270.08	271.76
Other financial assets	7	2,409.51	2,057.18
Deferred tax assets (net)	8	6,320.11	6,318.17
Non-current tax assets (net)	9	2,682.38	2,279.40
Other non-current assets	10	1,495.80	1,461.05
		<b>74,712.75</b>	<b>79,422.81</b>
<b>Current Assets:</b>			
Inventories	11	349.14	765.66
Financial assets:			
Trade receivables	12	117,216.35	120,029.73
Cash and cash equivalents	13	1,097.71	5,152.78
Other bank balances	14	0.82	0.82
Loans	6	4,653.44	4,440.28
Other financial assets	7	25,314.11	29,624.15
Other current assets	10	10,463.98	11,679.35
		<b>159,095.55</b>	<b>171,692.77</b>
		<b>233,808.30</b>	<b>251,115.58</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Equity share capital	15	17,611.99	14,494.95
Other equity		43,724.64	45,975.54
		<b>61,336.63</b>	<b>60,470.49</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Financial liabilities:			
Borrowings	16	15,098.21	25,103.30
Other financial liabilities	17	1,000.00	-
Long term provisions	18	298.22	314.26
		<b>16,396.43</b>	<b>25,417.56</b>
<b>Current liabilities:</b>			
Financial liabilities:			
Borrowings	19	45,034.04	56,524.55
Trade payables	20	57,735.69	65,920.55
Other financial liabilities	17	33,343.89	31,415.66
Other current liabilities	21	19,861.11	11,213.17
Short term provisions	18	100.51	153.60
		<b>156,075.24</b>	<b>165,227.53</b>
		<b>233,808.30</b>	<b>251,115.58</b>

Notes 1 to 44 form an integral part of the standalone financial statements

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

For **Walker Chandiok & Co LLP**  
Chartered Accountants

Sd/-  
per **Neeraj Sharma**  
Partner

Place : Gurugram  
Date : May 29, 2018

For and on behalf of the Board of Directors

Sd/-  
**Amit Mittal**  
Managing Director  
(DIN 00058944)

Sd/-  
**G R Nagendran**  
Chief Financial Officer

Sd/-  
**Rajesh Jain**  
Whole Time Director & CEO  
(DIN 07015027)

Sd/-  
**Atul Kumar Agarwal**  
Company Secretary

## Standalone Statement of Profit and Loss for the Year ended March 31, 2018

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

	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Revenue:</b>			
Revenue from operations	22	35,751.56	63,455.83
Other income	23	3,697.86	1,563.48
<b>Total revenue</b>		<b>39,449.42</b>	<b>65,019.31</b>
<b>Expenses:</b>			
Cost of materials consumed	24	27,804.66	47,240.91
Purchases of stock-in-trade	25	2,602.17	4,996.99
Employee benefits expense	26	2,219.43	1,965.05
Finance costs	27	12,978.07	11,967.31
Depreciation and amortisation expenses	28	1,284.70	1,447.52
Other expenses	29	5,845.46	4,501.85
<b>Total expenses</b>		<b>52,734.49</b>	<b>72,119.63</b>
<b>Loss before exceptional item and tax</b>		<b>(13,285.07)</b>	<b>(7,100.32)</b>
Exceptional items	40	1,828.89	(959.58)
<b>Loss before tax</b>		<b>(11,456.18)</b>	<b>(8,059.90)</b>
<b>Tax expense</b>	30		
Current tax		22.77	3.67
Deferred tax (net)		(2.01)	5,855.41
		20.76	5,859.08
<b>Loss for the year</b>		<b>(11,476.94)</b>	<b>(13,918.98)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Re-measurement of defined benefit obligations		40.31	29.58
		<b>40.31</b>	<b>29.58</b>
<b>Total comprehensive income for the year</b>		<b>(11,436.63)</b>	<b>(13,889.40)</b>
<b>(Loss) per equity share (INR) :</b>	31		
(Nominal value of shares INR 10)			
Basic		(7.68)	(10.75)
Diluted		(7.68)	(10.75)

**Notes 1 to 44 form an integral part of the standalone financial statements**

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

For **Walker Chandiok & Co LLP**  
Chartered Accountants

Sd/-  
per **Neeraj Sharma**  
Partner

For and on behalf of the Board of Directors

Sd/-  
**Amit Mittal**  
Managing Director  
(DIN 00058944)

Sd/-  
**Rajesh Jain**  
Whole Time Director & CEO  
(DIN 07015027)

Place : Gurugram  
Date : May 29, 2018

Sd/-  
**G R Nagendran**  
Chief Financial Officer

Sd/-  
**Atul Kumar Agarwal**  
Company Secretary

## Standalone Statement of Changes in Equity for the year ended March 31, 2018

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

	Note No.	Number of shares	Amount			
<b>A. Equity share capital:</b>						
<b>Issued, subscribed and fully paid up</b>						
Equity Shares of INR 10 each						
<b>Balance as at April 1, 2016</b>	15	<b>126,893,980</b>	<b>12,689.40</b>			
Issue of equity share capital		18,055,489	1,805.55			
<b>Balance as at March 31, 2017</b>	15	<b>144,949,469</b>	<b>14,494.95</b>			
Issue of equity share capital		31,170,389	3,117.04			
<b>Balance as at March 31, 2018</b>	15	<b>176,119,858</b>	<b>17,611.99</b>			
<b>B. Other equity:</b>						
<b>Reserves and surplus</b>						
	<b>Money received against share warrants</b>	<b>Securities premium account</b>	<b>General reserve</b>	<b>Employee stock option plan reserve</b>	<b>Retained earnings</b>	<b>Total equity attributable to equity holders</b>
<b>Balance as at April 1, 2016</b>	<b>890.50</b>	<b>78,233.13</b>	<b>640.14</b>	<b>583.53</b>	<b>(21,784.09)</b>	<b>58,563.21</b>
Loss for the year	-	-	-	-	(13,918.98)	(13,918.98)
Other comprehensive income	-	-	-	-	29.58	29.58
<b>Total comprehensive income</b>	-	-	-	-	<b>(13,889.40)</b>	<b>(13,889.40)</b>
Transfer from Employee stock option plan reserve on lapse	-	-	-	(69.54)	69.54	-
Transfer from Employee stock option plan reserve on exercise	-	143.69	-	(143.69)	-	-
Transactions with owners in their capacity as owners:						
Received during the year against issue of share warrants	2,671.49	-	-	-	-	<b>2,671.49</b>
Issue of equity shares	-	2,022.70	-	-	-	<b>2,022.70</b>
Employee stock option plan (ESOP) expense	-	-	-	140.01	-	<b>140.01</b>
On account of ESOP given to employees of subsidiaries	-	-	-	29.52	-	<b>29.52</b>
Shares issued against share warrant money during the year	(3,561.99)	-	-	-	-	<b>(3,561.99)</b>
<b>Balance as at March 31, 2017</b>	-	<b>80,399.52</b>	<b>640.14</b>	<b>539.83</b>	<b>(35,603.95)</b>	<b>45,975.54</b>
Loss for the year	-	-	-	-	(11,476.94)	(11,476.94)
Other comprehensive income	-	-	-	-	40.31	40.31
<b>Total comprehensive income</b>	-	-	-	-	<b>(11,436.63)</b>	<b>(11,436.63)</b>
Transfer from Employee stock option plan reserve on lapse	-	-	-	(125.54)	125.54	-
Transfer from Employee stock option plan reserve on exercise	-	106.50	-	(106.50)	-	-
Expenses for increase in authorised share capital	-	-	-	-	(60.00)	<b>(60.00)</b>
Transactions with owners in their capacity as owners:						
Issue of equity shares	-	9,080.54	-	-	-	<b>9,080.54</b>
Employee stock option plan (ESOP) expense	-	-	-	160.59	-	<b>160.59</b>
On account of ESOP given to employees of subsidiaries	-	-	-	4.60	-	<b>4.60</b>
<b>Balance as at March 31, 2018</b>	-	<b>89,586.56</b>	<b>640.14</b>	<b>472.98</b>	<b>(46,975.04)</b>	<b>43,724.64</b>

Notes 1 to 44 form an integral part of the standalone financial statements

This is the statement of change in equity referred to in our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants

Sd/-  
per **Neeraj Sharma**  
Partner

Place : Gurugram  
Date : May 29, 2018

For and on behalf of the Board of Directors

Sd/-  
**Amit Mittal**  
Managing Director  
(DIN 00058944)

Sd/-  
**G R Nagendran**  
Chief Financial Officer

Sd/-  
**Rajesh Jain**  
Whole Time Director & CEO  
(DIN 07015027)

Sd/-  
**Atul Kumar Agarwal**  
Company Secretary



## Standalone Cash Flow Statement for the year ended March 31, 2018

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

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>A Cash flows from operating activities:</b>		
Net loss before tax (after exceptional items)	(11,456.18)	(8,059.90)
<b>Adjustments:</b>		
Exceptional items	(1,828.89)	959.58
Depreciation and amortisation expense	1,284.70	1,447.52
Profit on disposal of property, plant and equipment	(11.90)	(39.60)
Profit on sale of investment in subsidiary (net)	-	(394.47)
Interest expense	12,394.62	11,370.75
Interest income	(1,312.23)	(895.31)
Provision for contract revenue in excess of billing	242.29	93.79
Provision for diminution in value of investment	-	231.29
Provision for profit on transfer of investments	-	394.47
Allowance for write-down of inventories to net realisable value	353.06	-
Provision for bad and doubtful debts	947.49	1,693.23
Provision for bad and doubtful advance	1,240.36	-
Provisions/liabilities written back	(2,308.32)	-
Provision for/(reversal of) warranty	23.62	(23.07)
Provision for gratuity and leave encashment	48.66	33.47
Provision for disputed liabilities	66.18	-
Advances written off	55.03	-
Bad debts written off	61.96	42.32
Rental income from operating leases	(9.33)	(62.67)
Advances/ earnest money deposit written off	0.85	0.14
Reversal of tax credit	378.26	-
Recognition of share based payments at fair value	160.59	140.01
Unwinding of discount on security deposits	(0.02)	1.12
	<b>11,786.98</b>	<b>14,992.57</b>
<b>Operating profit before working capital changes</b>	<b>330.80</b>	<b>6,932.67</b>
<b>Net changes in working capital</b>		
Changes in inventories	63.46	1,046.60
Change in trade and other receivables	1,865.89	(20,609.32)
Changes in loans	(726.93)	1,509.57
Changes in other financial assets	(2,886.26)	16,003.78
Changes in other assets	528.25	48.34
Change in trade payables	(6,645.54)	(1,720.59)
Changes in provisions	(124.62)	(3.57)
Change in financial liabilities	364.49	(369.75)
Change in other liabilities	8,647.94	2,741.54
<b>Net changes in working capital:</b>	<b>1,086.68</b>	<b>(1,353.40)</b>
<b>Net cash generated from operations</b>	<b>1,417.48</b>	<b>5,579.27</b>
Current taxes paid (net of refunds)	(491.93)	(451.76)
<b>Net cash generated from operating activities</b>	<b>925.55</b>	<b>5,127.51</b>

## Standalone Cash Flow Statement for the year ended March 31, 2018

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

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>B Cash flows from investing activities:</b>		
Payments for purchase of property, plant and equipment	(431.21)	(607.54)
Proceeds from sale of property, plant and equipment	28.00	102.20
Purchase of investment in subsidiaries	-	(0.01)
Proceeds from sale of investment in subsidiaries	1,055.34	-
Fixed deposits (placed)/matured- (net)	(183.21)	(207.91)
Rental income from operating leases	9.33	62.67
Interest received	811.13	193.30
<b>Net cash generated from / (used in) investing activities</b>	<b>1,289.38</b>	<b>(457.29)</b>
<b>C Cash flows from financing activities:</b>		
Proceeds from issuance of equity share capital	89.40	915.05
Proceeds from securities premium	58.18	2,022.70
Expenses for increase in authorised share capital	(60.00)	-
Repayment of long term borrowings	(2,717.80)	(1,854.22)
Proceeds from long term borrowings	-	418.00
(Repayments)/Proceeds from short term borrowings (net)	(333.66)	3,847.41
Interest paid	(3,306.12)	(5,663.29)
<b>Net cash used in financing activities</b>	<b>(6,270.00)</b>	<b>(314.35)</b>
<b>Net (decrease)/increase in cash and cash equivalents ( A+B+C)</b>	<b>(4,055.07)</b>	<b>4,355.87</b>
Cash and cash equivalents at the beginning of the year	5,152.78	796.91
<b>Cash and cash equivalents at the end of the year</b>	<b>1,097.71</b>	<b>5,152.78</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement.</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Cash and cash equivalents as per above comprises of the following :		
a. Cash on hand	1.97	1.16
b. Cheques in hand	100.00	-
c. Balance in current account	995.74	5,151.62
<b>Balances as per statement of cash flows</b>	<b>1,097.71</b>	<b>5,152.78</b>

**Note :** All figures in brackets are outflows.

**Notes 1 to 44 form an integral part of the standalone financial statements**

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

For **Walker Chandiok & Co LLP**  
Chartered Accountants

Sd/-  
per **Neeraj Sharma**  
Partner

**Place: Gurugram**  
**Date : May 29, 2018**

**For and on behalf of the Board of Directors**

Sd/-  
**Amit Mittal**  
Managing Director  
(DIN 00058944)

Sd/-  
**G R Nagendran**  
Chief Financial Officer

Sd/-  
**Rajesh Jain**  
Whole Time Director & CEO  
(DIN 07015027)

Sd/-  
**Atul Kumar Agarwal**  
Company Secretary

## Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018

### **1 : CORPORATE INFORMATION**

A2Z Infra Engineering 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 including laying and maintenance of Optic Fiber Cable (OFC) and allied services to power distribution companies.

### **2 : SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

#### **2.1 Statement of compliance**

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies act, 2013 ("The Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 issued by Ministry of Corporate Affairs ('MCA'). All other relevant provisions of the Act, as amended, are also complied with in these financial Statements. The Company has prepared these financial statements which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The Company has uniformly applied the accounting policies during the period presented.

#### **2.2 Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant judgements and areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

##### **Significant management judgements**

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

- **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Classification of leases** – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

##### **Estimation uncertainty**

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

- **Recoverability of advances/ receivables** – At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.

## Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018

- **Classification of assets and liabilities into current and non-current** – The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities.
- **Warranty provision** – The management makes estimate of costs that would be incurred with respect to warranties given on products. The provision requires use of several estimates based on past data and expectations of future.
- **Impairment of assets** – In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.
- **Useful lives of depreciable/amortisable assets (Property, plant and equipment and intangible)** – Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.
- **Revenue recognition** – The Company uses the percentage completion method in accounting for its revenue from construction services. The use of percentage-of-completion method requires the Company to estimate costs expended to date as a proportion of the total costs to be expended. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and output.
- **Contract estimates** – The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) Consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) Price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- **Recoverability of claims** – The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/ discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.
- **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available.

### 2.3 Significant accounting policies

#### a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### 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 Ind AS 11, "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 financial assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the Balance Sheet.

## Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018

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 equipment's 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, value added taxes (VAT) and goods and service tax (GST) (as applicable) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.

### v. Interest

Interest income is recognised on effective interest rate method, as further discussed in Note- g below.

### vi. Dividends

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

## b) Foreign currencies and operations

### i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency. All amount have been rounded off to the nearest lacs, unless otherwise stated.

### ii. Foreign currency transactions and balances

Foreign currency transactions are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction (spot exchange rate).

All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.

Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

## c) Joint operations

The Company enters into certain joint arrangements when the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Such arrangements are considered to be joint operations, and the Company the entities recognises the following in relation to its interest in a joint operation:

- a) its assets, including its share of any assets held jointly;
- b) its liabilities, including its share of any liabilities incurred jointly;
- c) its revenue from the sale of its share of the output arising from the joint operation;
- d) its share of the revenue from the sale of the output by the joint operation; and
- e) its expenses, including its share of any expenses incurred jointly.

## d) Property, Plant and Equipment (PPE)

### i. Initial recognition

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses.



## Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018

When significant components of property and equipment are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation as if these components are initially recognized as separate asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in profit or loss as incurred.

### ii. Subsequent measurement

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for leasehold land which is amortised over the lease term on straight line basis.

Particulars	Useful life (Straight line method)
Building	10-60 Years
Office equipment	5 Years
Plant and equipment	8-25 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 method, useful life and residual value are reviewed periodically.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within 'other income' or 'other expenses' respectively.

### e) Intangible assets

Intangible asset include Computer software which is stated at cost less accumulated amortisation. This software is amortised on a straight line basis over the estimated useful life of five to six years, as determined by the management.

### f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### i. Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Interest free deposits for leases are financial assets and measured at amortised cost under Ind AS 109. The difference between the present value and the nominal value of deposit is considered as prepaid rent and amortised over the lease term.

## Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018

### ii. Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### g) Financial instruments

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

#### a) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (1) the Company has transferred substantially all the risks and rewards of the asset, or (2) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### b) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Debt instruments at Amortised cost
- Debt instruments at Fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at Fair value through profit or loss (FVTPL)
- Equity instruments measured at Fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at Fair value through profit or loss (FVTPL)

##### ☐ Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

##### ☐ Debt instruments at fair value through other comprehensive income

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

## Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### ☐ **Debt instruments at fair value through profit or loss**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### ☐ **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

## **c) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and the application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## **d) Classification and subsequent measurement of financial liabilities**

All financial liabilities are recognised initially at its fair value adjusted by directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

### ☐ **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities

## Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018

designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

The Company has not designated any financial liability as at fair value through profit and loss.

### ☐ **Financial liabilities measured at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **h) Equity shares**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **i) Reserve and surplus**

Nature and purpose of reserves;

#### **a) General reserve**

General reserves can be used for the purpose and as per guidelines prescribes in the Companies Act, 2013.

#### **b) Securities premium reserve**

Securities premium is used to record the premium on issue of shares or debentures. The reserve will be utilised in accordance with the provisions of the Act.

#### **c) Net gain on fair value of defined benefit plans**

The Company has recognised premeasurement gains/ (loss) on defined benefit plans in Other Comprehensive Income (OCI). These changes are accumulated within the OCI reserve within other equity. The Company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

#### **d) Employee stock option plan reserves**

The Company has four type of Option scheme under which options to subscribe for the Company's share have been granted to certain employees. The Employee Stock Option Plan Reserves is used to recognise the value of equity settled share based payments provided to employees. Refer to note 29.2 for further details of these plans.

### **j) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

### **k) Income taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognised deferred tax assets are

## Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

### **i) Fair value measurement**

The Company measures financial instruments at fair value on initial recognition

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### **m) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

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 group of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

### **n) 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 standalone financial statements for the year ended March 31, 2018

### o) Provisions, contingent liabilities and contingent assets

A provision is recognised when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The Company does not recognise contingent liabilities but it is disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent asset is not recognised in the financial statements.

### p) Employee benefits

#### i. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognised at actual amounts due in the period in which the employee renders the related service.

#### ii. Post-employment benefits

**1. Defined contribution plans:** The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**2. Defined benefit plans:** The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**3. Other long-term employee benefits:** Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

### q) Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred. Also, the effective interest rate (EIR) amortization is included in finance costs.

## Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018

### **r) Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

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

### **s) Segment reporting**

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 Company has three operating/reportable segments, i.e., engineering services, Power generation projects and others represents trading of goods, and renting of equipments.

The operating segments are managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Company's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Company uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

No asymmetrical allocations have been applied between segments

### **t) Share based payments**

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

### **u) Current/non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **v) Rounding off of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

---

Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018

**w) Exceptional items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

**2.4 Standards issued but not yet effective**

**a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration**

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018.

The Company do not expect that the adoption of the amendments to the standards will have an impact on the financial statements of the Company.

**b) Ind AS 115, “Revenue from Contracts with Customers”**

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS115, “Revenue from Contracts with Customers”. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:-

**Retrospective approach-** Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS8-Accounting Policies, Changes in Accounting Estimates and Errors

**Retrospectively with cumulative effect** of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

### Note 3 : PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

	Freehold land	Leasehold improvement	Computers	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total	Capital work in progress
<b>Gross carrying amount:</b>										
Balance as at April 1, 2016	635.10	26.00	503.37	6,554.56	13,402.35	129.01	2,168.71	522.59	23,941.69	26,613.09
Additions	-	-	5.53	-	113.70	0.57	1.40	0.31	121.51	145.24
Disposals	-	-	(50.72)	-	(14.47)	-	(275.72)	-	(340.91)	-
Balance as at March 31, 2017	635.10	26.00	458.18	6,554.56	13,501.58	129.58	1,894.39	522.90	23,722.29	26,758.33
Additions	-	-	0.23	-	4.01	-	1.70	-	5.94	29.68
Disposals	-	-	(0.09)	-	(4.16)	-	(98.46)	-	(102.72)	-
Balance as at March 31, 2018	635.10	26.00	458.32	6,554.56	13,501.43	129.58	1,797.63	522.90	23,625.51	26,788.01
<b>Depreciation and impairment:</b>										
Balance as at April 1, 2016	-	26.00	483.78	453.64	2,210.34	105.59	1,561.17	488.72	5,329.24	-
Depreciation	-	-	11.22	285.86	857.45	6.78	215.96	24.33	1,401.60	-
Impairment (Note 3.1)	-	-	-	228.11	729.33	-	0.81	-	958.25	5,881.21
Disposals	-	-	(50.40)	-	(8.36)	-	(219.55)	-	(278.31)	-
Balance as at March 31, 2017	-	26.00	444.60	967.61	3,788.76	112.37	1,558.39	513.05	7,410.78	5,881.21
Depreciation	-	-	7.86	266.85	801.75	5.76	164.50	7.54	1,254.26	-
Impairment (Note 3.1)	-	-	-	154.73	494.72	-	0.55	-	650.00	2,850.00
Disposals	-	-	(0.09)	-	(2.01)	-	(84.52)	-	(86.62)	-
Balance as at March 31, 2018	-	26.00	452.37	1,389.19	5,083.22	118.13	1,638.92	520.59	9,228.42	8,731.21
<b>Net carrying amount:</b>										
Balance as at March 31, 2018	635.10	-	5.95	5,165.37	8,418.21	11.45	158.71	2.31	14,397.09	18,056.80
Balance as at March 31, 2017	635.10	-	13.58	5,586.95	9,712.82	17.21	336.00	9.85	16,311.51	20,877.12

#### Note 3.1: Impairment

The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Build, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2018, 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.

The management had filed a writ petition with the High Court of Punjab and Haryana for the extension of the concession period wherein the Hon'ble Court has directed the sugar mills, vide its order dated March 23, 2017, to consider the request made by the Company for the extension within a period of 3 months. Additionally, the Company has also initiated arbitration proceedings with the sugar mills for the extension. 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. Management carried out an impairment assessment and has recorded an impairment of INR 3,500.00 lacs (March 31, 2017 INR 6,839.46 lacs) in carrying value of these assets during the year ended March 31, 2018. Accordingly, management believes that the estimates of the useful lives are reasonable and no further material adjustments to the carrying value of these plants are necessary.

Out of the aforementioned impairment amounting to INR 3,500.00 lacs (March 31, 2017 INR 6,839.46 lacs), INR 2,850.00 lacs (March 31, 2017 INR 5,881.21 lacs) pertains to, two power plants, which were yet to be capitalised and INR 650.00 lacs (March 31, 2017 INR 958.25 lacs) is for power plant which has already been capitalised. This has been recognised in the statement of profit and loss under the head exceptional item during the year ended March 31, 2018. The recoverable amount of INR 27,706.12 lacs as at March 31, 2018 (March 31, 2017 INR 32,091.86 lacs) of all three cogeneration power plants is based on value in use and determined at the level of the Cash Generating Unit (CGU). The CGU consisted of assets relating to the power plant, and the cash flows of the CGU are discounted at a rate of 16.28% (previous year 13.80%) on a post-tax basis.

#### Note 3.2: Contractual commitments

The Company does not have any outstanding contractual commitments to purchase any items of property, plant and equipment.

**Note 3.3:** Property, plant and equipment are pledged as collateral for borrowings from banks (Refer Note 16 and Note 19).

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 3.4: Capital work in progress**

Assets under construction comprises of expenditure for the power plant in the course of construction. The amount of expenditure recognised in carrying amount of capital work in progress are as under.

	As at March 31, 2018	As at March 31, 2017
Buildings under construction	190.04	190.04
Power plant equipment's under erection	17,248.85	17,245.83
Borrowing costs capitalised		
Interest	5,179.50	5,179.50
Amortisation of ancillary borrowing cost	225.05	225.05
Other expenses (directly attributable to construction/erection of assets)		
Rent	107.24	107.24
Legal and professional charges	406.08	406.08
Employee benefit expense	991.42	991.13
Depreciation	334.80	334.80
Insurance charges	70.80	70.80
Power and fuel	158.67	156.09
Repair and maintenance charges	145.65	144.39
Test run expenses	1,515.94	1,515.94
Other miscellaneous expenses	213.96	191.44
Less:- Impairment	(8,731.21)	(5,881.21)
<b>Total</b>	<b>18,056.80</b>	<b>20,877.12</b>

**Note 4 : INTANGIBLE ASSETS**

Details of the Company's intangible assets and their carrying amounts are as follows:

	Computer Software	Total
<b>Gross carrying amount:</b>		
<b>Balance as at April 1, 2016</b>	<b>534.13</b>	<b>534.13</b>
Additions	3.73	3.73
Disposals	-	-
<b>Balance as at March 31, 2017</b>	<b>537.86</b>	<b>537.86</b>
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2018</b>	<b>537.86</b>	<b>537.86</b>
<b>Amortisation and impairment:</b>		
<b>Balance as at April 1, 2016</b>	<b>448.17</b>	<b>448.17</b>
Amortisation	45.92	45.92
<b>Balance as at March 31, 2017</b>	<b>494.09</b>	<b>494.09</b>
Amortisation	30.44	30.44
<b>Balance as at March 31, 2018</b>	<b>524.53</b>	<b>524.53</b>
<b>Net carrying amount:</b>		
<b>Balance as at March 31, 2018</b>	<b>13.33</b>	<b>13.33</b>
<b>Balance as at March 31, 2017</b>	<b>43.77</b>	<b>43.77</b>

**Note 4.1:** The Company does not have any outstanding contractual commitments to purchase any items of intangible assets.

**Note 4.2:** Additions do not include any internally generated assets.

**Note 4.3:** Intangible assets are pledged as collateral for borrowings from banks (Refer Note 16 and Note 19).



**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	As at March 31, 2017
<b>Note 5 : INVESTMENTS</b>		
<b>A. Non-current investments</b>		
<b>Carrying amount</b>		
Investments in equity instruments	23,110.48	24,605.28
Investments in preference shares (Debt portion)	6,090.18	5,330.58
Provision for impairment in value of long term equity investment (in A2Z Powertech Limited)	(133.01)	(133.01)
<b>Total</b>	<b>29,067.65</b>	<b>29,802.85</b>

**Note 5.1** Details of investments:

	As at March 31, 2018	As at March 31, 2017
Investment in equity instruments [Valued at cost]:		
Subsidiary companies [Unquoted]:		
<b>a. In fully paid-up equity shares :</b>		
3,580,410 (March 31, 2017: 3,580,410) equity shares of INR 10 each fully paid up in A2Z Infraserivies Limited	6,072.29	6,072.29
10,893,987 (March 31, 2017: 10,893,987) equity shares of INR 10 each fully paid up in A2Z Green Waste Management Limited (Refer Note 5.1.2)	1,089.40	1,089.40
125,000 (March 31, 2017: 125,000) equity shares of INR 10 each fully paid up in A2Z Powercom Limited	10.00	10.00
1,400,000 (March 31, 2017: 1,400,000) equity shares of INR 10 each fully paid up in A2Z Powertech Limited (Refer Note 5.1.3)	133.01	133.01
800,000 (March 31, 2017: 800,000) equity shares of INR 10 each fully paid up in Selligence Technologies Services Private Limited	80.00	80.00
50,000 (March 31, 2017: 50,000) equity share of INR 10 each fully paid up in Mansi Bijlee & Rice Mills Limited	5.00	5.00
Nil (March 31, 2017: 989,996) equity share of INR 10 each fully paid up in Star Transformers Limited (Refer Note 5.1.4)	-	1,499.41
60,000 (March 31, 2017: 60,000) equity share of INR 10 each fully paid up in Magic Genie Services Limited	6.00	6.00
1,146,326 (March 31, 2017: 1,146,326) equity share of INR 10 each fully paid up in Chavan Rishi International Limited	1,031.69	1,031.69
24,000 (March 31, 2017: 24,000) equity share of INR 10 each fully paid up in A2Z Waste Management (Nainital) Private Limited	2.40	2.40
10,000 (March 31, 2017: 10,000) equity share of INR 10 each fully paid up in A2Z Waste Management (Jaipur) Limited	1.00	1.00
	<b>8,430.79</b>	<b>9,930.20</b>
<b>b. Investment in preference shares (Equity portion)</b>		
171,200,000 (March 31, 2017: 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Green Waste Management Limited	13,197.61	13,197.61
14,958,000 (March 31, 2017: 14,958,000 ) fully paid up, 0.01% Non participative cumulative redeemable preference shares of INR 10 each in Mansi Bijlee & Rice Mills Limited	1,335.90	1,335.90
	<b>14,533.51</b>	<b>14,533.51</b>

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	As at March 31, 2017
<b>c. Investment in subsidiaries, other than in shares (Refer Note 5.1.5)</b>	146.18	141.57
	<b>146.18</b>	<b>141.57</b>
	<b>23,110.48</b>	<b>24,605.28</b>
Investment in preference shares (Debt portion) [Valued at amortised cost]:		
Subsidiary companies [Unquoted]:		
171,200,000 (March 31, 2017: 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Green Waste Management Limited	5,851.64	5,121.79
14,958,000 (March 31, 2017: 14,958,000) fully paid up, 0.01% Non participative cumulative redeemable preference shares of INR 10 each in Mansi Bijlee & Rice Mills Limited	238.54	208.79
	<b>6,090.18</b>	<b>5,330.58</b>
<b>Total</b>	<b>29,200.66</b>	<b>29,935.86</b>
Aggregate amount of unquoted investments	29,200.66	29,935.86
Aggregate amount of impairment in value of investments	(133.01)	(133.01)
	As at March 31, 2018	As at March 31, 2017
<b>B. Current investments</b>		
<b>Carrying amount</b>		
Investments in equity instruments (valued at fair value through profit and loss)		
22,815 (March 31 2017: 22,815) equity shares of INR 10 each fully paid up in Weensure E Waste Limited	2.28	2.28
Investment in preference shares (valued at Fair value through profit and loss)		
2,290,000 (March 31, 2017: 2,290,000) 0.01% Non participative cumulative redeemable preference shares of INR 10 each fully paid up in Weensure E Waste Limited	229.00	229.00
Less: Provision for impairment in value of investment	(231.28)	(231.28)
<b>Total</b>	<b>-</b>	<b>-</b>
Aggregate amount of unquoted investments	231.28	231.28
Aggregate amount of Impairment in value of Investments	(231.28)	(231.28)

**Note 5.1.1** The management has committed to provide continued operational and financial support to its subsidiaries for meeting their working capital and other financial requirements and based upon approved future projections of the subsidiaries, believes that no impairment exist in excess of the provision already created and accordingly, no further adjustment is considered necessary in respect of carrying value of investments.

**Note 5.1.2** One of the lenders of A2Z Green Waste Management Limited (hereinafter referred to as AGWML), IL&FS Financial Service Limited ("IFIN") has invoked pledge on Nil (March 31, 2017 5,455,998) equity shares of AGWML constituting Nil (March 31, 2017 23.98%) of the paid up equity share capital of AGWML and have adjusted/appropriated an amount of Nil (March 31, 2017 INR 940.07 lacs) towards interest payable by AGWML to IFIN.

**Note 5.1.3** During the year ended March 31, 2017, the Company acquired 70,000 equity shares, which is 5% of total share capital of A2Z Powertech Limited. After this acquisition, total shareholding of the Company in A2Z Powertech Limited has increased from 95% to 100%.

**Note 5.1.4** During the year ended March 31, 2018, the Company has sold the investments in one of its subsidiary company, i.e., Star Transformers Limited. Consequently, Star Transformers Limited has ceased to be a subsidiary of the Company.

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 5.1.5** Investment in subsidiaries, other than in shares, represents employee stock option granted to employees of subsidiaries.

**Note 5.2:** The Company, as at March 31, 2018, has non-current investments amounting to INR 20,151.90 lacs (March 31, 2017 INR 19,408.80 lacs) other current financial assets (net of impairment) amounting to INR 410.73 lacs (March 31, 2017 INR 399.95 lacs) and current financial assets-loan amounting to INR 592.85 lacs in its subsidiary A2Z Green Waste Management Limited which has 100% holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited together with its subsidiaries is referred to as A2Z Green Waste Management Group). While A2Z Green Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2018 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of A2Z Green Waste Management Group. Therefore, the management believes that the realisable amount of these subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.

**Note 5.3** The Company does not have any quoted investments.

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
<b><u>Note 6 : LOANS</u></b>				
(Unsecured considered good, unless otherwise stated)				
Security deposits				
Considered Good	449.97	270.08	622.22	271.76
Considered Doubtful	178.77	-	-	-
Less: Provisions for doubtful assets	(178.77)	-	-	-
	<b>449.97</b>	<b>270.08</b>	<b>622.22</b>	<b>271.76</b>
Loans to subsidiaries (Refer Note 6.1)	4,203.35	-	3,481.35	-
Loan to employees	0.12	-	0.03	-
Interest accrued but not due from others	-	-	336.68	-
<b>Total</b>	<b>4,653.44</b>	<b>270.08</b>	<b>4,440.28</b>	<b>271.76</b>

**Note 6.1** Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances to related parties in the nature of loans:

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
<b>Closing balance at year end</b>				
Subsidiaries:				
a) A2Z Green Waste Management Limited	592.86	-	1.79	-
b) A2Z Powertech Limited	19.58	-	19.42	-
c) A2Z Waste Management (Jaipur) Limited	733.09	-	679.26	-
d) A2Z Waste Management (Ludhiana) Limited	508.24	-	494.82	-
e) A2Z Waste Management (Ahmedabad) Limited	150.00	-	150.00	-
f) A2Z Waste Management (Dhanbad) Private Limited	230.56	-	230.56	-
g) A2Z Waste Management (Mirzapur) Limited	95.00	-	95.00	-
h) A2Z Waste Management (Moradabad) Limited	7.47	-	7.47	-
i) A2Z Waste Management (Ranchi) Limited	350.00	-	350.00	-
j) A2Z Waste Management (Sambhal) Limited	130.23	-	130.23	-

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
k) A2Z Waste Management (Varanasi) Limited	250.96	-	250.96	-
l) A2Z Waste Management (Jaunpur) Limited	9.00	-	-	-
m) A2Z Infraservices Limited	-	-	90.75	-
n) Mansi Bijlee & Rice Mills Limited	90.65	-	81.10	-
o) Ecogreen Envirotech Solution Ltd.	0.68	-	-	-
p) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	1,035.03	-	899.99	-
<b>Total</b>	<b>4,203.35</b>	<b>-</b>	<b>3,481.35</b>	<b>-</b>
<b>Maximum amount outstanding during the year</b>				
Subsidiaries:				
a) A2Z Green Waste Management Limited	592.85	-	204.17	-
b) A2Z Powertech Limited	19.58	-	19.42	-
c) A2Z Waste Management (Jaipur) Limited	733.09	-	679.26	-
d) A2Z Waste Management (Ludhiana) Limited	508.24	-	494.82	-
e) A2Z Waste Management (Ahmedabad) Limited	150.00	-	150.00	-
f) A2Z Waste Management (Dhanbad) Private Limited	230.56	-	230.56	-
g) A2Z Waste Management (Mirzapur) Limited	95.00	-	95.00	-
h) A2Z Waste Management (Moradabad) Limited	7.47	-	7.47	-
i) A2Z Waste Management (Ranchi) Limited	350.00	-	350.00	-
j) A2Z Waste Management (Sambhal) Limited	130.23	-	130.23	-
k) A2Z Waste Management (Varanasi) Limited	250.96	-	250.96	-
l) A2Z Waste Management (Jaunpur) Limited	9.00	-	-	-
m) A2Z Infraservices Limited	109.16	-	169.18	-
n) Mansi Bijlee & Rice Mills Limited	90.65	-	81.10	-
o) Ecogreen Envirotech Solution Ltd.	0.68	-	-	-
p) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	1,035.03	-	899.99	-

All the above loans are repayable on demand

**Note 6.2 : Disclosure pursuant to section 186 of the Companies Act 2013:**

	As at March 31, 2018	As at March 31, 2017
<b>Nature of the transaction (loans given/investment made/ guarantee given/security provided)</b>		
<b>(A) Loan and advances:</b>		
Subsidiaries:		
a) A2Z Green Waste Management Limited	592.86	1.79
b) A2Z Powertech Limited	19.58	19.42
c) A2Z Waste Management (Jaipur) Limited	733.09	679.26
d) A2Z Waste Management (Ludhiana) Limited	508.24	494.82
e) A2Z Waste Management (Ahmedabad) Limited	150.00	150.00
f) A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	As at March 31, 2017
g) A2Z Waste Management (Mirzapur) Limited	95.00	95.00
h) A2Z Waste Management (Moradabad) Limited	7.47	7.47
i) A2Z Waste Management (Ranchi) Limited	350.00	350.00
j) A2Z Waste Management (Sambhal) Limited	130.23	130.23
k) A2Z Waste Management (Varanasi) Limited	250.96	250.96
l) A2Z Waste Management (Jaunpur) Limited	9.00	-
m) A2Z Infraserivies Limited	-	90.75
n) Mansi Bijlee & Rice Mills Limited	90.65	81.10
o) Ecogreen Envirotech Solution Ltd.	0.68	-
p) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	1,035.03	899.99
<b>Total</b>	<b>4,203.35</b>	<b>3,481.35</b>
<b>(B) Other Advances</b>		
Subsidiaries:		
A2Z Infraserivies Limited	16.69	-
<b>Total</b>	<b>16.69</b>	<b>-</b>
<b>(C) Guarantees:</b>		
Subsidiaries:		
a) A2Z Infraserivies Limited	9,938.00	9,938.00
b) A2Z Green Waste Management Limited	25,325.00	25,325.00
c) A2Z Waste Management (Merrut) Limited	3,500.00	3,500.00
d) A2Z Waste Management (Moradabad) Limited	1,830.00	1,830.00
e) A2Z Waste Management (Aligarh) Limited	1,350.00	1,350.00
f) A2Z Waste Management (Varanasi) Limited	4,400.00	4,400.00
g) A2Z Waste Management (Ranchi) Limited	3,140.00	3,140.00
h) Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited)	700.00	700.00
i) A2Z Waste Management (Badaun) Limited	560.00	560.00
j) A2Z Waste Management (Jaunpur) Limited	220.00	220.00
k) A2Z Waste Management (Sambhal) Limited	550.00	550.00
l) A2Z Waste Management (Fatehpur) Limited	410.00	410.00
m) A2Z Waste Management (Mirzapur) Limited	560.00	560.00
n) A2Z Waste Management (Balua) Limited	420.00	420.00
o) A2Z Waste Management (Ludhiana) Limited	5,080.00	5,080.00
p) A2Z Waste Management (Jaipur) Limited	2,000.00	2,000.00
q) Star Transformers Limited	-	2,700.00
r) A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	580.00	580.00
	<b>60,563.00</b>	<b>63,263.00</b>

**(D) Investments in fully paid equity instruments**

Refer Note 5



**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
<b><u>Note 7 : OTHER FINANCIAL ASSETS</u></b>				
[Unsecured, considered good unless otherwise stated]				
Deferred purchase consideration against sale of investment				
Considered doubtful	-	146.00	-	146.00
Less: Provision for doubtful assets	-	(146.00)	-	(146.00)
	-	-	-	-
Earnest money deposit				
Considered good	278.41	-	282.99	-
Considered doubtful	100.00	-	100.00	-
Less: Provision for doubtful deposit	(100.00)	-	(100.00)	-
	278.41	-	282.99	-
Other assets				
Considered good*	1,994.46	498.18	256.69	289.10
Considered doubtful	260.29	99.00	332.53	-
Less: Provision for doubtful assets	(260.29)	(99.00)	(332.53)	-
	1,994.46	498.18	256.69	289.10
Contract revenue in excess of billings (Refer Note 7.1 and Note 40)	24,344.49	-	31,101.53	-
Less: Provision for doubtful assets	(1,713.99)	-	(2,417.01)	-
	22,630.50	-	28,684.52	-
Recoverable from subsidiaries (Refer Note 5.2)				
Considered good	410.73	-	399.95	-
Considered doubtful	877.12	-	877.12	-
Less: Provision for doubtful assets	(877.12)	-	(877.12)	-
	410.73	-	399.95	-
Bank deposits with more than 12 months maturity**	-	1,911.34	-	1,768.08
<b>Total</b>	<b>25,314.11</b>	<b>2,409.51</b>	<b>29,624.15</b>	<b>2,057.18</b>

\*Includes amount due from a director of the Company- Mr Amit Mittal 124.93 - 127.43 -

\*\* Held as margin money against bank guarantees and letter of credit and as debt service reserve account against term loan from banks.

**Note 7.1:** Contract revenue in excess of billing amounting INR 8,381.36 lacs (March 31, 2017 INR 12,759.95 lacs), 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 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 discussion with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to recover the amounts owing to completion of certain administrative and contractual matters, the current provision being carried in the books is adequate and no further material adjustments are considered necessary in respect of above balances.

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	Credit/ (Charge) to statement of profit and loss	As at March 31, 2017	Credit/ (Charge) to statement of profit and loss	As at March 31, 2016
<b><u>Note 8 : DEFERRED TAX ASSETS (NET)</u></b>					
<b>Deferred tax liabilities</b>					
Depreciation	435.22	(89.41)	524.63	(150.34)	674.97
Provision for upfront costs on borrowings	-	(21.16)	21.16	7.45	13.71
	<b>435.22</b>	<b>(110.57)</b>	<b>545.79</b>	<b>(142.89)</b>	<b>688.68</b>
<b>Deferred tax assets</b>					
Provision for doubtful debts and unbilled receivables	5,095.66	(576.72)	5,672.38	605.85	5,066.53
Provision for doubtful advances and other receivables	1,441.06	429.35	1,011.78	216.15	795.63
Security deposit	-	(0.09)	0.09	0.07	0.02
Provision for warranty	77.80	(21.92)	99.72	(3.93)	103.65
Provision for bonus	34.36	16.57	17.79	(2.93)	20.72
Provision for gratuity	58.41	(0.55)	58.96	2.10	56.86
Provision for leave encashment	3.12	(0.12)	3.24	(0.75)	3.99
Unabsorbed losses and depreciation	44.92	44.92	-	(6,814.86)	6,814.86
	<b>6,755.33</b>	<b>(108.56)</b>	<b>6,863.96</b>	<b>(5,998.30)</b>	<b>12,862.26</b>
<b>Total</b>	<b>6,320.11</b>	<b>2.01</b>	<b>6,318.17</b>	<b>(5,855.41)</b>	<b>12,173.58</b>

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 9 : NON-CURRENT TAX ASSETS (NET)</u></b>		
Advance tax (net of provision)	2,682.38	2,279.40
<b>Total</b>	<b>2,682.38</b>	<b>2,279.40</b>

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
<b><u>Note 10 : OTHER ASSETS</u></b>				
[Unsecured, considered good unless otherwise stated]				
<b>Capital advances</b>				
Considered good	-	1,386.68	-	1,387.22
Considered doubtful	-	21.41	-	21.41
Less: Provision for doubtful advances	-	(21.41)	-	(21.41)
	-	<b>1,386.68</b>	-	<b>1,387.22</b>
<b>Other advances</b>				
Considered good	2,730.44	-	4,710.38	-
Considered doubtful	1,590.82	-	-	-
Less: Provision for doubtful advances	(1,590.82)	-	-	-
	<b>2,730.44</b>	-	<b>4,710.38</b>	-

Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
<b>(Contd.)</b>				
Prepaid expenses	296.88	109.12	183.11	73.83
Balances with government authorities	7,419.97	-	6,785.86	-
Advance to subsidiaries	16.69	-	-	-
	<b>7,733.54</b>	<b>1,495.80</b>	<b>6,968.97</b>	<b>1,461.05</b>
<b>Total</b>	<b>10,463.98</b>	<b>1,495.80</b>	<b>11,679.35</b>	<b>1,461.05</b>

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 11 : INVENTORIES</u></b>		
[Valued at lower of cost or net realisable value]		
Project stores and spares (Including material in transit of INR 14.24 lacs (March 31, 2017 Nil))	349.14	765.66
<b>Total</b>	<b>349.14</b>	<b>765.66</b>

**Note 11.1:** Inventories with a value of INR 334.90 lacs (March 31, 2017 INR 765.66 lacs) are carried at net realisable value, this being lower than cost. During the year ended March 31, 2018, INR 353.06 lacs (March 31, 2017 INR 440.77) is charged to the statement of profit and loss for decrease in net realisable value.

**Note 11.2:** Inventories are pledged as collateral for borrowings from banks (Refer Note 16 and Note 19).

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 12 : TRADE RECEIVABLES</u></b>		
<b>Trade receivables - (Unsecured):</b>		
<b>From other than related parties</b>		
Considered good	110,902.72	113,009.32
Considered doubtful	10,555.10	9,929.11
	<b>121,457.82</b>	<b>122,938.43</b>
<b>From related parties</b>		
Considered good	6,313.63	7,020.41
Considered doubtful	4,403.36	4,081.86
	<b>10,716.99</b>	<b>11,102.27</b>
Less: Allowances for doubtful debts (Refer Note 12.2)	(14,958.46)	(14,010.97)
<b>Total</b>	<b>117,216.35</b>	<b>120,029.73</b>

**Note 12.1 :** Trade receivables include retention money of INR 61,188.54 lacs (March 31, 2017 INR 65,447.87 lacs) 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.

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 12.2 :** The movements in the allowance for doubtful debts is presented below:

	As at March 31, 2018	As at March 31, 2017
<b>Balance as at the beginning of the year</b>	<b>14,010.97</b>	<b>12,316.56</b>
Changes in provision:-		
Additional Provision	947.49	1,694.41
<b>Balance as at the end of the year</b>	<b>14,958.46</b>	<b>14,010.97</b>

All trade receivables are short-term. The effect of any difference between the effective interest rate applied and the estimated current market rate is not significant. Allowance for credit losses has been recorded accordingly within other expenses, and is based on the expected credit loss methodology. The doubtful trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 13 : CASH AND CASH EQUIVALENTS</u></b>		
Balances with banks	995.74	5,151.62
Cheques in hand	100.00	-
Cash in hand	1.97	1.16
<b>Total</b>	<b>1,097.71</b>	<b>5,152.78</b>

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 14 : OTHER BANK BALANCES</u></b>		
Unpaid dividend account*	0.82	0.82
<b>Total</b>	<b>0.82</b>	<b>0.82</b>

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

	Number of Shares	Amount
<b><u>Note 15 : EQUITY SHARE CAPITAL</u></b>		
(i) <b>Authorised share capital</b>		
Equity shares of INR 10 each		
Balance as at April 1, 2016	160,000,000	16,000.00
Changes in equity share capital	-	-
Balance as at March 31, 2017	160,000,000	16,000.00
Changes in equity share capital	80,000,000	8,000.00
Balance as at March 31, 2018	240,000,000	24,000.00
(ii) <b>Issued, subscribed and fully paid up</b>		
Equity Shares of INR 10 each		
Balance as at April 1, 2016	126,893,980	12,689.40
Issue of equity share capital	18,055,489	1,805.55
Balance as at March 31, 2017	144,949,469	14,494.95
Issue of equity share capital	31,170,389	3,117.04
Balance as at March 31, 2018	176,119,858	17,611.99

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**(iii) Reconciliation of shares outstanding at the beginning and at the end of the reporting year:-**

	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
<b>Balance as at the beginning of the year</b>	<b>144,949,469</b>	<b>14,494.95</b>	<b>126,893,980</b>	<b>12,689.40</b>
<b>Add: Shares issued during the year</b>				
Against conversion of share warrants (Refer Note 15 (vi))	-	-	16,444,994	1,644.50
Under employee stock option plan scheme (Refer Note 15 (vii))	894,005	89.40	1,610,495	161.05
Under the One Time Settlement agreement (Refer Note 15 (viii))	30,276,384	3,027.64	-	-
<b>Balance as at the end of the year</b>	<b>176,119,858</b>	<b>17,611.99</b>	<b>144,949,469</b>	<b>14,494.95</b>

- (iv) The Company has only one class of equity shares having a par value of INR 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.
- (v) 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, 2018.
- (vi) During the year ended March 31, 2017, the Company had received remaining 75% of the proceeds for the issue of 16,444,994 equity shares against share warrants. Accordingly, pursuant to the requisite approvals and board meeting held, the Company has issued equity shares against equivalent number of share warrants at an issue price of INR 21.66 each on a preferential basis to persons other than the Promoters and Promoter group.
- (vii) During the year ended March 31, 2018, the Company has allotted 894,005 equity shares (March 31, 2017: 1,610,495 equity shares) of face value of INR 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) and Employee Stock Option Plan 2014. These shares are pari-passu with the existing equity shares of the Company, in all respects.
- (viii) During the year ended March 31, 2018, the Company has allotted 30,276,384 equity shares (March 31, 2017: Nil) of face value of INR 10 each at an issue price of INR 39.80 in pursuant to One Time Settlement Agreements ("OTS Agreements") with certain lenders ("the Lenders") on a preferential basis (Refer Note 40.2).

**(ix) Shares reserved for issue under options**

Information relating to Employee stock option plan, including details of options issues, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 26.

- (x) Details of shares held by shareholders holding more than 5% equity shares of the Company:

Equity shares of INR 10 each fully paid up	As at March 31, 2018		As at March 31, 2017	
	Number of Shares held	Holding	Number of Shares held	Holding
Amit Mittal	27,907,301	15.85%	33,204,301	22.91%
Shankar Sharma	8,200,000	4.66%	8,200,000	5.66%
Mestric Consultants Private Limited	22,200,000	12.61%	22,200,000	15.32%
ICICI Bank	527,611	0.30%	8,100,000	5.59%
Standard Chartered Bank	12,562,815	7.13%	-	-
Edelweiss Asset Reconstruction Company Limited as representative of EARC Trust SC299	11,432,161	6.49%	-	-
IL and FS Financial Services Limited	-	-	7,478,000	5.16%
	<b>82,829,888</b>	<b>47.04%</b>	<b>79,182,301</b>	<b>54.64%</b>



**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
<b>Note 16 : NON-CURRENT BORROWINGS</b>				
<b>Carried at amortised cost-secured</b>				
Term Loans from banks (Refer Note 16.2 and 16.5)	8,086.09	7,727.58	6,237.66	15,064.49
Term loans from financial institution (Refer Note 16.3 and 16.5)	-	-	5,000.00	-
Working capital term loans from banks (Refer Note 16.4 (a) and 16.5)	1,701.62	2,815.32	1,053.84	3,543.42
Funded interest term loans from banks (Refer Note 16.4 (b) and 16.5)	3,669.06	4,555.31	2,183.12	6,495.39
<b>Total</b>	<b>13,456.77</b>	<b>15,098.21</b>	<b>14,474.62</b>	<b>25,103.30</b>

**Note 16.1: Restructuring of borrowings under Corporate Debt Restructuring Scheme (CDR Scheme):**

The Corporate Debt Restructuring (CDR) proposal to re-structure the debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme") of the Company, having January 01, 2013 as the "cut-off date", was approved by the CDR Cell vide its Letter of Approval (LOA) dated December 28, 2013 as further modified dated February 03, 2014. From the "cut-off date" the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR Scheme.

**Details of terms of repayment for the non-current borrowings and security provided in respect of secured non-current borrowings:**

**Note 16.2: Term loans from banks:**

- 1) Term loan from bank amounting to INR 8,580.00 lacs (March 31, 2017 INR 8,580.00 lacs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme is repayable in 32 quarterly instalments, first instalment was due in March 2015. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited.

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 INR Nil (March 31, 2017 - INR 8,006.58 lacs) having an interest rate from 12.75% - 13.25% per annum during the year is repayable in 24 quarterly instalments, first instalment was due in June 2015. The above loan is secured against:
    - (i) First charge on pari - passu basis:
      - (a) 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;
      - (b) 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).
    - (ii) First charge:
      - (a) on all the insurance contracts with respect to the projects together with any receivables thereunder;
      - (b) on all the accounts (including but not limited to the project accounts) with respect to the projects
    - (iii) An assignment of:
      - (a) 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;
      - (b) the rights and interest in the project site to the extent permissible by law;
      - (c) all its rights and obligations under the assignment orders and memorandum of understandings and;
      - (d) 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 INR 1,000.00 lacs) to the extent permissible by law.
    - (iv) Personal guarantee of Mr. Amit Mittal (Managing Director). Pursuant to One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during year. (Refer Note 40.2).

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
**(Unless otherwise stated, all amounts are in INR Lacs)**

- 3) Term loans from banks amounting to INR 1,560.13 lacs (March 31, 2017 INR 1,712.91 lacs) having interest rate of 10.15% - 10.75% per annum during the year are repayable in 28 quarterly instalments, first instalment was 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 INR 1,273.28 lacs (March 31, 2017 INR 1,402.66 lacs) having interest rate from 10.15% - 10.75% per annum during the year are repayable in 21 quarterly instalments, first instalment was 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 Fazilka, Nakodar and Morinda in the state of Punjab.
- 5) Term loans from banks amounting to INR Nil (March 31, 2017 INR 1,600.00 lacs) having interest rate from 12.75% - 13.25% per annum during the year are repayable in 28 quarterly instalments, first instalment was 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 Fazilka, Nakodar and Morinda.
  - (ii) Second pari passu charge on present and future current assets of the Power projects at Fazilka, 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 (Managing Director).  
 Pursuant to One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during year. (Refer Note 40.2).
- 6) Term loans from bank amounting to INR 4,400.26 lacs (March 31, 2017 INR Nil), pertains to settlement consideration payable to the bank pursuant to One Time Settlement Arrangement (OTS) of cash credit facilities. The same is repayable in 12 instalments and the first instalment shall be due in July 2018, carrying Nil interest rate till September 30, 2019 and 13% per annum thereafter (Refer Note 40.2)

**Note 16.3: Term loans from financial institution:**

- 1) The loan amounting to INR Nil (March 31, 2017 INR 5,000.00 lacs) 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.  
 Pursuant to One Time Settlement (OTS) agreement entered with the financial institution, the loan has been settled during year. (Refer Note 40.2).

**Note 16.4 (a) : Working capital term loan:**

Working capital term loans from bank amounting to INR 4,516.94 lacs (March 31, 2017 INR 4,597.26 lacs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly instalments. First instalment 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 16.4 (b) (i) : Funded interest term loan -1 (EPC):**

Funded interest term loans from bank amounting to INR 7,913.13 lacs (March 31, 2017 INR 8,367.27 lacs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 25 quarterly instalments. First instalment was due in March 2015. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable of INR 1,598.53 lacs (March 31, 2017 INR 1,598.53 lacs) in favour of Edelweiss Assets Reconstruction Company Limited.

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.

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 16.4 (b) (ii) : Funded interest term loan -2 (EPC):**

Funded interest term loans from bank amounting to INR 311.24 lacs (March 31, 2017 INR 311.24 lacs) as per CDR Scheme are repayable in single instalment, 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.

**Note 16.5: The Company has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:**

	As at March 31, 2018	As at March 31, 2017
<b>Banks:</b>		
-Principal		
0-3 Months	826.35	974.28
6-12 Months	2,104.88	1,564.90
> 12 months	2,500.50	793.93
-Interest		
0-3 Months	642.97	874.72
3-6 Months	421.03	545.53
6-12 Months	1,395.07	1,306.14
> 12 months	3,132.26	1,502.78
<b>Financial institutions:</b>		
-Principal		
> 12 months	-	5,000.00
-Interest		
0-3 Months	-	184.93
3-6 Months	-	125.34
6-12 Months	-	439.55
> 12 months	-	2,190.38

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
<b>Note 17 : OTHER FINANCIAL LIABILITIES</b>				
Current maturities of long term debt (Refer Note 16)	13,456.77	-	14,474.62	-
Derivative Liability (Refer Note 40)	810.00	1,000.00	-	-
Interest accrued but not due on borrowings	-	-	90.73	-
Interest accrued and due on borrowings	15,388.40	-	13,159.45	-
Interest accrued on others	107.98	-	80.43	-
Unpaid dividends [*]	0.82	-	0.82	-
Book overdrafts	413.47	-	0.02	-
Security deposits received	3,109.96	-	3,156.96	-
Payable against purchase of property, plant and equipment	56.49	-	452.63	-
<b>Total</b>	<b>33,343.89</b>	<b>1,000.00</b>	<b>31,415.66</b>	<b>-</b>

[\*] There are no amounts due and outstanding to be credited to Investor Education and Protection fund.

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
<b>Note 18 : PROVISIONS</b>				
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer Note 18.ii)	20.96	146.19	6.53	163.85
Provision for compensated leave absences	8.93	-	9.36	-
<b>Others</b>				
Provision for warranty (Refer Note 18.i)	70.62	152.03	137.71	150.41
<b>Total</b>	<b>100.51</b>	<b>298.22</b>	<b>153.60</b>	<b>314.26</b>

**Movements in provisions:**

	As at March 31, 2018 Amount	As at March 31, 2017 Amount
i) <b>Movement in provision for warranty during the financial year are as follows:</b>		
<b>Balance as at the beginning of the year</b>	<b>288.12</b>	<b>299.49</b>
Charged/ (credited) to profit or loss		
Additional provision recognised	23.62	44.94
Unused amount reversed	(94.58)	(68.02)
Unwinding of the discounting	23.52	15.28
Amount used during the year	(18.03)	(3.57)
<b>Balance as at the end of the year</b>	<b>222.65</b>	<b>288.12</b>

A provision is recognised for expected warranty claims, based on past experience, for expected cost of meeting obligations of rectification/replacement. It is expected that most of these costs will be incurred in the next 3 years and all would have been incurred within 5 years after the reporting date. 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.

**ii) Defined benefit plan and long term employment benefit**

**A General description:**

**Gratuity [Defined benefit plan]:**

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. The gratuity plan is governed by the Payment of Gratuity Act, 1972. 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 (Kotak Life Insurance) in the form of a qualifying insurance policy.

**Leave wages [Short term employment benefit]:**

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

Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

A reconciliation of the Company's defined benefit obligation (DBO) and plan assets, i.e. the gratuity plan, to the amounts presented in the statement of financial position for each of the reporting periods is presented below:

**Assets and liability (Balance sheet position)**

	As at March 31, 2018	As at March 31, 2017
Present value of obligation	(170.10)	(191.73)
Fair value of plan assets	2.95	21.35
<b>Net asset / (liability)</b>	<b>(167.15)</b>	<b>(170.38)</b>

**Expenses recognised during the year**

	For the year ended March 31, 2018	For the year ended March 31, 2017
In profit and loss statement	49.08	35.64
In other comprehensive income	(40.31)	(29.58)
<b>Total expenses recognized during the year</b>	<b>8.77</b>	<b>6.06</b>

**Defined benefit obligation (DBO)**

The details of the Company's DBO are as follows:

**Changes in the present value of obligation**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Present value of obligation as at the beginning</b>	<b>191.73</b>	<b>247.89</b>
Current service cost	26.70	22.97
Interest expense	13.51	19.12
Re-measurement or actuarial (gain) / loss arising from:		
- change in demographic assumptions	-	16.42
- change in financial assumptions	(7.08)	8.73
- experience adjustments	(34.40)	(55.53)
Past Service Cost	10.37	-
Benefits paid	(30.73)	(67.87)
<b>Present value of obligation as at the year end</b>	<b>170.10</b>	<b>191.73</b>

**Bifurcation of net liability**

	As at March 31, 2018	As at March 31, 2017
Current liability (short term)	20.96	6.53
Non-current liability (long term)	146.19	163.85
<b>Net liability</b>	<b>167.15</b>	<b>170.38</b>

**Plan assets**

The reconciliation of the balance of the assets held for the Company's defined benefit plan is presented below:

**Changes in the fair value of plan assets**

	As at March 31, 2018	As at March 31, 2017
<b>Fair value of plan assets as at the beginning</b>	<b>21.35</b>	<b>83.59</b>
Interest income	1.50	6.45
Employer's contribution	12.00	-
Benefits paid	(30.73)	(67.87)
Return on plan assets (excluding amount recognised as interest income)	(1.17)	(0.82)
<b>Fair value of plan assets as at the year end</b>	<b>2.95</b>	<b>21.35</b>



**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Expenses recognised in the profit and loss statement**

	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Current service cost	26.70	22.97
Past service cost	10.38	-
Net interest cost	12.00	12.67
<b>Expenses recognised in the profit and loss statement</b>	<b>49.08</b>	<b>35.64</b>

**Other comprehensive income**

	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Actuarial (gains) / losses		
- change in demographic assumptions	-	16.42
- change in financial assumptions	(7.08)	8.71
- experience variance (i.e. Actual experience vs assumptions)	(34.40)	(55.53)
Return on plan assets (excluding amount recognised as interest income)	1.17	0.82
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(40.31)</b>	<b>(29.58)</b>

**Financial assumptions**

The principal financial assumptions used in the valuation are shown in the table below:

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Discount rate (per annum)	7.65%	7.05%
Salary growth rate (per annum)	5.00%	5.00%

**Demographic assumptions**

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
4 and below years	10.00%	10.00%
Above 4 years	10.00%	10.00%

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

**Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Defined benefit obligation (Base)	170.10	191.73

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018		As at March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	182.19	159.34	205.97	179.15
(% change compared to base due to sensitivity)	7.11%	(6.33%)	7.43%	(6.56%)
Salary Growth Rate (- / + 1%)	159.41	181.65	180.39	204.10
(% change compared to base due to sensitivity)	(6.28%)	6.79%	(5.91%)	6.45%
Attrition Rate (- / + 50%)	158.17	176.04	178.50	198.33
(% change compared to base due to sensitivity)	(7.01%)	3.49%	(6.90%)	3.44%
Mortality Rate (- / + 10%)	170.01	170.16	191.63	191.80
(% change compared to base due to sensitivity)	(0.05%)	0.04%	(0.05%)	0.04%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

**The following payments are expected contributions to the defined benefit plan in future years:**

	As at March 31, 2018	As at March 31, 2017
Within the next 12 months [next annual reporting period]	23.90	27.87
Between 2 and 5 years	77.30	83.76
Between 6 and 10 years	82.92	87.85
Beyond 10 years	138.65	153.92
<b>Total expected payments</b>	<b>322.77</b>	<b>353.40</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2017: 7 years)

	As at March 31, 2018	As at March 31, 2017
<b>Note 19 : CURRENT BORROWINGS</b>		
<b>Carried at amortised cost</b>		
From banks (secured) (Refer Note 19.1)		
Working capital loans	5,571.50	5,571.50
Cash credit facilities (Refer Note 40.2)	38,562.17	50,953.05
Other borrowings (Refer Note 19.2)	900.37	-
<b>Total</b>	<b>45,034.04</b>	<b>56,524.55</b>

**Note 19.1: Working capital loans from banks and other secured loans**

a) The working capital loans of INR 5,571.50 lacs (March 31, 2017 5,571.50 lacs) and cash credit facilities of INR 38,562.17 lacs (March 31, 2017 50,953.05 lacs) 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, Gurugram 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 Company's immovable properties i.e.

- Plot No. G-1030 A having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Balaji Pottery Private Limited;
- Plot No. G-1030 having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Hari Om Utensils Private Limited;

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

- 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 :
- Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab;
  - Land measuring about 5.309 Hectare situated at village Palsora, District Indore;
  - Land measuring 6.065 Hectare, Village Mandela Chhota, Tehsil Fatehpur, District Seekar, Rajasthan;
  - Land with Boundary wall, Gate 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;
  - Land with Boundary wall, at Gate 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 Shree Hariom Utensils Private Limited and Balaji Pottery Private Limited. The rate of interest vary from 10.15% - 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 19.2: Other borrowings**

Other borrowings amounting to INR 900.37 lacs (March 31, 2017 INR Nil) pertains to settlement consideration payable to the bank pursuant to one time settlement agreement (OTS) of cash credit facilities. The same is repayable in 11 installments and the first installment shall due in April 2018 (Refer Note 40.2).

As per the OTS arrangement all existing securities, guarantees and legal documents shall remain in full force and effective till the discharge of the settlement amount (Refer Note 16.2.2, Note 16.2.5 and Note 19.1).

**Note 19.3: The Company has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:**

	As at March 31, 2018	As at March 31, 2017
<b>Banks:</b>		
- Principal		
> 12 months	5,573.22	5,571.50
- Interest		
0-3 Months	1,079.25	1,238.38
3-6 Months	614.62	805.49
6-12 Months	2,101.60	1,950.33
> 12 months	5,343.17	6,109.71

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 20 : TRADE PAYABLES</u></b>		
Total outstanding dues of micro and small enterprises (Refer note 20.1)	24.99	22.98
Total outstanding dues of creditors other than micro and small enterprises	57,710.70	65,897.57
<b>Total</b>	<b>57,735.69</b>	<b>65,920.55</b>

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 20.1 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 Enterprises Development (MSMED) Act, 2006 is as follows:

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
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	12.80	12.80
- interest amount	2.01	2.30
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	12.19	10.18
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	-	-

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b><u>Note 21 : OTHER CURRENT LIABILITIES</u></b>		
Advance purchase consideration against sale of property, plant and equipment	21.00	21.00
Advances from customers	6,025.87	4,652.82
Billing in excess of contract revenue	1,732.12	1,357.77
Statutory dues payable (Refer note 21.1)	12,082.12	5,181.58
<b>Total</b>	<b>19,861.11</b>	<b>11,213.17</b>

**Note 21.1:** In financial year 2016-17, the Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities ("the Authority") regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Company has received response to its application wherein the Authority has opined that entire project is covered within the ambit of the service tax. Accordingly, the Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.

Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 22 : REVENUE FROM OPERATIONS</u></b>		
Sale/rendering of services		
Revenue from engineering services	31,298.53	56,699.58
Revenue from Sale of Power	-	154.39
Revenue from operation and maintenance services	1,178.09	963.94
Revenue from professional services	76.26	6.30
Revenue from data processing services	523.28	496.33
Other operating revenues:		
Sale of traded goods	2,673.84	5,134.24
Duty drawback	1.56	1.05
<b>Total</b>	<b>35,751.56</b>	<b>63,455.83</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 23 : OTHER INCOME</u></b>		
Interest income:		
on fixed deposits	187.27	97.41
on loan given to subsidiaries	908.17	796.98
on others	216.79	0.92
Other non-operating income		
Profit on sale of property, plant and equipment	11.90	39.60
Profit on sale of investments (other than trade)	-	394.47
Rental income	9.33	62.67
Provisions/Liabilities written back	2,308.32	1.18
Foreign exchange fluctuation(net)	1.14	-
Miscellaneous	54.94	170.25
<b>Total</b>	<b>3,697.86</b>	<b>1,563.48</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 24 : COST OF MATERIALS CONSUMED</u></b>		
Opening inventory	765.66	1,812.27
Add: Purchases	11,431.94	13,527.34
Less: Recovery from contractors	(75.14)	(255.16)
Less: Closing inventory	(349.14)	(765.66)
<b>Material consumed</b>	<b>11,773.32</b>	<b>14,318.79</b>
Freight and cartage	358.04	216.98
Sub contractor / erection expenses	10,150.19	29,123.34
Labour charges	117.81	290.22
Fabrication expenses	0.56	10.44
Site expenditure	51.86	91.91
Technical consultancy for projects	4,449.64	2,325.74
Power plant running expenses	-	115.68
Other direct cost	903.24	747.81
<b>Total</b>	<b>27,804.66</b>	<b>47,240.91</b>

[\*] During the year, The Company has received an amount of INR 16.55 lacs (March 31, 2017 INR 11.37) as insurance claim from the insurance company during the year.



**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 25 : PURCHASE OF STOCK-IN-TRADE</u></b>		
Purchases of stock-in-trade [*]	2,602.17	4,996.99
<b>Total</b>	<b>2,602.17</b>	<b>4,996.99</b>
[*] Details of purchases of stock-in-trade under broad heads:		
Cables / GI Wire / GSS Wire	1,478.31	3,045.77
Steel / Galvanised Steel / M S Angle / M S Channel / TMT Bars/Conductors	1,123.86	1,951.22
<b>Total</b>	<b>2,602.17</b>	<b>4,996.99</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 26 : EMPLOYEE BENEFITS EXPENSE</u></b>		
Salaries and bonus including directors' remuneration	1,832.69	1,662.66
Contribution to provident and other funds (Refer Note 26.1)	127.57	67.30
Gratuity	49.08	35.64
Compensated absences benefits	(0.42)	(2.17)
Share-based payments (Refer Note 26.2)	160.59	140.01
Staff welfare expenses	49.92	61.61
<b>Total</b>	<b>2,219.43</b>	<b>1,965.05</b>

**Note 26.1 Defined contribution plan**

The Company has certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basic salary as per regulations. The contribution are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation the expense recognised during the year towards the defined contribution plan is INR 127.57 lacs (March 31, 2017 INR 67.30 lacs).

**Note 26.2 Share-based employee remuneration**

**(a) A2Z Stock Option Plan 2010**

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 company 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 Remuneration-cum-Compensation 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.

**(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 INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 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 four years since then.

**(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

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

granted 1,905,000 stock options convertible into equivalent number of equity shares of INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 19.95 each which is BSE 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 and 40% on the third anniversary of the grant date till completion of four years since then.

**(d) A2Z Employees Stock Option Plan, 2014**

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 INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 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 and 40% on the third anniversary of the grant date till completion of five years since then.

**(e) A2Z Employees Stock Option Plan, 2013 and 2014 (Regrant)**

The Nomination and remuneration Committee in its meeting held on August 17, 2017 has regranted 17,60,000 stock options (7,88,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 9,72,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 36.90 each which is NSE closing market price on August 16, 2017 (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 and 40% on the third anniversary of the grant date till completion of five years since then.

	ESOP 2010 plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013-I Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013-II Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2014 Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013 and 2014 plan (Regrant) (Number of shares)	Programme weighted average exercise price per share
<b>Outstanding as at April 1, 2016</b>	<b>276,750</b>	<b>314.13</b>	<b>20,000</b>	<b>10.35</b>	<b>1,179,500</b>	<b>19.95</b>	<b>4,500,000</b>	<b>15.50</b>	-	-
Lapsed/forfeited	100,850	314.13	-	-	189,000	19.95	340,000	15.50	-	-
Exercised	-	-	9,995	10.35	385,500	19.95	1,215,000	15.50	-	-
<b>Outstanding as at March 31, 2017</b>	<b>175,900</b>	<b>314.13</b>	<b>10,005</b>	<b>10.35</b>	<b>605,000</b>	<b>19.95</b>	<b>2,945,000</b>	<b>15.50</b>	-	-
Granted	-	-	-	-	-	-	-	-	1,760,000	39.40
Lapsed/forfeited	55,350	314.13	-	-	122,000	19.95	360,000	15.50	-	-
Exercised	-	-	10,005	10.35	214,000	19.95	670,000	15.50	-	-
<b>Outstanding as at March 31, 2018</b>	<b>120,550</b>	<b>314.13</b>	<b>-</b>	<b>10.35</b>	<b>269,000</b>	<b>19.95</b>	<b>1,915,000</b>	<b>15.50</b>	<b>1,760,000</b>	<b>39.40</b>
Exercisable at March 31, 2017	175,900	314.13	10,005	10.35	141,000	19.95	75,000	15.50	-	-
Exercisable at March 31, 2018	120,550	314.13	-	10.35	269,000	19.95	555,000	15.50	-	-

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

The following table lists the inputs to the models used for the ESOP plans as at March 31, 2018:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 and 2014 Plan (Regrant)
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015	August 17, 2017
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018	August 16, 2020
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48	INR 39.40
Volatility	34.93%	65.19%	67.05%	65.50%	50.14%
Option life	10 years	6 years	8 years	8 years	8 years
Dividend yield	2.25%	0%	0%	0%	0%
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%	6.74%
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 11.15	INR 24.81
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50	INR 36.90
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018	August 17, 2020
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023	August 16, 2025
Weighted average remaining contractual life (In years)	0.17	1.85	3.36	4.37	6.48
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

The following table lists the inputs to the models used for the ESOP plans as at March 31, 2017:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 and 2014 Plan (Regrant)
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015	-
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018	-
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48	-
Volatility	34.93%	65.19%	67.05%	65.50%	-
Option life	10 years	6 years	8 years	8 years	-
Dividend yield	2.25%	0%	0%	0%	-
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%	-
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 11.15	-
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50	-
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018	-
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023	-
Weighted average remaining contractual life (In years)	1.17	2.85	4.36	5.37	-
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	-

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Note 27 : FINANCE COSTS</b>		
Interest expense [*]	12,394.62	11,370.76
Other borrowing costs		
Loan processing fees	46.32	12.38
Bank commission and charges	537.13	584.17
<b>Total</b>	<b>12,978.07</b>	<b>11,967.31</b>
[*] The break up of interest expense into major heads is given below:		
On term loans	4,063.15	4,276.29
On other bank loans	7,290.85	6,827.29
On others	1,040.62	267.18
<b>Total</b>	<b>12,394.62</b>	<b>11,370.76</b>

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 28 : DEPRECIATION AND AMORTISATION EXPENSES</u></b>		
Depreciation of property, plant and equipment (Refer Note 3)	1,254.26	1,401.60
Amortisation of intangible assets (Refer Note 4)	30.44	45.92
<b>Total</b>	<b>1,284.70</b>	<b>1,447.52</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 29 : OTHER EXPENSES</u></b>		
Electricity	66.59	70.15
Rent (refer Note 29.1)	182.00	209.75
Rates and taxes	403.23	99.54
Insurance	171.42	169.53
Repair and maintenance		
- Others	110.90	152.77
Traveling expenses	372.95	266.80
Communication expenses	30.43	39.23
Printing and stationery	19.01	20.97
Legal and professional fees	675.74	685.07
Director sitting fees	17.00	18.45
Payment to auditors (refer Note 29.2)	88.42	84.95
Foreign exchange fluctuation(net)	-	23.27
Impairment in value of current investment	-	231.29
Provision for contract revenue in excess of billing	242.29	93.79
Provision for profit on transfer of investments	-	394.47
Allowance for write-down of inventories to net realisable value	353.06	-
Provision for bad and doubtful debts	947.49	1,694.41
Provision for bad and doubtful advance	1,240.36	-
Tender expenses	39.64	15.52
Fees and subscription / inspection charges	68.80	31.17
Business promotion	17.06	50.37
Warranty expense (Refer Note 18.i)	556.51	-
Advances written off	55.03	-
Bad debts written off	61.96	42.32
Advances/ earnest money deposit written off	0.85	0.14
Miscellaneous expenses	124.72	107.89
<b>Total</b>	<b>5,845.46</b>	<b>4,501.85</b>

**Note 29.1:** 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 INR 182.00 lacs (March 31, 2017: INR 209.75 lacs).

**Note 29.2 : Details of payment to auditors**

	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor		
Statutory audit fee	23.66	20.94
Audit fee for consolidated financial statements	10.00	5.00
Limited review fee	37.50	30.00
Certification fee	7.16	1.10
Other Matter	6.00	23.48
Reimbursement of expenses	4.10	4.43
<b>Total</b>	<b>88.42</b>	<b>84.95</b>

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Note 30 : TAX EXPENSE</b>		
Current tax	22.77	3.67
Deferred tax (credit)/charge (Refe Note 8)	(2.01)	5,855.41
<b>Tax expense</b>	<b>20.76</b>	<b>5,859.08</b>

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss before tax	(11,456.18)	(8,059.90)
Corporate tax rate as per income tax act, 1961	34.61%	34.61%
<b>Tax on accounting profit</b>	<b>(3,964.75)</b>	<b>(2,789.37)</b>
i) Tax effect on non deductible expenses/non taxable income	(953.28)	(3,199.76)
ii) Tax effect on impairment	986.33	2,035.37
iii) Tax effect on deferred tax assets reversed during the year	-	6,814.78
iv) Tax effect on temporary differences on which deferred tax not created	845.53	23.24
v) Tax effect on lossess of current year on which no deferred tax is created	3,168.27	2,974.82
vi) Effect of change in tax rates	(61.34)	-
<b>Tax expense</b>	<b>20.76</b>	<b>5,859.08</b>

**Note 30.1:** a) Detail of unused tax losses for which no deferred tax is recognised in balance sheet:

	As at March 31, 2018			As at March 31, 2017		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
<b>Tax losses</b>						
Assessment Year 2013-14	2,507.61	867.83	March 31, 2022	2,507.61	867.83	March 31, 2022
Assessment Year 2014-15	13,971.29	4,835.19	March 31, 2023	13,971.29	4,835.19	March 31, 2023
Assessment Year 2015-16	15,307.92	5,297.76	March 31, 2024	15,307.92	5,297.76	March 31, 2024
Assessment Year 2017-18	13,070.21	4,523.34	March 31, 2026	6,662.75	2,305.84	March 31, 2026
Assessment Year 2018-19	7,508.16	2,598.42	March 31, 2027	-	-	-
<b>Total</b>	<b>52,365.19</b>	<b>18,122.54</b>		<b>38,449.57</b>	<b>13,306.62</b>	

b) Detail of unrecognised deductible temporary differences and unabsorbed depreciation for which no deferred tax asset is recognised in financial statements:

	As at March 31, 2018			As at March 31, 2017		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	6,880.72	2,381.28	Not applicable	5,234.15	1,811.43	Not applicable
Provision for doubtful debts	2,090.11	723.35	Not applicable	37.56	13.00	Not applicable
Allowance for write-down of inventories to net realisable value	353.06	122.19	Not applicable	-	-	-
Provision for gratuity	-	-	Not applicable	29.59	10.24	Not applicable
Impairment loss	8,731.21	3,021.70	Not applicable	5,881.21	2,035.37	Not applicable
	<b>18,055.10</b>	<b>6,248.51</b>		<b>11,182.51</b>	<b>3,870.04</b>	



Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

### **Note 31 : EARNINGS PER SHARE (EPS)**

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the Company as the numerator, i.e. no adjustments to loss were necessary in year ended March 31, 2018 or March 31, 2017.

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	As at March 31, 2018	As at March 31, 2017
Weighted average number of shares used in basic earnings per share	149,354,839	129,509,513
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	<b>149,354,839</b>	<b>129,509,513</b>

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

Loss attributable to shareholders	INR in lacs	(11,476.94)	(13,918.98)
Weighted average number of equity shares outstanding during the year	Numbers	149,354,839	129,509,513
Nominal value of equity share	INR	10.00	10.00
Basic EPS	INR	(7.68)	(10.75)
Diluted EPS	INR	(7.68)	(10.75)

### **Note 32: Information about interest in subsidiaries and joint venture**

#### **a) Interest in subsidiaries**

The Company's interest and share in subsidiaries including step down subsidiaries.

No.	Name	Principal place of business	Proportion of ownership interest as at March 31, 2018	Proportion of ownership interest as at March 31, 2017
<b>A</b>	<b>Subsidiary companies</b>			
1	A2Z Infraservices Limited	India	93.83%	93.83%
2	A2Z Green Waste Management Limited*	India	47.89%	47.89%
3	A2Z Powercom Limited	India	100.00%	100.00%
4	A2Z Powertech Limited	India	100.00%	100.00%
5	Mansi Bijlee & Rice Mills Limited	India	100.00%	100.00%
6	Magic Genie Services Limited	India	75.00%	75.00%
7	Chavan Rishi International Limited	India	100.00%	100.00%
8	Selligence Technologies Services Private Limited	India	80.00%	80.00%
9	Star Transformers Limited ^	India	-	49.00%
10	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	India	60.00%	60.00%
11	A2Z Waste Management (Nainital) Private Limited **	India	48.00%	48.00%
<b>B</b>	<b>Step down subsidiaries</b>			
	<b>Subsidiaries of A2Z Green Waste Management Limited</b>			
1	A2Z Waste Management (Aligarh) Limited	India	80.00%	80.00%
2	A2Z Waste Management (Moradabad) Limited	India	80.00%	80.00%
3	A2Z Waste Management (Merrut) Limited	India	80.00%	80.00%
4	A2Z Waste Management (Varanasi) Limited	India	80.00%	80.00%
5	A2Z Waste Management (Jaunpur) Limited	India	100.00%	100.00%
6	A2Z Waste Management (Badaun) Limited	India	100.00%	100.00%
7	A2Z Waste Management (Sambhal) Limited	India	100.00%	100.00%

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

No.	Name	Principal place of business	Proportion of ownership interest as at March 31, 2018	Proportion of ownership interest as at March 31, 2017
8	A2Z Waste Management (Mirzapur) Limited	India	100.00%	100.00%
9	A2Z Waste Management (Balai) Limited	India	100.00%	100.00%
10	A2Z Waste Management (Fatehpur) Limited	India	100.00%	100.00%
11	A2Z Waste Management (Ranchi) Limited	India	100.00%	100.00%
12	A2Z Waste Management (Ludhiana) Limited	India	100.00%	100.00%
13	A2Z Waste Management (Dhanbad) Private Limited	India	100.00%	100.00%
14	Shree Balaji Pottery Private Limited	India	100.00%	100.00%
15	Shree Hari Om Utensils Private Limited	India	100.00%	100.00%
16	A2Z Waste Management (Jaipur) Limited #	India	100.00%	100.00%
17	A2Z Mayo SNT Waste Management (Nanded) Private Limited	India	60.00%	60.00%
18	A2Z Waste Management (Ahmedabad) Limited	India	100.00%	100.00%
19	Earth Environment Management Services Private Limited	India	100.00%	100.00%
<b>Subsidiaries of A2Z Waste Management (Ludhiana) Limited</b>				
1	Magic Genie Smartech Solutions Limited (w.e.f. December, 18, 2017)	India	100.00%	100.00%
2	Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited) (till March 31, 2018)	India	51.00%	51.00%
<b>Subsidiaries of A2Z Infraseservices Limited</b>				
1	Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited) (w.e.f. April 1, 2017)	India	49.00%	49.00%
2	A2Z Infraseservices Lanka Private Limited***	Sri Lanka	100.00%	100.00%

\*With respect to A2Z Green Waste Management Limited ("AGWML"), although the Company owns less than one-half of the voting power, it is able to control the company by virtue of an agreement with another investor of A2Z Green Waste Management Limited i.e. Devdhar Trading and Consultants Private Limited ("Devdhar"), which provides that Devdhar shall continue to support the Company to have the control over the management of AGWML and shall continue to follow the instructions given by the Company in this regard. Accordingly, the Company, together with Devdhar controls AGWML.

^ During the year ended March 31, 2018, the Company has sold the entire shareholding in its subsidiary i.e. Star Transformers Limited. Consequently Star Transformers Limited ceases to be a subsidiary of the Company.

\*\* The Company directly holds 48% (March 31, 2017: 48%) of the share capital and 26% (March 31, 2017: 26%) indirectly through its subsidiary, A2Z Green Waste Management Limited.

\*\*\* A2Z Infraseservices Limited is initial shareholder by virtue of shares subscription arrangement with A2Z Infraseservices Lanka Limited and has committed to make investment in the company.

# The Company directly holds 20% (March 31, 2017: 20%) of the share capital and 80% (March 31, 2017: 80%) indirectly through its subsidiary, A2Z Green Waste Management Limited.

**b) Interest in joint ventures**

The Company's interest and share in joint ventures in the jointly controlled operations as at March 31, 2018 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 32(b).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 32(b).1 below	*

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
**(Unless otherwise stated, all amounts are in INR Lacs)**

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation
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 32(b).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 32(b).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 32(b).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 32(b).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 32(b).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 32(b).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. ('MPPKVCL'), Jabalpur for design, manufacture, supply, install, commission, operate and maintain Remote Metering of LT Consumers above 10 BHP.	See Note 32(b).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 32(b).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 32(b).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 32(b).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. (RRVPL), Jaipur for Design, Manufacture and Supply of materials for construction of 220KV/132KV transmission lines on turnkey basis.	See Note 32(b).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 appurtenances works under Mussoorie sewerage in different Zones of Mussoorie, Dehradun under Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) Programme.	See Note 32(b).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 Urlana 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 32(b).1 below	*

\*Country of Incorporation not applicable, as these are unincorporated Joint Ventures.

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 32(b).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 32(b).2:** The Company holds 60% interest in an Association of Person (AOP), formed between A2Z Infra Engineering Limited and Satya Builders, a jointly controlled entity which is involved in waste water projects at Alwar and Chittorgarh, Rajasthan.

**Note 33 : RELATED PARTY DISCLOSURES**

Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures".

**A Name of the related parties and nature of the related party relationship:**

**1 Subsidiary companies**

- a) A2Z Infraservices Limited
- b) A2Z Green Waste Management 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 (till June 20, 2017)
- h) Chavan Rishi International Limited
- i) Magic Genie Services Limited
- j) A2Z Waste Management (Nainital) Private Limited
- k) A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)

**2 Subsidiaries of A2Z Green Waste Management Limited. (formerly known as A2Z Infrastructure Limited):**

- a) A2Z Waste Management (Merrut) 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 (Balai) Limited
- g) A2Z Waste Management (Fatehpur) Limited
- h) A2Z Waste Management (Jaunpur) Limited
- i) A2Z Waste Management (Mirzapur) Limited
- j) A2Z Waste Management (Ranchi) Limited
- k) A2Z Waste Management (Sambhal) Limited
- l) Green Waste Management Private Limited (formerly A2Z Waste Management (Haridwar) Private Limited) (Strike off w.e.f. September 23, 2016)
- m) A2Z Waste Management (Dhanbad) Private Limited
- n) A2Z Waste Management (Ludhiana) Limited
- o) A2Z Waste Management (Jaipur) Limited
- p) A2Z Mayo SNT Waste Management (Nanded) Private Limited
- q) A2Z Waste Management (Ahmedabad) Limited
- r) Earth Environment Management Services Private Limited
- s) Shree Balaji Pottery Private Limited
- t) Shree Hari Om Utensils Private Limited

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
 (Unless otherwise stated, all amounts are in INR Lacs)

**3 Subsidiaries of A2Z Waste Management (Ludhiana) Limited**

- a) Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited) (till March 31, 2017)
- b) Magic Genie Smartech Solutions Limited (w.e.f. December 18, 2017)

**4 Subsidiaries of A2Z Infraservices Limited**

- a) Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited) (w.e.f. April 1, 2017)
- b) A2Z Infraservices Lanka Private Limited

**5 Subsidiary of Magic Genie Services Limited**

- a) Magic Genie Smartech Solutions Limited (Incorporated on June 24, 2016) (till December 17, 2017)

**6 Joint Venture (unincorporated)**

- a) M/s UB Engineering Limited
- b) M/s SPIC – SMO Limited
- c) M/s Cobra Instalaciones Y Servicios, S.A
- d) M/s Karamtara Engineering Private Limited
- e) M/s Richardson & Cruddas (1972) Limited
- f) M/s Linkwell Telesystems Private Limited
- g) M/s Shyama Power (India) Private Limited
- h) M/s Sudhir Power Projects Limited

**7 Key Management Personnel ('KMP')**

- a) Mr. Amit Mittal (Managing director)
- b) Mrs. Dipali Mittal (Whole time director till August 14, 2017 and Non-executive Director w.e.f. August 15, 2017)
- c) Mr. Surender Kumar Tuteja (Non- executive independent director)
- d) Mr. Suresh Prasad Yadav (Non- executive independent director)
- e) Dr. Ashok Kumar (Non- executive independent director)
- f) Mr. Rajesh Jain (Chief Executive Officer and Whole time director)
- g) Dr. Ashok Kumar Saini (Whole Time Director)
- h) Mr. Lalit Mohan Gulati (Chief Financial Officer) (till September 10, 2016)
- i) Mr. Atul Kumar Agarwal (Company Secretary)
- j) Dr. G.R. Nagendran (Chief Financial Officer) (w.e.f. September 11, 2016)
- k) Mr. Gaurav Jain (Non- executive independent director till September 01, 2017)

**8 Relative of Key Management Personnel**

- a) Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)
- b) Mr. Rajendra Kumar Mittal (Father of Mr. Amit Mittal)

**9 Enterprise in control of relatives of Key Management Personnel**

- a) Mestric Consultants Private Limited
- b) JIT Logistics Private Limited
- c) Devdhar Trading and Consultants Private Limited
- d) Mapple Solcon Private Limited



## Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2018

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

### B. Transactions with related parties:

The following transactions were carried out with the related parties in the ordinary course of business:

	For the year ended March 31, 2018				For the year ended March 31, 2017			
	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
<b>Sale of goods / services</b>								
- A2Z Infraservices Limited	0.31	-	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	11.02	-	-	-	-	-	-	-
<b>Sale of fixed assets</b>								
- A2Z Waste Management (Ludhiana) Limited	1.91	-	-	-	-	-	-	-
- A2Z Waste Management (Jaunpur) Limited	9.00	-	-	-	-	-	-	-
<b>Interest income</b>								
- A2Z Green Waste Management Limited	741.43	-	-	-	646.25	-	-	-
- A2Z Powertech Limited	0.17	-	-	-	0.17	-	-	-
- A2Z Waste Management (Ludhiana) Limited	1.93	-	-	-	1.97	-	-	-
- A2Z Waste Management (Jaipur) Limited	59.82	-	-	-	59.31	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	66.57	-	-	-	59.78	-	-	-
- Mansi Bijlee & Rice Mills Limited	38.14	-	-	-	29.49	-	-	-
- Chavan Rishi International Limited	-	-	-	-	0.88	-	-	-
<b>Purchase of goods or services</b>								
- A2Z Infraservices Limited	246.02	-	-	-	35.17	-	-	-
- Star Transformers Private Limited	-	-	-	-	65.92	-	-	-
- Magic Genie Service Limited	0.10	-	-	-	0.15	-	-	-
<b>Purchase of fixed assets</b>								
- Magic Genie Service Limited	1.70	-	-	-	-	-	-	-
<b>Rent expense</b>								
- Sudha Mittal	-	-	-	5.36	-	-	-	5.28
- Dipali Mittal	-	-	-	10.54	-	-	-	10.14
- Chavan Rishi International Limited	30.97	-	-	-	30.97	-	-	-
<b>ESOP expenses (Refer Note 5.1.5)</b>								
- A2Z Green Waste Management Limited	(9.47)	-	-	-	5.04	-	-	-
- A2Z Infraservices Limited	42.11	-	-	-	2.27	-	-	-
- Star Transformers Private Limited	-	-	-	-	6.52	-	-	-
- A2Z Powercom Limited	4.57	-	-	-	2.46	-	-	-
- A2Z Waste Management (Ludhiana) Limited	0.02	-	-	-	0.12	-	-	-

**Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**B. Transactions with related parties: (Contd.)**

**The following transactions were carried out with the related parties in the ordinary course of business:**

	For the year ended March 31, 2018					For the year ended March 31, 2017				
	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 Waste Management (Merrut) Limited	4.05	-	-	-		9.07	-	-	-	
- A2Z Waste Management (Balila) Limited	(2.38)	-	-	-		4.04	-	-	-	
- Rajesh Jain	-	-	-	57.08		-	-	-	-	50.35
- Ashok Saini	-	-	-	14.43		-	-	-	-	16.16
- Gaurav Jain	-	-	-	(4.45)		-	-	-	-	21.14
- Atul Kumar Aggarwal	-	-	-	26.61		-	-	-	-	21.14
<b>Fund transferred / includes expenses incurred on behalf of related party</b>										
- A2Z Green Waste Management Limited	10.78	-	-	-		52.69	-	-	-	-
- A2Z Infraservices Limited	-	-	-	-		0.58	-	-	-	-
- A2Z Powercom Limited	7.04	-	-	-		-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	6.19	-	-	-		3.71	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-		320.25	-	-	-	-
- Chavan Rishi International Limited	9.55	-	-	-		-	-	-	-	-
<b>Fund received includes expenses incurred on behalf of Company</b>										
- A2Z Green Waste Management Limited	-	-	-	-		572.31	-	-	-	-
- UB Engineering Limited	-	-	-	-		-	218.83	-	-	-
- SPIC-SMO	-	-	-	-		-	28.47	-	-	-
- Magic Genie Service Limited	-	-	-	-		1.39	-	-	-	-
<b>Provision created/(reversed) for doubtful debts</b>										
- UB Engineering Limited	248.05	-	-	-		-	(0.59)	-	-	-
- SPIC-SMO	73.46	-	-	-		-	(14.54)	-	-	-
<b>Loan and advances given</b>										
- A2Z Green Waste Management Limited	654.54	-	-	-		393.01	-	-	-	-
- A2Z Waste Management (Jaipur) Limited	-	-	-	-		6.41	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	68.93	-	-	-		45.40	-	-	-	-
- Mansi Bijlee & Rice Mills Limited	2.00	-	-	-		78.00	-	-	-	-
- A2Z Infraservices Limited	-	-	-	-		169.18	-	-	-	-

**Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**B. Transactions with related parties: (Contd.)**

The following transactions were carried out with the related parties in the ordinary course of business:

	For the year ended March 31, 2018				For the year ended March 31, 2017			
	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
<b>Loan and advances refunded</b>								
- A2Z Green Waste Management Limited	74.00	-	-	-	2,126.43	-	-	-
- A2Z Waste Management (Ludhiana) Limited	0.17	-	-	-	36.56	-	-	-
- A2Z Infraservices Limited	-	-	-	-	78.43	-	-	-
- Amit Mittal	-	-	-	2.50	-	-	-	52.05
<b>Remuneration</b>								
- Rajesh Jain	-	-	-	18.00	-	-	-	18.00
- Ashok Saini	-	-	-	18.00	-	-	-	18.00
- Dipali Mittal	-	-	-	9.08	-	-	-	19.08
- Surender Kumar Tuteja	-	-	-	5.50	-	-	-	5.35
- Ashok Kumar	-	-	-	6.25	-	-	-	6.10
- Suresh Prasad Yadav	-	-	-	1.00	-	-	-	4.75
- Gaurav Jain	-	-	-	2.25	-	-	-	2.25
- GR Nagendran	-	-	-	29.24	-	-	-	19.89
- Atul Kumar Aggarwal	-	-	-	34.24	-	-	-	33.20
- Lalit Mohan Gulati	-	-	-	-	-	-	-	10.78
<b>Sale of Investment to II &amp; FS Financial Service Limited (IFIN) (Refer Note 5.1.2)</b>								
- A2Z Green Waste Management Limited	-	-	-	-	940.07	-	-	-
<b>Sale of Investment</b>								
- Star Transformers Private Limited	533.00	-	-	-	-	-	-	-

**Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**C. Balance outstanding at the end of the year**

	Balance outstanding as at March 31, 2018				Balance outstanding as at March 31, 2017			
	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
<b>Loan/advances given</b>								
- A2Z Green Waste Management Limited	592.86	-	-	-	1.79	-	-	-
- A2Z Powertech Limited	19.58	-	-	-	19.42	-	-	-
- A2Z Waste Management (Jaipur) Limited	733.09	-	-	-	679.26	-	-	-
- A2Z Waste Management (Ludhiana) Limited	508.24	-	-	-	494.82	-	-	-
- A2Z Waste Management (Ahmedabad) Limited	150.00	-	-	-	150.00	-	-	-
- A2Z Waste Management (Dhanbad) Private Limited	230.56	-	-	-	230.56	-	-	-
- A2Z Waste Management (Mirzapur) Limited	95.00	-	-	-	95.00	-	-	-
- A2Z Waste Management (Moradabad) Limited	7.47	-	-	-	7.47	-	-	-
- A2Z Waste Management (Ranchi) Limited	350.00	-	-	-	350.00	-	-	-
- A2Z Waste Management (Sambhal) Limited	130.23	-	-	-	130.23	-	-	-
- A2Z Waste Management (Varanasi) Limited	250.96	-	-	-	250.96	-	-	-
- A2Z Waste Management (Jaunpur) Limited	9.00	-	-	-	-	-	-	-
- A2Z Infraservices Limited	-	-	-	-	90.75	-	-	-
- Mansi Bijlee & Rice Mills Limited	90.65	-	-	-	81.10	-	-	-
- Ecogreen Envirotech Solution Ltd. (formerly Known as A2Z Waste Management (Loni) Limited	0.68	-	-	-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builder - (AOP)	1,035.03	-	-	-	899.99	-	-	-
<b>Trade receivable / other receivable</b>								
- A2Z Green Waste Management Limited	1,287.85	-	-	-	1,277.07	-	-	-
- A2Z Powercom Limited	1,005.44	-	-	-	1,005.44	-	-	-
- UB Engineering Limited	-	8,268.39	-	-	-	8,268.39	-	-
- SPIC-SMO	-	2,448.60	-	-	-	2,448.60	-	-

**Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**C. Balance outstanding at the end of the year (Contd.)**

	Balance outstanding as at March 31, 2018				Balance outstanding as at March 31, 2017			
	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
- Karamtara Engineering Private Limited	-	84.27	-	-	-	385.28	-	-
- A2Z Maintenance & Engineering Services (Uganda) Private Limited	-	-	-	-	-	-	-	-
- A2Z Infraservices Limited	16.69	-	-	-	26.21	-	-	-
- Amit Mittal	-	-	-	124.93	-	-	-	127.43
<b>Security deposit paid</b>								
- Chavan Rishi International Limited	10.03	-	-	-	9.06	-	-	-
<b>Investment in preference shares</b>								
- A2Z Green Waste Management Limited	5,851.64	-	-	-	5,121.79	-	-	-
- Mansi Bijlee & Rice Mills Limited	238.54	-	-	-	208.79	-	-	-
<b>Provision for doubtful debts/advances</b>								
- UB Engineering Limited	-	3,193.68	-	-	-	2,945.63	-	-
- SPIC-SMO	-	1,209.68	-	-	-	1,136.22	-	-
- A2Z Green Waste Management Limited	877.17	-	-	-	877.17	-	-	-
<b>Remuneration payable</b>								
- Rajesh Jain	-	-	-	7.15	-	-	-	2.51
- Ashok Saini	-	-	-	8.57	-	-	-	2.51
- Dipali Mittal	-	-	-	1.80	-	-	-	8.69
- Surender Kumar Tuteja	-	-	-	2.93	-	-	-	3.02
- Ashok Kumar	-	-	-	3.63	-	-	-	3.47
- Suresh Prasad Yadav	-	-	-	0.90	-	-	-	2.03
- Gaurav Jain	-	-	-	2.03	-	-	-	0.90
- GR Nagendran	-	-	-	16.03	-	-	-	8.50
- Atul Kumar Aggarwal	-	-	-	6.87	-	-	-	8.37



**Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**C. Balance outstanding at the end of the year (Contd.)**

	Balance outstanding as at March 31, 2018				Balance outstanding as at March 31, 2017			
	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
<b>Other current liabilities</b>								
- Magic Genie Service Limited	-	-	-	-	1.39	-	-	-
<b>Trade payable</b>								
- A2Z Powercom Limited	5.36	-	-	-	398.72	-	-	-
- A2Z InfraserVICES Limited	28.18	-	-	-	34.78	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	-	-	-
- Chavan Rishi International Limited	54.64	-	-	-	31.79	-	-	-
- Linkwell Telesystems Private Limited	-	-	-	-	-	0.02	-	-
- Richardson & Cruddas (1972) Limited	-	14.61	-	-	-	14.61	-	-
- Cobra Instalaciones Y Servicios, S.A	-	4.85	-	-	-	4.85	-	-
- Star Transformers Private Limited	-	-	-	-	266.32	-	-	-
- Magic Genie Service Limited	2.50	-	-	-	0.12	-	-	-
- Dipali Mittal	-	-	-	0.79	-	-	-	1.58
- Sudha Mittal	-	-	-	3.96	-	-	-	1.98
<b>Guarantees given on behalf of subsidiaries</b>								
- A2Z InfraserVICES Limited	9,938.00	-	-	-	9,938.00	-	-	-
- A2Z Green Waste Management Limited	25,325.00	-	-	-	25,325.00	-	-	-
- A2Z Waste Management (Meerut) Limited	3,500.00	-	-	-	3,500.00	-	-	-
- A2Z Waste Management (Moradabad) Limited	1,830.00	-	-	-	1,830.00	-	-	-
- A2Z Waste Management (Aligarh) Limited	1,350.00	-	-	-	1,350.00	-	-	-
- A2Z Waste Management (Varanasi) Limited	4,400.00	-	-	-	4,400.00	-	-	-
- A2Z Waste Management (Ranchi) Limited	3,140.00	-	-	-	3,140.00	-	-	-

**Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**C. Balance outstanding at the end of the year (Contd.)**

	Balance outstanding as at March 31, 2018				Balance outstanding as at March 31, 2017			
	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
- Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited)	700.00	-	-	-	700.00	-	-	-
- A2Z Waste Management (Badaun) Limited	560.00	-	-	-	560.00	-	-	-
- A2Z Waste Management (Jaunpur) Limited	220.00	-	-	-	220.00	-	-	-
- A2Z Waste Management (Sambhal) Limited	550.00	-	-	-	550.00	-	-	-
- A2Z Waste Management (Fatehpur) Limited	410.00	-	-	-	410.00	-	-	-
- A2Z Waste Management (Mirzapur) Limited	560.00	-	-	-	560.00	-	-	-
- A2Z Waste Management (Balai) Limited	420.00	-	-	-	420.00	-	-	-
- A2Z Waste Management (Ludhiana) Limited	5,080.00	-	-	-	5,080.00	-	-	-
- A2Z Waste Management (Jaipur) Limited	2,000.00	-	-	-	2,000.00	-	-	-
- Star Transformers Private Limited	-	-	-	-	2,700.00	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	580.00	-	-	-	580.00	-	-	-

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 33.1:** In the opinion of the management, the transactions reported herein are on arms' length basis.

**Note 33.2:** 'Details relating to persons referred to as key managerial personnel above:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short term employee benefits	106.16	117.87
Defined contribution plan	0.40	1.08
Share-based payment transactions	93.67	108.78
Sitting fees	17.00	18.45
<b>Total compensation paid/payable to key management personnel</b>	<b>217.23</b>	<b>246.18</b>

**Note 33.3:** 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 previous year, the Central Government has rejected the Company's application for the waiver of the excess remuneration so paid amounting to INR 189.48 lacs which is being held in trust by the Managing Director. Out of the entire excess remuneration paid INR 64.55 lacs has been received/adjusted from the Managing Director and the balance outstanding as at March 31, 2018 is INR 124.93 lacs (March 31, 2017 127.43 lacs).

**Note 34 : FAIR VALUE MEASUREMENT**

**(i) Fair value measurement of financial instruments**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements**

As at March 31, 2018	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
<b>Fair value through profit and loss</b>				
Derivative liability	-	-	1,810.00	<b>1,810.00</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,810.00</b>	<b>1,810.00</b>

As at March 31, 2017	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
<b>Fair value through profit and loss</b>				
Derivative liability	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(iii) Fair value of instruments measured at amortised cost**

The carrying values of financial instruments measured at amortised cost is considered to be a reasonable approximation of their fair values.

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**(iv) Valuation process and technique used to determine fair value**

The fair value of derivative liability is estimated using Black Scholes technique. The significant unobservable inputs used in the fair value measurements are as shown below:-

	As at March 31, 2018	As at March 31, 2017
<b>Significant unobservable inputs</b>		
<b>Volatility of underlying equity share market prices</b>	46.10-51.11%	NA
<b>Sensitivity</b>		
The sensitivity of profit or loss and equity to changes in volatility		
Volatility– increase by 5%	(72.08)	NA
Volatility– decrease by 5%	69.33	NA

\* Holding all other variables constant

**Note 35 : FINANCIAL RISK MANAGEMENT**

**(i) Financial instruments by category**

For amortised cost instruments, carrying value represents the best estimate of fair value.

	As at March 31, 2018		
	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>			
Investments			
Preference shares	-	-	6,090.18
Trade receivables	-	-	117,216.35
Loans	-	-	4,923.52
Cash and cash equivalents	-	-	1,097.71
Other bank balances	-	-	0.82
Other financial assets	-	-	27,723.62
<b>Total</b>	-	-	<b>157,052.20</b>
<b>Financial liabilities</b>			
Borrowings	-	-	88,977.42
Trade payables	-	-	57,735.69
Other financial liabilities	1,810.00	-	3,688.72
<b>Total</b>	<b>1,810.00</b>	-	<b>150,401.83</b>
	As at March 31, 2017		
	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>			
Investments			
Preference shares	-	-	5,330.58
Trade receivables	-	-	120,029.73
Loans	-	-	4,712.04
Cash and cash equivalents	-	-	5,152.78
Other bank balances	-	-	0.82
Other financial assets	-	-	31,681.33
<b>Total</b>	-	-	<b>166,907.28</b>
<b>Financial liabilities</b>			
Borrowings	-	-	109,352.65
Trade payables	-	-	65,920.55
Other financial liabilities	-	-	3,690.86
<b>Total</b>	-	-	<b>178,964.06</b>

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**

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

**(ii) Risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Analysis of committed credit lines and borrowing facilities
Market risk-foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Risk limits
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Risk limits
Market risk - security price	Investments in equity securities	Sensitivity analysis	Risk limits

The Company's risk management is carried out by a central treasury department (of the company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

**A. Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

The Company's receivables comprises of trade receivables. During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company has certain trade receivables that have not been settled by the contractual due date, as given below:

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Not more than 30 days	30,105.84	31,369.70
More than 30 days but not more than 60 days	1,228.24	3,470.13
More than 60 days but not more than 90 days	407.49	804.74
More than 90 days	100,433.23	98,396.13
	<b>132,174.81</b>	<b>134,040.70</b>
<b>Less Allowances for doubtful debts</b>	<b>(14,958.46)</b>	<b>(14,010.97)</b>
	<b>117,216.35</b>	<b>120,029.73</b>

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good. The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables. The Company follows a single loss rate approach and estimates expected credit loss on trade receivables to be 3%. Further, specific provision is made for any individual debtors which are considered to be doubtful and non-recoverable in part or in full. The reconciliation of expected credit losses on trade receivables is given below.



**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	As at March 31, 2017
<b>Balance as at the beginning of the year</b>	<b>14,010.97</b>	<b>12,316.56</b>
Changes in provision		
Additional Provision	947.49	1,694.41
<b>Balance as at the end of the year</b>	<b>14,958.46</b>	<b>14,010.97</b>

The credit risk for other financial assets is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings. However, specific provision is made in case a particular receivable is considered to be non-recoverable.

**B. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivative financial liabilities</b>					
Borrowings	81,090.56	6,056.10	6,163.41	4,447.60	<b>97,757.67</b>
Trade payables	57,735.69	-	-	-	<b>57,735.69</b>
Other financial liabilities	3,688.72	-	-	-	<b>3,688.72</b>
<b>Derivative financial liabilities</b>					
Other financial liabilities	810.00	1,000.00	-	-	<b>1,810.00</b>
<b>Total</b>	<b>143,324.97</b>	<b>7,056.10</b>	<b>6,163.41</b>	<b>4,447.60</b>	<b>160,992.08</b>

As at March 31, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivative financial liabilities</b>					
Borrowings	94,448.19	6,560.62	7,073.97	14,496.80	<b>122,579.58</b>
Trade payables	65,920.55	-	-	-	<b>65,920.55</b>
Other financial liabilities	3,690.86	-	-	-	<b>3,690.86</b>
<b>Derivative financial liabilities</b>					
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>164,059.60</b>	<b>6,560.62</b>	<b>7,073.97</b>	<b>14,496.80</b>	<b>192,190.99</b>

**C. Market risk**

**(a) Interest rate risk**

**(i) Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Interest rate risk exposure**

Below is the overall exposure of the Company to interest rate risk:

	As at March 31, 2018	As at March 31, 2017
Variable rate borrowing	68,288.37	96,102.47
<b>Total borrowings</b>	<b>68,288.37</b>	<b>96,102.47</b>

**Sensitivity**

Below is the sensitivity of profit or loss and equity changes in interest rates.

	As at March 31, 2018	As at March 31, 2017
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	(446.54)	(628.41)
Interest rates – decrease by 100 basis points (100 bps)	446.54	628.41

\* Holding all other variables constant

**(b) Foreign exchange risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Ugandan Shillings and Zambian Kwacha. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

**Unhedged foreign currency exposure**

The Company's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

	As at March 31, 2018			
	Currency	Amount in foreign currency	Exchange rate	Amount
<b>Trade receivables</b>	USD	15.71	64.92	1,019.57
	Uganda Shillings	216.17	0.02	3.78
	Zambian Kwacha	10.40	6.79	70.60
<b>Cash and cash equivalents</b>	USD	3.60	64.92	233.86
	Uganda Shillings	1,263.25	0.02	22.09
	Zambian kwacha	1.24	6.79	8.41
<b>Other financial assets</b>	USD	17.46	64.92	1,133.15
	Uganda Shillings	18,625.58	0.02	325.76
	Zambian kwacha	3.40	6.79	23.10
	Tanzania Shillings	1,846.90	0.03	52.90
<b>Trade payables</b>	USD	6.88	64.92	446.74
	Uganda Shillings	4,409.04	0.02	77.11
	Zambian kwacha	0.85	6.79	5.77
<b>Other financial liabilities</b>	USD	11.23	64.92	729.01
	Uganda Shillings	1,091.37	0.02	19.09
	Zambian kwacha	10.90	6.79	73.95

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2017			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
<b>Trade receivables</b>	USD	6.61	64.75	428.00
	Uganda Shillings	276.17	0.02	5.52
	Zambian Kwacha	15.47	6.71	103.80
<b>Cash and cash equivalents</b>	USD	2.40	64.75	155.40
	Uganda Shillings	8,910.92	0.02	178.22
	Zambian Kwacha	1.38	6.71	9.26
<b>Other financial assets</b>	USD	21.91	64.75	1,418.67
	Uganda Shillings	30,020.67	0.02	600.41
<b>Trade payables</b>	USD	10.31	64.75	667.57
	Uganda Shillings	3,364.95	0.02	67.30
	Zambian Kwacha	4.43	6.71	29.73
<b>Other financial liabilities</b>	USD	18.75	64.75	1,214.06
	Uganda Shillings	68.11	0.02	1.36

**Sensitivity**

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	As at March 31, 2018	As at March 31, 2017
<b>USD sensitivity</b>		
INR/USD- increase by 5%	39.59	3.94
INR/USD- decrease by 5%	(39.59)	(3.94)
<b>Uganda Shillings (UGX) sensitivity</b>		
INR/UGX- increase by 5%	8.35	23.39
INR/UGX- decrease by 5%	(8.35)	(23.39)
<b>Zambian Kwacha (ZMW) sensitivity</b>		
INR/ZMW- increase by 5%	0.73	2.72
INR/ZMW- decrease by 5%	(0.73)	(2.72)
<b>TZS sensitivity</b>		
INR/TZS- increase by 5%	1.73	-
INR/TZS- decrease by 5%	(1.73)	-

\* Holding all other variables constant

**Note 36 : CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

For the purpose of the Company's capital management, capital includes issued equity share capital, security premium and all other equity reserves attributable to the equity holders of the Company.

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

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

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	As at March 31, 2017
Borrowings	88,977.42	109,352.65
Trade payables	57,735.69	65,920.55
Less: cash and cash equivalents	1,097.71	5,152.78
<b>Net debt</b>	<b>145,615.40</b>	<b>170,120.42</b>
Equity	61,336.63	60,470.49
<b>Capital and net debt</b>	<b>206,952.03</b>	<b>230,590.91</b>
<b>Gearing ratio</b>	<b>70.36%</b>	<b>73.78%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018.

### **Note 37 : SEGMENT REPORTING**

#### **Segmental information**

#### **Business segments:**

The Company has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108). The Company is operating into following segments.:

- (i) Engineering service (ES)
- (ii) Power generation projects ('PGP')
- (iii) Others represents trading of goods, renting of equipment's and providing housekeeping services

	For the year ended March 31, 2018			
	Engineering Services	Power generation projects	Others	Total
<b>Revenue</b>				
Segment revenue	31,376.34	-	4,375.22	<b>35,751.56</b>
Other income	2,385.63	-	-	<b>2,385.63</b>
<b>Total segment revenue</b>	<b>33,761.97</b>	<b>-</b>	<b>4,375.22</b>	<b>38,137.19</b>
<b>Cost</b>				
Segment cost	(34,542.16)	(1,072.77)	(4,141.49)	<b>(39,756.42)</b>
<b>Total segment cost</b>	<b>(34,542.16)</b>	<b>(1,072.77)</b>	<b>(4,141.49)</b>	<b>(39,756.42)</b>
<b>Segment operating (loss)/profit</b>	<b>(780.19)</b>	<b>(1,072.77)</b>	<b>233.73</b>	<b>(1,619.23)</b>
<b>Profit &amp; Loss</b>				
Total reportable segment operating profit				<b>(1,619.23)</b>
Interest income				1,312.23

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018			
	Engineering Services	Power generation projects	Others	Total
Interest expense				(12,394.62)
Exceptional item				1,828.89
Unallocable expenditure net off unallocable income				(583.45)
<b>Loss before tax</b>				<b>(11,456.18)</b>
<b>Tax expense</b>				
Current tax				22.77
Deferred tax credit				(2.01)
<b>Loss after tax</b>				<b>(11,476.94)</b>
Reclassification of net actuarial gain on employee defined benefit obligations				40.31
<b>Total comprehensive income for the year (comprising loss and other comprehensive income)</b>				<b>(11,436.63)</b>

	As at March 31, 2018			
	Engineering Services	Power generation projects	Others	Total
<b>Assets</b>				
Segment assets	159,276.50	30,837.02	1,010.56	191,124.08
Unallocable corporate assets	-	-	-	42,684.22
<b>Total assets</b>	<b>159,276.50</b>	<b>30,837.02</b>	<b>1,010.56</b>	<b>233,808.30</b>
<b>Liabilities</b>				
Segment liabilities	81,588.64	203.45	1,593.36	83,385.45
Unallocable corporate liabilities	-	-	-	89,086.22
<b>Total liabilities</b>	<b>81,588.64</b>	<b>203.45</b>	<b>1,593.36</b>	<b>172,471.67</b>
Capital expenditure	5.94	29.68	-	35.62
Depreciation	399.24	884.09	1.37	1,284.70
Impairment	-	3,500.00	-	3,500.00
Other non-cash expenditure	-	-	-	3,578.35

	For the year ended March 31, 2017			
	Engineering Services	Power generation projects	Others	Total
<b>Revenue</b>				
Segment revenue	56,706.93	154.39	6,594.51	63,455.83
Other income	273.70	-	-	273.70
<b>Total segment revenue</b>	<b>56,980.63</b>	<b>154.39</b>	<b>6,594.51</b>	<b>63,729.53</b>
<b>Cost</b>				
Segment cost	(52,313.90)	(1,235.86)	(6,208.09)	(59,757.85)
<b>Total segment cost</b>	<b>(52,313.90)</b>	<b>(1,235.86)</b>	<b>(6,208.09)</b>	<b>(59,757.85)</b>
<b>Segment operating profit/(loss)</b>	<b>4,666.73</b>	<b>(1,081.47)</b>	<b>386.42</b>	<b>3,971.68</b>
Interest income				895.31
Interest expense				(11,370.76)

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2017			
	Engineering Services	Power generation projects	Others	Total
Exceptional item				(959.58)
Unallocable expenditure net off unallocable income				(596.55)
<b>Loss before tax</b>				<b>(8,059.90)</b>
<b>Tax expense</b>				
Current tax				3.67
Deferred tax charge				5,855.41
<b>Loss after tax</b>				<b>(13,918.98)</b>
Reclassification of net actuarial gain on employee defined benefit obligations				29.58
<b>Total comprehensive income for the year (comprising loss and other comprehensive income)</b>				<b>(13,889.40)</b>

	As at March 31, 2017			
	Engineering Services	Power generation projects	Others	Total
<b>Assets</b>				
Segment assets	172,966.76	34,662.75	1,604.28	<b>209,233.79</b>
Unallocable corporate assets	-	-	-	<b>41,881.79</b>
<b>Total assets</b>	<b>172,966.76</b>	<b>34,662.75</b>	<b>1,604.28</b>	<b>251,115.58</b>
<b>Liabilities</b>				
Segment liabilities	79,131.51	599.24	1,480.44	<b>81,211.19</b>
Unallocable corporate liabilities	-	-	-	<b>109,433.90</b>
<b>Total liabilities</b>	<b>79,131.51</b>	<b>599.24</b>	<b>1,480.44</b>	<b>190,645.09</b>
Capital expenditure	125.24	145.24	-	<b>270.48</b>
Depreciation	486.85	959.64	1.03	<b>1,447.52</b>
Impairment	-	6,839.46	-	<b>6,839.46</b>
Other non-cash expenditure	-	-	-	<b>2,764.05</b>

Unallocated operating income and expense mainly consist of post-employment benefits expenses. The unallocable assets includes tax receivable from Government authorities.

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a company basis.

The revenue from a customer (having more than 10% of total revenue) during the year is INR 14,143.68 lacs (March 31, 2017 INR 48,014.85 lacs) arising from revenue from engineering services.

**Note 38 : DISCLOSURE PURSUANT TO IND AS -11 "CONSTRUCTION CONTRACTS"**

Revenue of INR 31,298.53 lacs (March 31, 2017 INR 56,699.58 lacs) relating to construction contracts has been included in revenue for the current reporting period. The amounts recognised in the balance sheet relate to construction contracts in progress at the end of the reporting year. The amounts are calculated as the net amounts of costs incurred plus recognised profits, less recognised losses and progress billings. The carrying amounts of assets and liabilities are analysed as follows:



**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Contract revenue recognized as revenue in the year	31,298.53	56,699.58
Aggregate amount of costs incurred and recognised profits and losses for all contracts in progress	203,149.47	286,914.02
Amount of advance received on contract under progress and outstanding at year end	5,294.98	4,652.82
Amount of retentions on contract under progress at year end	29,752.31	65,445.87
<b>Recognised as:</b>		
Due from customers for construction contract work, recognised in trade and other financial assets (Net of provision INR 22,630.50 lacs (March 31, 2017 INR 28,684.52 lacs)	24,344.49	31,101.53
Due to customers for construction contract work, recognised in other liabilities	1,732.12	1,357.77

**Note 38.1:** 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 39 : CONTINGENT LIABILITIES AND COMMITMENTS**

**a) The details of contingent liabilities are as follows:**

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Corporate guarantees given to banks on account of facilities granted by said banks to subsidiaries	60,563.00	63,263.00
Right to recompense (CDR Scheme)	9,951.43	7,974.54
Open letters of credit	147.22	-
Litigations under workmen compensation act*	37.38	29.08
Litigations with contractors and others*	180.24	174.24
Sales tax demand under dispute*	8,669.26	8,993.72
Income Tax demand under dispute**	2,790.80	1,992.17
	<b>82,339.33</b>	<b>82,426.75</b>

\*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 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of INR 1,992.17 lacs. During the year ended March 31, 2015 the Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had 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 in respect of the matters where the CIT(A) has not accepted the Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Company.

Further, during the current year, the Company has received penalty order for the Assessment year 2008-09 from CIT and for Assessment year 2011-12 and 2013-14 from Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of INR 798.63 lacs against which the Commissioner of Income Tax (CIT) (Appeals) had not granted relief to the Company. The Company has filed appeals with ITAT for the Assessment Year 2008-09 and with CIT(A) for the Assessment Year 2011-12 and 2013-14 challenging the penalty orders.

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/CIT(A) and does not foresee any material liability. Pending the final decision on the matter, no adjustment has been made in the financial statements.

**Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**b) Commitments outstanding:**

- (i) Estimated amount of contracts to be executed and not provided for:

	As at March 31, 2018	As at March 31, 2017
Commitments	41,169.51	13,638.65
	<b>41,169.51</b>	<b>13,638.65</b>

- (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 40 : EXCEPTIONAL ITEMS**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Derivative liability written back (Refer Note 40.1)	-	8,918.00
Gain on One Time Settlement with banks of borrowing and financial institutions (Refer Note 40.2)	11,393.52	-
Bank guarantee written off	-	(3,038.12)
Capital assets impaired/written off (Refer Note 3.1)	(3,500.00)	(6,839.46)
Contract revenue in excess of billing written off	(5,620.55)	-
Loss on sale of Investment (Refer Note 40.3)	(444.08)	-
<b>Total</b>	<b>1,828.89</b>	<b>(959.58)</b>

**Note 40.1:** Derivative liability written back pertains to reversal of financial guarantee (put option) given against fully convertible debenture issued by one of its subsidiaries A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited and hereinafter referred to as AGWML) to IL&FS Financial Service Limited ("IFIN") of INR 15,000.00 lacs.

**Note 40.2:** During the year ended March 31, 2018, the Company has entered into One Time Settlement Agreements ("OTS Agreements") with certain lenders ("the Lenders") wherein they have agreed to the settlement of the outstanding principal and accrued interest of the Company and its step down subsidiaries. Pursuant to the aforementioned OTS Agreements, the Company has issued 30,276,384 equity shares to the Lenders at the rate of INR 39.80 during the quarter as preferential allotment. Additionally, the Company has paid INR 1,975.00 lacs during the period to the Lenders and shall further pay INR 5,875.00 lacs. The resultant impact of the transaction has been recognised as an exceptional item in these financial Statement.

**Note 40.3:** During the year ended March 31, 2018, loss on sale of investments pertains to the loss incurred on the sale of entire shareholding in one of the subsidiary company i.e. Star Transformers Limited during the year. Consequently, Star Transformers Limited ceased to be a subsidiary of the Company.

Summary of significant accounting policies and notes forming part of the standalone financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 41 : DISCLOSURE PURSUANT TO IND AS 7 "STATEMENT OF CASH FLOWS"-CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:**

	Non- current borrowings (Including current maturities) (Refer Note 16)	Current borrowings (Refer Note 19)	Interest accrued on borrowings (Refer Note 17)	Total
<b>Opening Balance as at April 1, 2017</b>	<b>39,577.92</b>	<b>56,524.55</b>	<b>13,250.18</b>	<b>109,352.65</b>
(a) Changes from financing cash flow	(2,717.80)	(333.66)	(3,306.12)	(6,357.58)
(b) Other changes				
(i) Reclassification within categories	4,427.34	(4,027.58)	(399.76)	-
(ii) Interest charge to statement of profit and loss	-	-	11,354.00	11,354.00
(iii) One time settlement (Refer Note 40.2)				
Gain on one time settlement with banks of borrowing and financial institutions	(5,120.35)	(1,011.14)	(5,262.03)	(11,393.52)
Settled through issue of equity shares	(7,050.00)	(5,000.00)	-	(12,050.00)
Settled through derivative liability	(562.13)	(1,000.00)	(247.87)	(1,810.00)
Settled through fixed deposits	-	(118.13)	-	(118.13)

**Note 42 : CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee pursuant to Section 135 of the Companies Act, 2013 and have also formulate a CSR Policy in this regard. The Company has incurred average net loss for immediately preceding three financial years and hence the Company is not required to spend any amount towards CSR activities for the year ended March 31, 2018 and March 31, 2017.

**Note 43 : POST-REPORTING DATE EVENTS**

No adjusting or significant non-adjusting events have occurred between the March 31, 2018 reporting date and the date of authorisation May 29, 2018.

**Note 44 : AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements for the year ended March 31, 2018 (including comparatives) were approved by the board of directors on May 29, 2018.

For **Walker Chandiok & Co LLP**  
Chartered Accountants

Sd/-  
per **Neeraj Sharma**  
Partner

Place: Gurugram  
Date : May 29, 2018

For and on behalf of the Board of Directors

Sd/-  
**Amit Mittal**  
Managing Director  
(DIN 00058944)

Sd/-  
**G R Nagendran**  
Chief Financial Officer

Sd/-  
**Rajesh Jain**  
Whole Time Director & CEO  
(DIN 07015027)

Sd/-  
**Atul Kumar Agarwal**  
Company Secretary

## Independent Auditor's Report

### Independent Auditor's Report

#### To the Members of A2Z Infra Engineering Limited

#### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of A2Z Infra Engineering 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 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 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 these 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 paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these 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 separate financial statements and on the other financial information of the subsidiaries, 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 (consolidated financial position) of the Group as at 31 March 2018, and their consolidated loss (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

#### Emphasis of Matters

9. We draw attention to:
  - a) Note 3.1 to the accompanying consolidated financial statements, which describes significant estimates and assumptions, including extension of the concession period, used by the management for determining recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 9,679.00 lacs and Rs. 18,027.12 lacs respectively as at 31 March 2018, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, Impairment of Assets. Basis this valuation the

management believes that no adjustment is required to the carrying value of the aforesaid cogeneration power plants.

- b) Note 7.1 to the accompanying consolidated financial statements, with respect to unbilled revenue relating to certain contracts which are still in progress aggregating to Rs. 8,381.36 lacs, recognised in the earlier years. Based on ongoing discussions / negotiations with the customers, management believes that these amounts are completely billable.
- c) Note 42.2 to the accompanying consolidated financial statements, which describes the uncertainty relating to the outcome of litigation pertaining to income tax matters pursuant to orders received by the Company against which management and the assessing authorities have filed appeals with the relevant Income Tax Authorities. The final outcome of these matters is presently unascertainable.
- d) Note 19.1 to the accompanying consolidated financial statements, which describes the uncertainty relating to utilisation of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/ vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Company will be able to avail the input tax credit for aforementioned matter.
- e) Note 48 to the accompanying consolidated financial statements, which describes that A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Varanasi) Limited and A2Z Waste Management (Moradabad) Limited, step-down subsidiaries of the Company, have incurred net losses during the year ended 31 March 2018 aggregating Rs. 109.01 lacs, Rs. 3,910.65 lacs and Rs. 621.62 lacs respectively and as of that date, has accumulated losses aggregating Rs. 768.50 lacs, Rs. 2,582.43 lacs and Rs. 984.79 lacs respectively which has resulted in complete erosion of their respective net-worth. Managements of the respective step-down subsidiaries are evaluating various options to revive operations of these companies, as further detailed in Note 48, basis which management is of the view that going concern basis of accounting is appropriate.

Our opinion is not modified in respect of above matters.

#### **Other Matters**

10. We did not audit the financial statements of thirty three subsidiaries and three branches, whose financial statements reflect total assets of Rs. 145,722.20 lacs and net assets of (Rs. 10,144.07) lacs as at 31 March 2018, total revenues of Rs. 43,014.44 lacs and net cash inflows amounting to Rs. 160.14 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports 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 branches, 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 and branches, is based solely on the reports of the other auditors.

Further, three branches are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such branches located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements / financial information certified by the management.

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

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information 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 Ind AS specified under Section 133 of the Act;
  - (f) The matters described in paragraph 9 of the Emphasis of Matters, in our opinion, may have an adverse effect on the functioning of the Holding Company;



- (g) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group companies, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- (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 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
  - (i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 42 to the consolidated financial statements.
  - (ii) provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, as detailed in Note 41.1 to the consolidated financial statements. The Company doesn't 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 covered under the Act;
  - (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November, 2016 to 30 December, 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this Clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
per **Neeraj Sharma**  
Partner

**Place : Gurugram**  
**Date : 29 May 2018**

Membership No.: 502103

## **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 ('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 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, 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, 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 31 March 2018, 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**

9. We did not audit the IFCoFR in so far as it relates to certain consolidated entities which are companies incorporated in India, whose financial statements reflect total assets Rs. 145,722.20 lacs as at 31 March 2018, total revenues of Rs. 43,014.44 lacs and net cash inflows amounting to Rs. 160.14 lacs for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, which are companies incorporated in India, under Section 143(3)(i) of the Act in so far 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**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Place : Gurugram**  
**Date : 29 May 2018**

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

# Consolidated Balance Sheet as at March 31, 2018

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

	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS:</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	3	27,818.79	29,185.54
Capital work-in-progress	3	30,879.67	38,387.57
Goodwill	4	4,291.98	4,977.90
Other intangible assets	4	19.73	67.26
Intangible assets under development	4	73.42	73.42
<b>Financial assets:</b>			
Investments	5	-	1.00
Loans	6	635.89	608.51
Other financial assets	7	2,954.27	2,644.92
Deferred tax assets (net)	8(a)	7,147.02	7,104.29
Non-current tax assets (net)	9	5,911.38	4,916.62
Other non-current assets	10	6,518.49	7,884.39
		<b>86,250.64</b>	<b>95,851.42</b>
<b>Current Assets:</b>			
Inventories	11	1,798.08	2,064.93
<b>Financial assets:</b>			
Trade receivables	12	130,916.48	133,305.51
Cash and cash equivalents	13	1,908.19	6,186.52
Other bank balances	14	1,016.30	1,316.75
Loans	6	609.50	1,266.77
Other financial assets	7	36,035.39	39,054.53
Other current assets	10	11,517.13	12,141.32
Assets held for sale	39	24,319.02	29,211.82
		<b>208,120.09</b>	<b>224,548.15</b>
		<b>294,370.73</b>	<b>320,399.57</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Equity share capital	15	17,611.99	14,494.95
Other equity		19,583.46	21,373.13
<b>Equity attributable to equity holders of the Company</b>			
Non-controlling interests		<b>37,195.45</b>	<b>35,868.08</b>
		(13,326.53)	(14,512.53)
<b>Total equity</b>		<b>23,868.92</b>	<b>21,355.55</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
<b>Financial liabilities:</b>			
Borrowings	16	36,702.77	46,485.39
Other financial liabilities	17	1,000.00	-
Long term provisions	18	399.21	362.91
Deferred tax liabilities (net)	8(b)	8.48	-
Other non-current liabilities	19	12,703.08	12,773.87
		<b>50,813.54</b>	<b>59,622.17</b>
<b>Current liabilities:</b>			
<b>Financial liabilities:</b>			
Borrowings	20	64,096.94	75,459.08
Trade payables	21	74,009.84	76,036.06
Other financial liabilities	17	54,556.15	71,160.48
Other current liabilities	19	26,042.17	15,751.18
Short term provisions	18	977.40	1,015.05
Current tax liabilities(net)	22	5.77	-
		<b>219,688.27</b>	<b>239,421.85</b>
		<b>294,370.73</b>	<b>320,399.57</b>

Notes 1 to 51 form an integral part of consolidated financial statements

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

For **Walker Chandiok & Co LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
per **Neeraj Sharma**  
Partner

Sd/-  
**Amit Mittal**  
Managing Director  
(DIN 00058944)

Sd/-  
**Rajesh Jain**  
Whole Time Director & CEO  
(DIN 07015027)

Place : Gurugram  
Date : May 29, 2018

Sd/-  
**G R Nagendran**  
Chief Financial Officer

Sd/-  
**Atul Kumar Agarwal**  
Company Secretary

## Consolidated Statement of Profit and Loss for the Year ended March 31, 2018

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

	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Revenue:</b>			
Revenue from operations	23	70,853.82	99,550.84
Other income	24	4,310.47	3,773.05
<b>Total revenue</b>		<b>75,164.29</b>	<b>103,323.89</b>
<b>Expenses:</b>			
Cost of materials consumed	25	35,817.12	56,340.53
Purchases of stock-in-trade	26	2,602.17	4,996.99
Changes in inventories	27	294.55	(145.68)
Employee benefits expense	28	26,501.06	25,280.45
Finance costs	29	20,599.69	20,053.32
Depreciation and amortisation expenses	30	3,264.75	4,307.91
Other expenses	31	8,149.34	6,980.62
<b>Total expenses</b>		<b>97,228.68</b>	<b>117,814.14</b>
<b>Loss before exceptional items and tax</b>		<b>(22,064.39)</b>	<b>(14,490.25)</b>
Exceptional items	43	13,557.23	(9,877.58)
<b>Loss before tax</b>		<b>(8,507.16)</b>	<b>(24,367.83)</b>
<b>Tax expense</b>	32		
Current tax		190.85	237.67
Tax expense/(reversal) relating to prior years		1.39	(3.78)
Deferred tax charge		45.01	5,968.30
<b>Loss for the year</b>		<b>(8,744.41)</b>	<b>(30,570.02)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit and loss in subsequent period</b>			
Remeasurement of defined benefit obligations		71.26	57.44
		<b>71.26</b>	<b>57.44</b>
<b>Total comprehensive income for the year (comprising loss and other comprehensive income)</b>		<b>(8,673.15)</b>	<b>(30,512.58)</b>
<b>Loss is attributable to:</b>			
Equity holders of the Company		(11,060.39)	(26,552.83)
Non-controlling interests		2,315.98	(4,017.19)
<b>Other comprehensive income is attributable to:</b>			
Equity holders of the Company		53.97	29.97
Non-controlling interests		17.29	27.47
<b>Total comprehensive income is attributable to:</b>			
Equity holders of the Company		(11,006.42)	(26,522.86)
Non-controlling interests		2,333.27	(3,989.72)
<b>Loss per equity share :</b>	33		
(Nominal value of shares INR 10)			
Basic		(7.41)	(20.50)
Diluted		(7.41)	(20.50)

**Notes 1 to 51 form an integral part of 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**  
Chartered Accountants

Sd/-  
per **Neeraj Sharma**  
Partner

**For and on behalf of the Board of Directors**

Sd/-  
**Amit Mittal**  
Managing Director  
(DIN 00058944)

Sd/-  
**Rajesh Jain**  
Whole Time Director & CEO  
(DIN 07015027)

Place : Gurugram  
Date : May 29, 2018

Sd/-  
**G R Nagendran**  
Chief Financial Officer

Sd/-  
**Atul Kumar Agarwal**  
Company Secretary

## Consolidated Statement of Changes in Equity for the year ended March 31, 2018

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

	Note No.	Number of shares	Amount
<b>A. Equity share capital:</b>			
<b>Issued, subscribed and fully paid up</b>			
Equity shares of INR 10 each			
<b>Balance as at April 1, 2016</b>	15	<b>126,893,980</b>	<b>12,689.40</b>
Issue of equity share capital		18,055,489	1,805.55
<b>Balance as at March 31, 2017</b>	15	<b>144,949,469</b>	<b>14,494.95</b>
Issue of equity share capital		31,170,389	3,117.04
<b>Balance as at March 31, 2018</b>	15	<b>176,119,858</b>	<b>17,611.99</b>
<b>B. Other equity:</b>			
Attributable to equity shareholders of the Company			
		Reserves and Surplus	
		Money received against share warrants	
		Securities premium account	
		Capital reserve	
		General reserve	
		Employee stock option plan reserve	
		Retained earnings	
		Total other equity	
		Non-controlling interests	
		Total	
<b>Balance as at April 1, 2016</b>		<b>890.50</b>	<b>78,233.13</b>
Loss for the year		-	-
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>
Transfer from Employee stock option plan reserve on lapse		-	-
Transfer from Employee stock option plan reserve on exercise		-	143.69
Transactions with owners in their capacity as owners:			
Other adjustment in retained earnings		-	-
Employee stock option plan (ESOP) expense		-	-
Received during the year against issue of share warrants		2,671.49	-
Tax on proposed preference dividend		-	-
Adjustment on account of further acquisition / dilution in subsidiaries		-	-
Share of non-controlling interest on change of holding		-	-
Adjusted/received during the year against issue of equity shares		(3,561.99)	2,022.70
<b>Balance as at March 31, 2017</b>		<b>-</b>	<b>80,399.52</b>
Loss for the year		-	-
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>
Transfer from Employee stock option plan reserve on lapse		-	-
Transfer from Employee stock option plan reserve on exercise		-	106.50
Adjustment on account of disposal of subsidiary (Refer Note 44)		-	-
Expenses for increase in authorised share capital		-	-
Transactions with owners in their capacity as owners:			
Employee stock option plan (ESOP) expense		-	-
Issue of equity shares		-	9,080.54
<b>Balance as at March 31, 2018</b>		<b>-</b>	<b>89,586.56</b>

Notes 1 to 51 form an integral part of consolidated financial statements

This is the consolidated statement of changes in equity referred to in our report of even date.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Sd/-

per **Neeraj Sharma**  
Partner

For and on behalf of the Board of Directors

Sd/-

**Amit Mittal**  
Managing Director  
(DIN 00058944)

Sd/-

**G R Nagendran**  
Chief Financial Officer

Sd/-

**Rajesh Jain**  
Whole Time Director & CEO  
(DIN 07015027)

Sd/-

**Atul Kumar Agarwal**  
Company Secretary

Place : Gurugram

Date : May 29, 2018

## Consolidated Cash flow statement for the year ended March 31, 2018

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

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>A Cash flow from operating activities</b>		
Net loss before tax and non-controlling interest (after exceptional items)	<b>(8,507.16)</b>	<b>(24,367.83)</b>
<b>Adjustments :</b>		
Exceptional items	(13,557.23)	9,877.58
Depreciation and amortisation expense	3,264.75	4,307.91
Interest expense	19,880.44	19,367.19
Interest income	(536.16)	(1,077.38)
Loss on sale of property, plant and equipment	130.83	117.12
Provision for contract revenue in excess of billing	242.29	93.79
Provision for impairment in value of current investment	1.00	231.29
Provision for bad and doubtful advances	1,240.36	-
Provision for bad and doubtful debts	947.49	1,701.63
Reversal of warranty expenses	(46.69)	(23.08)
Unrealised foreign exchange fluctuation loss	(4.75)	(314.78)
Advances/ earnest money deposit written off	76.16	109.59
Liability written back	(2,936.59)	(815.19)
Allowance for write-down of inventories to net realisable value	384.84	-
Bad debts written off	61.96	43.52
Actuarial gain/ loss on gratuity	71.26	57.44
Recognition of share based payments at fair value	196.22	169.53
Subsidy amortised	(698.31)	(1,125.75)
Rental Income	(11.58)	(62.67)
<b>Operating profit before working capital changes</b>	<b>199.13</b>	<b>8,289.91</b>
<b>Changes in working capital:</b>		
Changes in inventories	215.99	1,070.73
Change in trade receivables	1,670.29	(21,077.11)
Changes in loans	(99.19)	(239.28)
Changes in other financial assets	(7,842.00)	18,383.44
Changes in other assets	(897.83)	(2,624.98)
Changes in trade payable	(3,146.13)	(511.84)
Changes in other financial liabilities	964.30	(1,675.69)
Changes in other liabilities	13,676.47	5,107.71
Changes in provisions	27.37	226.77
<b>Net changes in working capital:</b>	<b>4,569.27</b>	<b>(1,340.25)</b>
<b>Net cash generated from operations</b>	<b>4,768.40</b>	<b>6,949.66</b>
Current taxes paid (net of refunds)	(1,221.68)	(305.86)
<b>Net cash generated from operating activities</b>	<b>3,546.72</b>	<b>6,643.80</b>

## Consolidated Cash flow statement for the year ended March 31, 2018

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

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress)	(670.04)	(1,622.73)
Purchase of intangible asset	(0.66)	-
Proceeds from sale of Property, plant and equipment	71.55	810.80
Purchase of investment in subsidiaries	-	(0.01)
Proceeds from sale of subsidiary (Refer Note 44)	57.64	-
Fixed deposits matured / (placed) - (net)	72.00	(334.46)
Rental Income	11.58	62.67
Interest received	836.07	1,158.62
<b>Net cash generated from investing activities</b>	<b>378.14</b>	<b>74.89</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital	89.40	915.05
Proceeds from securities premium	58.18	2,022.70
Expenses for increase in authorised share capital	(60.00)	-
Redemption of debentures	-	(13,000.00)
(Repayment of)/ Proceeds from long term borrowings (net)	(3,292.94)	13,424.15
(Repayment of)/ Proceeds from short term borrowings (net)	(393.92)	5,373.28
Interest paid	(4,603.91)	(10,391.78)
<b>Net cash used in financing activities</b>	<b>(8,203.19)</b>	<b>(1,656.60)</b>
<b>Net decrease in cash and cash equivalents ( A+B+C)</b>	<b>(4,278.32)</b>	<b>5,062.09</b>
Cash and cash equivalents at the beginning of the year	6,186.52	1,124.43
<b>Cash and cash equivalents at the end of the year</b>	<b>1,908.20</b>	<b>6,186.52</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement.</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Cash and cash equivalents as per above comprises of the following :		
a. Cash in hand	5.04	10.23
b. Balances with banks		
- in current account	1,730.11	6,077.51
- cheques in hand	100.00	-
- in fixed deposit account (less than 3 month maturity)	73.04	98.78
	<b>1,908.19</b>	<b>6,186.52</b>

**Note:** All figures in brackets are outflows.

**Notes 1 to 51 form an integral part of consolidated financial statements**

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Sd/-

per **Neeraj Sharma**  
Partner

For and on behalf of the Board of Directors

Sd/-

**Amit Mittal**  
Managing Director  
(DIN 00058944)

Sd/-

**Rajesh Jain**  
Whole Time Director & CEO  
(DIN 07015027)

Sd/-

**G R Nagendran**  
Chief Financial Officer

Sd/-

**Atul Kumar Agarwal**  
Company Secretary

Place: Gurugram

Date : May 29, 2018



## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

### **Note 1 : CORPORATE INFORMATION**

A2Z Infra Engineering 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 includes supply, erection and maintenance of electrical transmission lines including laying and maintenance of Optic Fiber Cable (OFC) 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 and
- iv) Technology based facility management services

### **SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

#### **1.1 Statement of compliance**

These financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies act, 2013 ("The Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 issued by Ministry of Corporate Affairs ('MCA'). All other relevant provisions of the Act, as amended, are also complied with in these financial statements. The Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements").

#### **1.2 Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Consolidated Financial Statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant judgments and areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

#### **Significant management judgements**

The significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements are as follows:

- **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets** - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Evaluation of whether an arrangement contains a lease** - The Group has entered into certain arrangement for municipal solid waste management. In such contracts, it was evaluated whether the arrangement contains a lease based on whether an item of property, plant and equipment is specifically identifiable and whether the arrangement contains a right to use such asset.
- **Classification of leases** - The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of

## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

### Estimation uncertainty

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

- **Recoverability of advances/ receivables** – At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.
- **Classification of assets and liabilities into current and non-current** – The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities.
- **Warranty provision** – The management makes estimate of costs that would be incurred with respect to warranties given on products. The provision requires use of several estimates based on past data and expectations of future.
- **Impairment of assets** – In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.
- **Useful lives of depreciable / amortisable assets (Property, plant and equipment and intangible)** - Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.
- **Revenue recognition** – The Group uses the percentage completion method in accounting for its revenue from construction services. The use of percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.
- **Contract Estimates** – The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) Consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) Price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- **Recoverability of claims** – The Group has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.
- **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available.

### 1.3 Significant accounting policies

#### a) Principles of consolidation

##### Subsidiary

The consolidated financial statements include the financial statements of the Company and all its subsidiaries, over which the group has control. The group controls an entity when the group is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to effect those returns through its power to direct the relevant activities of the entity.

## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Accounting policy of the subsidiaries have been changed where necessary to ensure consistency with the policy adopted by the group. 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.

### Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

In case of joint operations, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

On the other hand, interests in joint ventures are accounted for using the equity method.

### b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and including taxes or duties collected on behalf of the government, trade allowances, rebates, etc.

#### 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 Ind AS 11, "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 financial 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 Group collects sales taxes, value added taxes (VAT) and goods and service tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. As such they are excluded from the amount recognised as revenue.

#### v. Interest

Interest income is recognised on effective interest rate method, as further discussed in note- g below.

## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

### vi. Dividends

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

### c) Foreign currencies and operations

#### *Initial recognition*

The Group's financial statements are presented in INR, which is also the Parent Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

#### *Measurement at the balance sheet date*

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### *Treatment of exchange difference*

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

#### *Translation of foreign operations*

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the INR are translated into INR upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into INR at the closing rate at the reporting date. Income and expenses have been translated into INR at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

### d) Property, plant and equipment (PPE)

#### i. Initial recognition

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses.

When significant components of property and equipment are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation as if these components are initially recognized as separate asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in profit or loss as incurred.

#### ii. Subsequent measurement

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for leasehold land which is amortised over the lease term on straight line basis.

Particulars	Useful life (Straight line method)
Building	10-60 years
Office equipment	5 years
Plant and equipment	8-25 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 method, useful life and residual value are reviewed periodically.

## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within 'other income' or 'other expenses' respectively.

### e) Intangible assets

Intangible asset include Computer software which is stated at cost less accumulated amortisation. This software is amortised on a straight line basis over the estimated useful life of five to six years, as determined by the management.

### f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### i. Where the Group is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Interest free deposits for leases are financial assets and measured at amortised cost under Ind AS 109. The difference between the present value and the nominal value of deposit is considered as prepaid rent and amortised over the lease term.

#### ii. Where the Group is lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### g) Financial instruments

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

#### i. Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (1)

## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

the Group has transferred substantially all the risks and rewards of the asset, or (2) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### ii. Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Debt instruments at Amortised cost
- Debt instruments at Fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at Fair value through profit or loss (FVTPL)
- Equity instruments measured at Fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at Fair value through profit or loss (FVTPL)

#### ☐ Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### ☐ Debt instruments at fair value through other comprehensive income

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### ☐ Debt instruments at fair value through profit or loss

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### ☐ Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.



## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

### iii. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and the application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### iv. Classification and subsequent measurement of financial liabilities

All financial liabilities are recognised initially at its fair value adjusted by directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

#### ☐ Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

The Group has not designated any financial liability as at fair value through profit and loss.

#### ☐ Financial liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### h) Equity shares

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### i) Reserve and surplus

Nature and purpose of reserves;

#### ii) General reserve

General reserves can be used for the purpose and as per guidelines in the Companies Act, 2013.

#### iii) Securities premium reserve

Securities premium is used to record the premium on issue of shares or debentures. The reserve will be utilised in accordance with the provisions of the Act.

#### iii) Net gain on fair value of defined benefit plans

The Group have recognised remeasurement gains/ (loss) on defined benefit plans in Other Comprehensive Income (OCI). These changes are accumulated within the OCI reserve within other equity. The Group transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

### iv) Employee stock option plan reserves

The Company has four type of Option scheme under which options to subscribe for the Company's share have been granted to certain employees. The Employee Stock Option Plan Reserves is used to recognise the value of equity settled share based payments provided to employees. Refer to note 28.2 for further details of these plans.

### v) Capital reserves

It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business combination in earlier years.

### j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### k) Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### l) Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

### m) Fair value measurement

The Group measures financial instruments at fair value on initial recognition

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### n) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of:-

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### o) Impairment of non-financial assets

The Group 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

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 group of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair

## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

### p) 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.

### q) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and

- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

### r) Provisions, contingent liabilities and contingent assets

A provision is recognised when:

- The Group has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The Group does not recognise contingent liabilities but it is disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent asset is not recognised in the financial statements.

### s) Employee benefits

#### i. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognised at actual amounts due in the period in which the employee renders the related service.

## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

### ii. Post-employment benefits

1. **Defined contribution plans:** The Group makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.
2. **Defined benefit plans:** The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.  
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.  
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.
3. **Other long-term employee benefits:** Other long-term employee benefits is recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Group determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

### t) Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred. Also, the effective interest rate (EIR) amortization is included in finance costs.

### u) Earnings per share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

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

### v) Segment reporting

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 Group has four operating/reportable segments, i.e., engineering services, Power generation projects, Facility Management Services, Municipal Solid Waste Management, and others represents trading of goods and renting of equipment's.

The operating segments are managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

No asymmetrical allocations have been applied between segments

### w) Share based payments

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions

## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018

are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

### x) Current/non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### y) Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### z) Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

## 1.4 Standards issued but not yet effective

### Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018.

The Company do not expect that the adoption of the amendments to the standards will have an impact on the financial statements of the Company.

### Ind AS 115, Revenue with Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:-

**Retrospective approach-** Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

**Retrospectively with cumulative effect** of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and its impact on the financial statements.



**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 3 : PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS**

Details of the Group's property, plant and equipment and their carrying amounts are as follows:

	Freehold land	Leasehold improvement	Computers	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Tools and equipment	Office equipment	Total	Capital work in progress
<b>Gross carrying amount:</b>											
Balance as at April 1, 2016	1,008.32	73.47	1,026.48	17,502.64	27,303.82	552.07	12,353.42	2,311.73	895.63	63,027.58	60,265.97
Additions	-	-	5.86	2,365.83	446.26	20.25	239.32	-	1.71	3,079.23	839.26
Assets classified as held for sale (Refer Note 39)	(158.81)	-	(9.55)	(7,906.24)	(5,762.23)	(33.11)	(2,619.13)	(94.86)	(88.74)	(16,672.67)	(14,642.79)
Disposals/adjustment	-	-	(50.72)	-	(1,118.15)	-	(419.91)	-	-	(1,588.78)	(2,193.66)
Balance as at March 31, 2017	849.51	73.47	972.07	11,962.23	20,869.70	539.21	9,553.70	2,216.87	808.60	47,845.36	44,268.78
Additions	-	-	1.39	-	289.90	1.05	43.29	10.70	20.59	366.92	918.65
Reclassified from assets held for sale (Refer Note 39)	-	-	3.44	2,736.03	967.81	1.67	76.78	-	9.51	3,795.24	-
Disposals/adjustment	(38.11)	-	(0.09)	-	(23.24)	-	(539.67)	-	-	(601.11)	(5,576.55)
Disposal of subsidiary (Refer Note 44)	(95.25)	-	(4.94)	(226.81)	(334.09)	(3.89)	(21.54)	-	(0.87)	(687.39)	-
Balance as at March 31, 2018	716.15	73.47	971.87	14,471.45	21,770.08	538.04	9,112.56	2,227.57	837.83	50,719.02	39,610.88
<b>Depreciation and impairment:</b>											
Balance as at April 1, 2016	-	73.47	1,000.07	1,949.15	6,224.15	363.05	7,487.16	1,829.21	828.57	19,754.83	-
Depreciation**	-	-	18.61	682.53	1,771.11	42.50	1,553.19	228.71	50.55	4,347.20	-
Impairment (Refer Note 3.1)	-	-	-	228.11	729.33	-	0.81	-	-	958.25	5,881.21
Assets classified as held for sale (Refer Note 39)	-	-	(9.55)	(1,168.78)	(2,413.36)	(23.32)	(1,940.33)	(94.86)	(88.50)	(5,738.70)	-
Disposals/adjustment	-	-	(50.40)	-	(312.24)	-	(298.44)	-	(0.68)	(661.76)	-
Balance as at March 31, 2017	-	73.47	958.73	1,691.01	5,998.99	382.23	6,802.39	1,963.06	789.94	18,659.82	5,881.21
Depreciation**	-	-	7.65	523.29	1,425.71	37.46	1,133.50	156.71	12.01	3,296.33	-
Impairment (Refer Note 3.1)	-	-	-	154.73	494.72	-	0.55	-	-	650.00	2,850.00
Reclassified from assets held for sale (Refer Note 39)	-	-	3.44	439.76	351.48	1.51	57.19	-	9.39	862.77	-
Disposals/adjustment	-	-	(0.10)	-	(12.44)	-	(386.19)	-	-	(398.73)	-
Disposal of subsidiary (Refer Note 44)	-	-	(4.87)	(38.48)	(110.25)	(1.99)	(13.60)	-	(0.77)	(169.96)	-
Balance as at March 31, 2018	-	73.47	964.85	2,770.31	8,148.21	419.21	7,593.84	2,119.77	810.57	22,900.23	8,731.21
<b>Net carrying amount:</b>											
Balance as at March 31, 2018	716.15	-	7.02	11,701.14	13,621.87	118.83	1,518.72	107.80	27.26	27,818.79	30,879.67
Balance as at March 31, 2017	849.51	-	13.34	10,271.22	14,870.71	156.98	2,751.31	253.81	18.66	29,185.54	38,387.57

\*\* Current year depreciation includes INR 79.49 lacs (March 31, 2017 INR 107.03 lacs) which has been carried under capital work in progress.

**Note 3.1: Impairment**

The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Build, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2018, 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.

The management had filed a writ petition with the High Court of Punjab and Haryana for the extension of the concession period wherein the Hon'ble Court has directed the sugar mills, vide its order dated March 23, 2017, to consider the request made by the Company for the extension within a period of 3 months. Additionally, the Company has also initiated arbitration proceedings with the sugar mills for the extension. 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. Management carried out an impairment assessment and has recorded an impairment of INR 3,500.00 lacs (March 31, 2017 INR 6,839.46 lacs) in carrying value of these assets during the year ended March 31, 2018. Accordingly, management believes that the estimates of the useful lives are reasonable and no further material adjustments to the carrying value of these plants are necessary. Out of the aforementioned impairment amounting to INR 3,500.00 lacs (March 31, 2017 INR 6,839.46 lacs), INR 2,850.00 lacs (March 31, 2017 INR 5,881.21 lacs) pertains to, two power plants, which were yet to be capitalised and INR 650.00 lacs (March 31, 2017 INR 958.25 lacs) is for power plant which has already been capitalised. This has been recognised in the statement of profit and loss under the head exceptional item during the year ended March 31, 2018. The recoverable amount of INR 27,706.12 lacs as at March 31, 2018 (March 31, 2017 INR 32,091.86 lacs) of all three cogeneration power plants is based on value in use and

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

determined at the level of the Cash Generating Unit (CGU). The CGU consisted of assets relating to the power plant, and the cash flows of the CGU are discounted at a rate of 16.28% (March 31, 2017 13.80%) on a post-tax basis.

**Note 3.2: Contractual commitments**

The amount of contractual commitments for the purchase of property, plant and equipment (including capital work in progress is disclosed in Note 42(b)).

**Note 3.3:** Property, plant and equipment are pledged as collateral for borrowings from banks (Refer Note 16 and Note 20).

**Note 3.4: Capital work in progress**

Assets under construction comprises of expenditure for the power plant in the course of construction. The amount of expenditure recognised in carrying amount of capital work in progress are as under.

	As at March 31, 2018	As at March 31, 2017
Buildings under construction	3,030.86	7,186.99
Power plant equipment's under erection	32,064.73	27,214.51
Borrowing costs capitalised	9,263.88	13,295.09
Other expenses (directly attributable to construction/erection of assets)		
Employee benefit expense	3,039.55	3,561.19
Depreciation	540.36	904.34
Other directly attributable expenses (including trial/test run expenses)	6,761.81	7,570.10
Less:- Revenue recognised during trial run period	(447.52)	(447.52)
Less:- Impairment (Refer Note 3.1)	(8,731.21)	(5,881.21)
Less:- Classified as held for sale (Refer Note 39)	(14,642.79)	(14,642.79)
Less:- Others	-	(373.13)
<b>Total</b>	<b>30,879.67</b>	<b>38,387.57</b>

**Note 4 : OTHER INTANGIBLE ASSETS**

Details of the Group's other intangible assets and their carrying amounts are as follows:

	Computer Software	Intangibles assets under development*	Goodwill (Refer Note 4.4)
<b>Gross carrying amount:</b>			
<b>Balance as at April 1, 2016</b>	<b>874.74</b>	<b>73.42</b>	<b>4,978.80</b>
Additions	4.93	-	-
Disposals/adjustment	-	-	(0.90)
<b>Balance as at March 31, 2017</b>	<b>879.67</b>	<b>73.42</b>	<b>4,977.90</b>
Additions	0.66	-	-
Disposals/adjustment	-	-	(685.92)
Disposal of subsidiary (Refer Note 44)	(0.61)	-	-
<b>Balance as at March 31, 2018</b>	<b>879.72</b>	<b>73.42</b>	<b>4,291.98</b>
<b>Amortisation and impairment:</b>			
<b>Balance as at April 1, 2016</b>	<b>744.67</b>	-	-
Amortisation	67.74	-	-
Disposals/adjustment	-	-	-
<b>Balance as at March 31, 2017</b>	<b>812.41</b>	-	-
Amortisation	47.91	-	-
Disposal of subsidiary (Refer Note 44)	(0.33)	-	-
<b>Balance as at March 31, 2018</b>	<b>859.99</b>	-	-
<b>Net carrying amount:</b>			
<b>Balance as at March 31, 2018</b>	<b>19.73</b>	<b>73.42</b>	<b>4,291.98</b>
<b>Balance as at March 31, 2017</b>	<b>67.26</b>	<b>73.42</b>	<b>4,977.90</b>

\* Intangible assets under development includes software under implementation.

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 4.1:** The Group does not have any outstanding contractual commitments to purchase any items of intangible assets

**Note 4.2:** Additions do not include any internally generated assets.

**Note 4.3:** Intangible assets are pledged as collateral for borrowings from banks/ financial institutions (Refer Note 16 and Note 20).

**Note 4.4: Impairment testing of goodwill:**

Goodwill acquired through business combinations has been allocated to the four cash generating units (CGU) below, which are also operating and reportable segments, for impairment testing:

- (i) Facility management services (FMS)
- (ii) Power generation projects (PGP)
- (iii) Municipal solid waste management (MSW)
- (iv) Others

Carrying amount of goodwill allocated to each CGUs are as under;

	As at March 31, 2018	As at March 31, 2017
(i) Facility management services (FMS)	3,578.10	3,578.10
(ii) Power generation projects (PGP)	0.12	0.12
(iii) Municipal solid waste management (MSW)	0.75	0.75
(iv) Others	713.01	1,398.93
	<b>4,291.98</b>	<b>4,977.90</b>

The Group performed its annual impairment test for years ended March 31, 2018. The Group considers the relationship between recoverable value which is calculated based on future discounted cash flows / net sale price, as applicable and its book value, among other factors, when reviewing for indicators of impairment. As at March 31, 2018, the recoverable amount of the CGUs are higher than the book value of its equity, hence, impairment is not required. Detailed CGU wise evaluation of impairment testing has been explained as under;

**Facility management services (FMS)**

The recoverable amount of this segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The discount rate is a post-tax measure estimated based on the weighted-average cost of capital.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter.

**Growth rates:** The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports ranging from 8 % to 10 %.

**Discount rates:** Management estimates discount rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC) of around 17.62% (March 31, 2017 18.88%).

Management's key assumptions include stable profit margins, based on past experience in this market. The Group's management believes that this is the best available input for forecasting this mature market. Cash flow projections reflect stable profit margins achieved immediately before the budget period. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

**Others (trading of goods, renting of equipment's, manufacturing of electrical equipment and operation and maintenance services)**

The recoverable amount of this segment is based on fair value less costs to sell, estimated using valuation techniques. For the purpose of valuation, cost approach has been used to determine the value of subject land / buildings. Value in land and building is created by utility of the land and building and capacity to satisfy the needs and wants.

The value of land represents the value in exchange where the valuation of land and development reflects the value in exchange and the additional return for development of the land on account of holding cost, construction execution risk and operating risk for running and maintaining the property. The contributions to the valuation of land parcels are derived from general uniqueness of the land, age of the construction, location of the land, relatively limited supply, heritage value of the property and specific utility of a given site.

Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	As at March 31, 2017
<b>Note 5 : INVESTMENTS</b>		
<b>Carrying amount</b>		
<b>Investments in equity instruments</b>		
In fully paid-up equity shares :		
Nil (March 31, 2017 10,000) equity shares of INR 10 each, fully paid up in A2Z Anaraeobic Digestion Limited	-	1.00
<b>Total</b>	-	<b>1.00</b>
Aggregate amount of unquoted investments	-	<b>1.00</b>
Aggregate amount of impairment in value of investment	-	-

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
<b>Note 6 : LOANS</b>				
[Unsecured considered good, unless otherwise stated]				
Security deposits				
Considered good	521.72	635.89	743.54	608.51
Considered doubtful	178.77	-	-	-
Less: Provision for doubtful assets	(178.77)	-	-	-
	<b>521.72</b>	<b>635.89</b>	<b>743.54</b>	<b>608.51</b>
Loan to employees	19.35	-	56.41	-
Loans to others	43.00	-	-	-
Interest accrued but not due from others	25.43	-	336.68	-
Interest accrued on fixed deposits	-	-	11.10	-
Other	-	-	119.04	-
<b>Total</b>	<b>609.50</b>	<b>635.89</b>	<b>1,266.77</b>	<b>608.51</b>

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
<b>Note 7 : OTHER FINANCIAL ASSETS</b>				
[Unsecured, considered good unless otherwise stated]				
Deferred purchase consideration against sale of investment				
Considered doubtful	-	146.00	-	146.00
Less: Provision for doubtful assets	-	(146.00)	-	(146.00)
	-	-	-	-
Earnest money deposit with customers				
Considered good	5,044.76	141.48	560.72	151.64
Considered doubtful	100.00	-	112.12	-
Less: Provision for doubtful earnest money deposit	(100.00)	-	(112.12)	-
	<b>5,044.76</b>	<b>141.48</b>	<b>560.72</b>	<b>151.64</b>
Other assets				
Considered good*	5,316.50	503.82	4,275.64	289.10
Considered doubtful	260.29	99.00	446.05	-
Less: Provision for doubtful assets	(260.29)	(99.00)	(446.05)	-
	<b>5,316.50</b>	<b>503.82</b>	<b>4,275.64</b>	<b>289.10</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Contract revenue in excess of billing (Refer Note 7.1 and Note 43)	26,875.48	-	36,144.98	-
Less: Provision for doubtful assets	(1,713.99)	-	(2,417.01)	-
	<b>25,161.49</b>	-	<b>33,727.97</b>	-
Subsidy receivable (Refer Note 19.2)	490.20	-	490.20	-
Interest accrued on fixed deposits	22.44	-	-	-
Contract cost	-	-	-	5.53
Bank deposits with more than 12 months maturity **	-	2,308.97	-	2,198.65
<b>Total</b>	<b>36,035.39</b>	<b>2,954.27</b>	<b>39,054.53</b>	<b>2,644.92</b>

\*Includes amount due from a director of the Company- Mr. Amit Mittal (Refer Note 35.3) 124.93 - 127.43 -

\*\* Held as margin money against bank guarantee and letter of credit and as debt service reserve account against term loan from banks.

**Note 7.1:** Contract revenue in excess of billing amounting INR 8,381.36 lacs (March 31, 2017 INR 12,759.95 lacs), 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 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 discussion with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to recover the amounts owing to completion of certain administrative and contractual matters, the current provision being carried in the books is adequate and no further material adjustments are considered necessary in respect of above balances.

	As at March 31, 2018	Credit/ (Charge) to statement of profit and loss	Disposal of subsidiary (Refer Note 44)	As at March 31, 2017	Credit/ (Charge) to statement of profit and loss	As at March 31, 2016
<b>Note 8 : DEFERRED TAX</b>						
<b>a) Deferred tax assets (net)</b>						
<b>Deferred tax liabilities</b>						
Depreciation	503.49	(150.13)	44.73	698.35	(136.04)	834.39
Provision for upfront costs on borrowings	-	(21.16)	-	21.16	7.45	13.71
	<b>503.49</b>	<b>(171.29)</b>	<b>44.73</b>	<b>719.51</b>	<b>(128.59)</b>	<b>848.10</b>
<b>Deferred tax assets</b>						
Unabsorbed loss and depreciation**	101.46	40.41	-	61.05	(6,862.05)	6,923.10
Provision for doubtful advances and other receivables	1,478.56	429.25	-	1,049.31	204.43	844.88
Provision for doubtful debts and unbilled receivables	5,223.68	(654.28)	-	5,877.96	413.89	5,464.07
Other provisions for expense allowance on payment basis under income tax act(net)	828.00	(7.48)	-	835.48	146.84	688.64
MAT credit entitlement	18.81	-	-	-	-	-
	<b>7,650.51</b>	<b>(192.10)</b>	<b>-</b>	<b>7,823.80</b>	<b>(6,096.89)</b>	<b>13,920.69</b>
<b>Total</b>	<b>7,147.02</b>	<b>(20.81)</b>	<b>44.73</b>	<b>7,104.29</b>	<b>(5,968.30)</b>	<b>13,072.59</b>

Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	Credit/ (Charge) to statement of profit and loss	Disposal of subsidiary (Refer Note 44)	As at March 31, 2017	Credit/ (Charge) to statement of profit and loss	As at March 31, 2018
<b>b) Deferred tax liabilities (net)</b>						
<b>Deferred tax liabilities</b>						
Depreciation	52.25	52.25	-	-	-	-
	<b>52.25</b>	<b>52.25</b>	-	-	-	-
<b>Deferred tax assets</b>						
Unabsorbed loss and depreciation**	27.80	27.80	-	-	-	-
Expenditure debited to statement of profit and loss in the current year but allowable for tax purposes in the following years	0.25	0.25	-	-	-	-
MAT credit entitlement	15.72	-	-	-	-	-
	<b>43.77</b>	<b>28.05</b>	-	-	-	-
<b>Total</b>	<b>8.48</b>	<b>(24.20)</b>	-	-	-	-

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 9 : NON-CURRENT TAX ASSETS (NET)</u></b>		
Advance tax (net of provision)	5,911.38	4,916.62
<b>Total</b>	<b>5,911.38</b>	<b>4,916.62</b>

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
<b><u>Note 10 : OTHER ASSETS</u></b>				
[Unsecured, considered good unless otherwise stated]				
Capital advances				
Considered good	-	6,147.77	-	7,556.07
Considered doubtful	-	21.41	-	21.41
Less: Provision for doubtful advances	-	(21.41)	-	(21.41)
	-	<b>6,147.77</b>	-	<b>7,556.07</b>
Other advances				
Considered good	2,855.03	-	4,710.38	-
Considered doubtful	1,590.82	-	567.54	-
Less: Provision for doubtful advances	(1,590.82)	-	(567.54)	-
	<b>2,855.03</b>	-	<b>4,710.38</b>	-
Prepaid expenses	380.60	109.36	10.41	76.13
MAT credit entitlement	-	-	34.53	-
Balances with government authorities	8,281.50	261.36	7,386.00	252.19
<b>Total</b>	<b>11,517.13</b>	<b>6,518.49</b>	<b>12,141.32</b>	<b>7,884.39</b>



**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 11 : INVENTORIES</u></b>		
[Valued at lower of cost or net realisable value]		
Project stores and spares (including material in transit of INR 14.24 lacs (March 31, 2017 Nil)	409.39	827.61
Raw material	-	188.27
Work-in progress	-	8.72
Finished goods	1,388.69	1,040.33
<b>Total</b>	<b>1,798.08</b>	<b>2,064.93</b>

**Note 11.1 :** Inventories with a value of INR 784.90 (March 31, 2017 INR 765.66 lacs) are carried at lower of cost or net realisable value, this being lower than cost. During the year ended March 31, 2018, INR 2,813.46 lacs (March 31, 2017 INR 440.77 lacs) was charged to the statement of profit and loss for decrease in net realisable value.

**Note 11.2:** Inventories of INR 1,798.08 (March 31, 2017 INR 2,064.93 lacs) are pledged as collateral for borrowings from banks (Refer Note 16 and Note 20).

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 12 : TRADE RECEIVABLES</u></b>		
<b>Trade receivables - (Unsecured):</b>		
From other than related parties		
Considered good	124,602.86	126,233.66
Considered doubtful	11,035.04	10,696.53
	<b>135,637.90</b>	<b>136,930.19</b>
From related parties		
Considered good	6,313.62	7,071.85
Considered doubtful	4,403.36	4,081.86
	<b>10,716.98</b>	<b>11,153.71</b>
Less: Allowances for doubtful debts (Refer Note 12.1)	(15,438.40)	(14,778.39)
<b>Total</b>	<b>130,916.48</b>	<b>133,305.51</b>

**Note 12.1 :** The movements in the allowance for doubtful debts is presented below:

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Balance as at the beginning of the year</b>	<b>14,778.39</b>	<b>13,740.41</b>
Changes in provision		
Additional Provision	947.49	1,701.63
Reversal of Provision	(287.48)	(663.65)
<b>Balance as at the end of the year</b>	<b>15,438.40</b>	<b>14,778.39</b>

**Note 12.2 :** All trade receivables are short-term. The effect of any difference between the effective interest rate applied and the estimated current market rate is not significant. Allowance for credit losses has been recorded accordingly within other expenses, and is based on the expected credit loss methodology. The doubtful trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

**Note 12.3 :** Trade receivables include retention money of INR 61,188.54 lacs (March 31, 2017 INR 65,442.70 lacs) which are due on completion of erection / contracts / final acceptance by the customer. The management is confident of recovering these amounts upon erection / contract completion.

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 12.4 :** Trade receivables include, in case of A2Z Green Waste Management Limited (the subsidiary company), an outstanding recoverable of INR 762.66 lacs (March 31, 2017 INR 762.66 lacs) being receivable from a customer for collection and transportation of municipal solid waste. The subsidiary company had filed a writ petition with Hon'ble high court of Patna, Bihar (the Court) for recovery of dues. On May 18, 2012, the Court allowed the writ and directed the customer to pay the entire dues of INR 762.66 lacs alongwith interest. Against the said order the customer has filed Letters Patent Appeal ('LPA') with the court. The court dismissed the LPA and confirmed the original order and directed the customer to pay atleast 50% of total bills raised by subsidiary company till the final decision of the case and directed both the parties to appear before the Ld. Sole arbitrator for further hearing.

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 13 : CASH AND CASH EQUIVALENTS</u></b>		
Balances with banks (Refer Note 13.1)	1,803.15	6,176.29
Cheques in hand	100.00	-
Cash in hand	5.04	10.23
<b>Total</b>	<b>1,908.19</b>	<b>6,186.52</b>

**Note 13.1** Balances with banks include:

	As at March 31, 2018	As at March 31, 2017
i Balance in current account	1,730.11	6,077.51
ii Balances with Banks in deposits account having original maturity of less than three months	73.04	98.78
	<b>1,803.15</b>	<b>6,176.29</b>

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 14 : OTHER BANK BALANCES</u></b>		
Fixed deposit with bank having original maturity of more than three months less than a year^	1,015.48	1,315.93
Unpaid dividend account[*]	0.82	0.82
<b>Total</b>	<b>1,016.30</b>	<b>1,316.75</b>

[^] Fixed deposits with banks held as margin money for issue of bank guarantees and as debt service reserve account against term loans from banks.

[\*] The Group can utilise these balances only towards settlement of the respective unpaid dividend account.

	Number of shares	Amount
<b><u>Note 15 : EQUITY SHARE CAPITAL</u></b>		
(i) <b>Authorised share capital</b>		
Equity shares of INR 10 each		
<b>Balance as at April 1, 2016</b>	<b>160,000,000</b>	<b>16,000.00</b>
Changes in equity share capital	-	-
<b>Balance as at March 31, 2017</b>	<b>160,000,000</b>	<b>16,000.00</b>
Changes in equity share capital	80,000,000	8,000.00
<b>Balance as at March 31, 2018</b>	<b>240,000,000</b>	<b>24,000.00</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	Number of shares	Amount
<b>(Contd.)</b>		
<b>(ii) Issued, subscribed and fully paid up</b>		
<b>Equity Shares of INR 10 each</b>		
<b>Balance as at April 1, 2016</b>	<b>126,893,980</b>	<b>12,689.40</b>
Issue of equity share capital	18,055,489	1,805.55
<b>Balance as at March 31, 2017</b>	<b>144,949,469</b>	<b>14,494.95</b>
Issue of equity share capital	31,170,389	3,117.04
<b>Balance as at March 31, 2018</b>	<b>176,119,858</b>	<b>17,611.99</b>

**(iii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:-**

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>Balance as at the beginning of the year</b>	144,949,469	14,494.95	126,893,980	12,689.40
<b>Add: Shares issued during the year</b>				
Against conversion of share warrants (Refer Note 15 (vi))	-	-	16,444,994	1,644.50
Under employee stock option plan scheme (Refer Note 15 (vii))	894,005	89.40	1,610,495	161.05
Under the One Time Settlement agreement (Refer Note 15 (viii))	30,276,384	3,027.64	-	-
<b>Balance as at the end of the year</b>	<b>176,119,858</b>	<b>17,611.99</b>	<b>144,949,469</b>	<b>14,494.95</b>

- (iv) The Company has only one class of equity shares having a par value of INR 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.
- (v) 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, 2018.
- (vi) During the year ended March 31, 2017, the Company had received remaining 75% of the proceeds for the issue of 16,444,994 equity shares against share warrants. Accordingly, pursuant to the requisite approvals and board meeting held, the Company has issued equity shares against equivalent number of share warrants at an issue price of INR 21.66 each on a preferential basis to persons other than the Promoters and Promoter group.
- (vii) During the year ended March 31, 2018, the Company has allotted 894,005 equity shares (March 31, 2017 1,610,495 equity shares) of face value of INR 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) and Employee Stock Option Plan 2014. These shares are pari-passu with the existing equity shares of the Company, in all respects.
- (viii) During the year ended March 31, 2018, the Company has allotted 30,276,384 equity shares (March 31, 2017 Nil) of face value of INR 10 each at an issue price of INR 39.80 in pursuant to One Time Settlement Agreements ("OTS Agreements") with certain lenders ("the Lenders") on a preferential basis. (Refer Note 43)
- (ix) **Shares reserved for issue under options**  
Information relating to Employee stock option plan, including details of options issues, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 28.2

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**(x) Details of shares held by shareholders holding more than 5% equity shares of the Company:**

Equity shares of INR 10 each fully paid up	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Holding	Number of shares	Holding
Amit Mittal	27,907,301	15.85%	33,204,301	22.91%
Shankar Sharma	8,200,000	4.66%	8,200,000	5.66%
Mestric Consultants Private Limited	22,200,000	12.61%	22,200,000	15.32%
ICICI Bank	527,611	0.30%	8,100,000	5.59%
Standard Chartered Bank	12,562,815	7.13%	-	-
Edelweiss Asset Reconstruction Company Limited as representative of EARC Trust SC299	11,432,161	6.49%	-	-
IL and FS Financial Services Limited	-	-	7,478,000	5.16%
	<b>82,829,888</b>	<b>47.04%</b>	<b>79,182,301</b>	<b>54.64%</b>

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
<b><u>Note 16 : NON-CURRENT BORROWINGS</u></b>				
<b>Carried at amortised cost - Secured</b>				
Debentures (Refer Note 16.2 and 16.9)	2,000.00	-	2,000.00	-
External commercial borrowings				
From banks (Refer Note 16.3 and 16.9)	-	-	14,692.91	-
Term loans				
From banks (Refer Note 16.4 and 16.9)	17,814.19	15,144.10	17,572.12	23,446.58
From financial institution (Refer Note 16.5 and 16.9)	-	14,188.04	5,043.91	13,000.00
Working capital term loans				
From banks (Refer Note 16.6 and 16.9)	1,701.62	2,815.32	1,053.84	3,543.42
Funded interest term loans				
From banks (Refer Note 16.7 and 16.9)	3,669.06	4,555.31	2,183.12	6,495.39
Others				
Vehicle and equipment loan from banks (Refer Note 16.8)	-	-	8.88	-
<b>Total</b>	<b>25,184.87</b>	<b>36,702.77</b>	<b>42,554.78</b>	<b>46,485.39</b>

**Note 16.1: Restructuring of borrowings under Corporate Debt Restructuring Scheme (CDR Scheme):**

The Corporate Debt Restructuring (CDR) proposal to re-structure the debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme") of the Company, having January 01, 2013 as the "cut-off date", was approved by the CDR Cell vide its Letter of Approval (LOA) dated December 28, 2013 as further modified dated February 03, 2014. From the "cut-off date" the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR Scheme.

**Details of terms of repayment for the Non-current borrowings and security provided in respect of the secured non-current borrowings:**

**Note 16.2 Details of security, terms of conversion and terms of repayment of fully convertible debentures (FCD):**

A2Z Green Waste Management Limited, a subsidiary company, issued fully convertible 150 debentures of INR 100.00 lacs each on October 25, 2011, which carry interest rate of 12 % p.a. up to July 31, 2013 and 12.50 % from August 1, 2013 payable quarterly. 130 debentures have been redeemed during the previous year. These debentures were convertible after 3 years from the date of issuance. On maturity i.e. October, 2014, the subsidiary company had reissued the debentures on the following conditions:

- (i) FCDs shall mature and would be due for conversion into common equity shares at the end of 36 months from the date of reissuance.

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

- (ii) 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.

**Note 16.3 Details of security and terms of repayment for external commercial borrowings ('ECB')**

ECB from bank in case of A2Z Green Waste Management Limited, for various municipal solid waste (MSW) projects carrying interest rate of LIBOR + 300 bps aggregating to INR Nil (March 31, 2017 INR 14,692.91 lacs) 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. Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during year. Refer Note 43.1

**Note 16.4: Term loans from banks:**

- 1) Term loan from bank amounting to INR 8,580.00 lacs (March 31, 2017 INR 8,580.00 lacs) 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. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited. 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 INR Nil (March 31, 2017 - INR 8,006.58 lacs) 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. (Refer Note 43) The above loan is secured against: (i) First charge on pari-passu basis: (a) 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; (b) 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). (ii) First charge: (a) on all the insurance contracts with respect to the projects together with any receivables thereunder; (b) on all the accounts (including but not limited to the project accounts) with respect to the projects. (iii) An assignment of: (a) 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; (b) the rights and interest in the project site to the extent permissible by law; (c) all its rights and obligations under the assignment orders and memorandum of understandings and; (d) 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 INR 1,000.00 lacs) to the extent permissible by law (iv) Personal guarantee of Mr. Amit Mittal (Managing Director) of the Company. Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during year. Refer Note 43.1
- 3) Term loans from banks amounting to INR 1,560.13 lacs (March 31, 2017 INR 1,712.91 lacs) having interest rate of 10.15% - 10.75% per annum during the year are repayable in 28 quarterly installments, first installment was 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 Fazilka, 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 Fazilka, 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 INR 1,273.28 lacs (March 31, 2017 INR 1,402.66 lacs) having interest rate from 10.15% - 10.75% per annum during the year are repayable in 21 quarterly installments, first installment was 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 Fazilka, Nakodar and Morinda in the state of Punjab.
- 5) Term loans from banks amounting to INR Nil (March 31, 2017 INR 1,600.00 lacs) having interest rate from 12.75% - 13.25% per annum during the year are repayable in 28 quarterly installments, first installment was 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 Fazilka, Nakodar and Morinda. (ii) Second pari passu charge on present and future current assets of the Power projects at Fazilka, 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 (Managing Director). Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during year. Refer Note 43.1
- 6) Term loans from bank amounting to INR 4,400.26 lacs (March 31, 2017 INR Nil), pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of cash credit facilities. The same is repayable in 12 installments and the first installment shall be due in July 2018, carrying Nil interest rate till September 30, 2019 and 13% per annum thereafter. Refer Note 43.1



**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
**(Unless otherwise stated, all amounts are in INR Lacs)**

- 7) Term loan from bank in case of A2Z Green Waste Management Limited, for Kanpur, Patna and Muzaffarnagar municipal solid waste (MSW) projects aggregating to INR 437.29 lacs (March 31, 2017 INR 437.29 lacs) 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.
- 8) Term loan from bank in case of A2Z Green Waste Management Limited, for Kanpur power project aggregating to INR 2,850.00 lacs (March 31, 2017 INR 2,850.00 lacs) 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. Repayable in 28 equal quarterly installments commencing from March 31, 2017.
- 9) Term loan from bank in case of A2Z Green Waste Management Limited, for power project at Kanpur aggregating to INR 3,369.42 lacs (March 31, 2017 INR 3,366.33 lacs) 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 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. Repayable in 28 quarterly installments commencing from April 1, 2015.
- 10) Term loan from bank in case of A2Z Green Waste Management Limited, for MSW Project at Indore aggregating to INR 1,276.06 lacs (March 31, 2017 INR 1,276.06 lacs) carrying 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. Repayable in 14 equal quarterly installments.
- 11) Term loan from bank in case of subsidiaries of A2Z Green Waste Management Limited, amounting to INR 3,359.81 lacs (March 31, 2017 INR 5,689.26 lacs) carrying interest rate of 11.25%- 13.25% per annum. The above loan is secured against: (i) Unconditional corporate guarantee from the 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. Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during year. Refer Note 43.1
- 12) Term loan outstanding of INR 3,135.42 lacs (March 31, 2017 INR 3,695.56 lacs), in case of A2Z Infrservices Limited, from Yes Bank Limited is secured by first pari-passu charge on all the Fixed assets of 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 installment after a moratorium of 12 months from the date of first disbursement. The loan carries an interest rate of 1.05% ("spread") over and above 6 Months MCLR.
- 13) Term loan from Yes Bank amounting to INR 2,716.62 lacs (March 31, 2017 2,402.05 lacs), in case of Mansi Bijlee & Rice Mills Limited, is repayable in 4 structured Installments starting after a moratorium period of 14 Months from the date of disbursement. The loan carries an interest rate of 1.05% ("spread") over and above 6 Months MCLR. The above loan is secured against: (i) Exclusive charge on all current and movable fixed assets (both present and future) of the Borrower to remain valid during entire tenor of Yes bank facilities. (ii) Exclusive charge over all cash flows (both present and future) of the Borrower to remain valid during entire tenor of Yes bank facilities. (iii) Unconditional & Irrevocable Personal Guarantee of Mr. Amit Mittal (Managing Director) of the Company to remain valid during the entire tenor of Yes bank facilities.

**Note 16.5: Term loans from financial institution:**

- 1) The loan amounting to INR Nil (March 31, 2017 INR 5,000.00 lacs) 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. Pursuant to a One Time Settlement (OTS) agreement entered with the financial institution, the loan has been settled during year. Refer Note 43.1
- 2) Term loan amounting to INR 14,188.04 lacs (March 31, 2017 INR 13,000.00 lacs), in case of subsidiaries of A2Z Green Waste Management Limited carrying interest rate of 11.00% per annum. The above loan is secured against: (i) First pari-passu charge on all assets (movable and immovable) of Kanpur project. (ii) First pari-passu charge on all the future cash flows including book-debts, receivables, commissions, revenues of whatsoever nature, intangibles, goodwill of Kanpur Project. (iii) First pari-passu hypothecation/charge of all contracts including power purchase agreements, insurance (IFIN to be named as loss payee) and any other right/ title/ benefit/ clearances/ permits and interest of Kanpur project. (iv) First pari-passu charge on all bank accounts of Earth Environment Management Service Private Limited (EEMSPL) including but not limited to escrow account(s) (and all sub-accounts) opened pursuant to the Kanpur Project transaction and all the amounts to the credit of such accounts and all the receivables of the Kanpur Project. (v) First pari-passu pledge of 51% shares of EEMSPL. The loan is



## Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018 (Unless otherwise stated, all amounts are in INR Lacs)

repayable within 52 quarterly installments after a moratorium period of two years. First installment will be due in June 2019.

- 3) Term loan amounting to INR Nil (March 31, 2017 INR 43.91 lacs), in case of A2Z Green Waste Management Limited, is secured by hypothecation of assets acquired out of term loan. Repayable in 45 monthly installments.

### Note 16.6 : Working Capital Term Loan :

Working capital term loans from bank amounting to INR 4,516.94 lacs (March 31, 2017 INR 4,597.26 lacs) 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 16.7 (i) : Funded Interest Term Loan -1 (EPC) :

Funded interest term loans from bank amounting to INR 7,913.13 lacs (March 31, 2017 INR 8,367.27 lacs) 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. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable of INR 1,598.53 lacs (March 31, 2017 INR 1,598.53 lacs) in favour of Edelweiss Assets Reconstruction Company Limited. 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 16.7 (ii) : Funded Interest Term Loan -2 (EPC) :

Funded interest term loans from bank amounting to INR 311.24 lacs (March 31, 2017 INR 311.24 lacs) 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.

### Note 16.8 Details of security and terms of repayment for vehicle and equipment loans

Vehicle and equipments loans amounting to INR Nil (March 31, 2017 INR 8.88 lacs), in case of A2Z Green Waste Management Limited, is secured by the hypothecation of vehicles and equipments. Repayable in equal monthly installment as per the respective repayment schedules.

### Note 16.9: The Group has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

	As at March 31, 2018	As at March 31, 2017
<b>Banks:</b>		
-Principal		
0-3 Months	948.81	1,765.08
3-6 Months	356.59	749.76
6-12 Months	2,824.10	3,081.00
> 12 months	9,780.33	20,797.29
-Interest		
0-3 Months	2,406.04	4,669.30
3-6 Months	463.23	545.53
6-12 Months	1,536.86	1,326.15
> 12 months	7,997.39	5,512.81
<b>Financial institutions:</b>		
-Principal		
6-12 Months	2,000.00	-
> 12 months	-	5,000.00
-Interest		
0-3 Months	-	184.93
3-6 Months	-	125.34
6-12 Months	-	439.55
> 12 months	-	2,469.28

Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
<b>Note 17: OTHER FINANCIAL LIABILITIES</b>				
Current maturities of long term debt (Refer Note 16)	25,184.87	-	42,554.78	-
Interest accrued but not due on borrowings	-	-	96.10	-
Interest accrued and due on borrowings	22,243.79	-	21,879.17	-
Interest accrued on others	107.98	-	80.43	-
Unpaid dividends [*]	0.82	-	0.82	-
Book overdrafts	413.49	-	0.06	-
Security deposits received	3,120.06	-	3,489.43	-
Payable against purchase of property, plant and equipment: dues of micro and small enterprises (Refer Note 21.1)	382.99	-	324.57	-
Payable against purchase of property, plant and equipment: dues of creditors other than micro and small enterprises	1,846.41	-	2,722.95	-
Derivative liability (Refer Note 43)	810.00	1,000.00	-	-
Payable to others	445.74	-	12.17	-
<b>Total</b>	<b>54,556.15</b>	<b>1,000.00</b>	<b>71,160.48</b>	<b>-</b>

[\*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
<b>Note 18: PROVISIONS</b>				
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer Note 18.ii)	886.47	222.90	861.85	212.32
Provision for compensated leave absences	19.88	-	15.29	0.18
<b>Others</b>				
Provision for tax on proposed dividend	0.43	-	0.19	-
Provision for Liquidated damages (Refer Note 18.i)	-	24.28	-	-
Provision for warranty (Refer Note 18.i)	70.62	152.03	137.72	150.41
<b>Total</b>	<b>977.40</b>	<b>399.21</b>	<b>1,015.05</b>	<b>362.91</b>

**Movements in provisions:**

i) Movement in provision for warranty / liquidated damages during the financial year are as follows:

	Liquidated damages	Warranty
<b>As at April 1, 2016</b>	-	<b>301.34</b>
Charged/ (credited) to profit /loss	-	-
Additional provision recognized	-	44.94
Unused amount reversed	-	(69.86)
Unwinding of discount	-	15.28
Amount used during the year	-	(3.57)
<b>As at March 31, 2017</b>	-	<b>288.13</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	<b>Liquidated damages</b>	<b>Warranty</b>
<b>(Contd.)</b>		
Charged/ (credited) to profit /loss		
Additional provision recognized	24.28	23.61
Unused amount reversed	-	(94.58)
Unwinding of discount	-	23.52
Amount used during the year	-	(18.03)
<b>As at March 31, 2018</b>	<b>24.28</b>	<b>222.65</b>

A provision is recognised for expected warranty claims, based on past experience, for expected cost of meeting obligations of rectification/replacement. It is expected that most of these costs will be incurred in the next 3 years and all would have been incurred within 5 years after the reporting date. The Group 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.

**ii) Defined benefit plan and long term employment benefit**

**A General description:**

**Gratuity [Defined benefit plan]:**

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 (Birla Sun Life) in the form of a qualifying insurance policy.

**Leave wages [Long term employment benefit]:**

The employees of the Group are entitled to leave as per the leave policy of the Group. 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. Actuarial gains/losses should be recognized in Statement of Profit and Loss.

**A reconciliation of the Group's defined benefit obligation (DBO) and plan assets, i.e. the gratuity plan, to the amounts presented in the statement of financial position for each of the reporting periods is presented below:**

**Assets and liability (Balance sheet position)**

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Present value of obligation	1,190.92	1,168.70
Fair value of plan assets	81.55	94.53
<b>Net asset / (liability)</b>	<b>1,109.37</b>	<b>1,074.17</b>

**Expenses recognised during the year**

	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
In statement of profit and loss	123.80	323.30
In other comprehensive income	(71.26)	(57.44)
<b>Total expenses recognized during the year</b>	<b>52.54</b>	<b>265.86</b>

Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

#### Defined benefit obligation

The details of the Group's DBO are as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Present value of obligation as at the beginning</b>	<b>1,168.70</b>	<b>991.97</b>
Current service cost	86.34	258.84
Past service cost	57.99	-
Interest expense or cost	83.67	77.28
Re-measurement or actuarial (gain) / loss arising from:		
- change in demographic assumptions	-	16.42
- change in financial assumptions	(8.66)	62.27
- experience adjustments	(63.77)	(137.61)
On account of disposal of subsidiary	(5.34)	-
Benefits paid	(128.01)	(100.47)
<b>Present value of obligation as at the end</b>	<b>1,190.92</b>	<b>1,168.70</b>

#### Bifurcation of net liability

	As at March 31, 2018	As at March 31, 2017
Current liability (Short term)	886.47	861.85
Non-current liability (long term)	222.90	212.32
<b>Net liability</b>	<b>1,109.37</b>	<b>1,074.17</b>

#### Plan assets

The reconciliation of the balance of the assets held for the Group's defined benefit plan is presented below:

#### Changes in the fair value of plan assets

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Fair value of plan assets as at the beginning</b>	<b>94.53</b>	<b>166.34</b>
Investment income	6.92	12.94
Employer's contribution	12.00	40.00
Benefits paid	(30.73)	(123.27)
Return on plan assets, excluding amount recognised in net interest expense	(1.17)	(1.48)
<b>Fair value of plan assets as at the end</b>	<b>81.55</b>	<b>94.53</b>

#### Expenses recognised in the profit and loss statement

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	86.34	258.84
Past service cost	57.99	-
Benefit paid	(97.28)	-
Net interest cost / (income) on the net defined benefit liability / (asset)	76.75	64.46
<b>Expenses recognised in the statement of profit and loss</b>	<b>123.80</b>	<b>323.30</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Other comprehensive income**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial (gains) / losses		
- change in demographic assumptions	-	16.42
- change in financial assumptions	(8.66)	62.25
- experience variance (i.e. Actual experience vs assumptions)	(63.77)	(139.43)
Return on plan assets, excluding amount recognised in net interest expense	1.17	3.32
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(71.26)</b>	<b>(57.44)</b>

**Financial assumptions**

The principal financial assumptions used in the valuation are shown in the table below:

	As at March 31, 2018	As at March 31, 2017
Discount rate (per annum)	7.65-7.80%	7.05% - 7.40%
Salary growth rate (per annum)	5.00%	5.00%

**Demographic assumptions**

	As at March 31, 2018	As at March 31, 2017
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Withdrawal rates, based on service years: (per annum)		
4 and below years	2-20%	10.00%
Above 4 years	2-10%	10.00%

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

**Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation (Base)	1,190.92	1,168.70

	As at March 31, 2018		As at March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,360.24	1,051.36	1,307.07	1,012.79
(% change compared to base due to sensitivity)	14.22%	(11.72%)	11.84%	(13.34%)
Salary Growth Rate (- / + 1%)	1,047.33	1,362.44	1,010.47	1,307.35
(% change compared to base due to sensitivity)	(12.06%)	14.40%	(13.54%)	11.86%
Attrition Rate (- / + 50%)	1,205.01	1,169.44	1,153.37	1,130.39
(% change compared to base due to sensitivity)	1.18%	(1.81%)	1.13%	(3.28%)
Mortality Rate (- / + 10%)	1,189.60	1,192.25	1,144.79	1,147.02
(% change compared to base due to sensitivity)	(0.11%)	0.11%	(2.05%)	1.86%

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

The average duration of the defined benefit plan obligation at the end of reporting period is 7-23 years (March 31, 2017 7-23 years).

**The following payments are expected contributions to the defined benefit plan in future years:**

	As at March 31, 2018	As at March 31, 2017
Within the next 12 months [next annual reporting year]	68.40	60.12
Between 2 and 5 years	236.39	255.26
Between 5 and 10 years	406.47	402.17
Beyond 10 years	3,127.79	3,049.81
<b>Total expected payments</b>	<b>3,839.05</b>	<b>3,767.36</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2017 7 years)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
<b><u>Note 19: OTHER LIABILITIES</u></b>				
Advance purchase consideration against sale of property, plant and equipment	36.20	-	36.20	-
Advances from customers	6,084.84	-	6,208.29	-
Billing in excess of contract revenue	1,732.12	-	1,357.77	-
Statutory dues payable (Refer Note 19.1)	18,119.51	-	8,148.92	-
Others				
Subsidy (Refer Note 19.2)	-	11,023.78	-	11,312.98
Lease equalisation reserve	-	1,679.30	-	1,460.89
Others	69.50	-	-	-
<b>Total</b>	<b>26,042.17</b>	<b>12,703.08</b>	<b>15,751.18</b>	<b>12,773.87</b>

**Note 19.1:** In financial year 2016-17, the Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities ("the Authority") regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Company has received response to its application wherein the Authority has opined that entire project is covered within the ambit of the service tax. Accordingly, the Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.

**Note 19.2:** Government grants are related to setup of Collection, Transportation and Processing of Municipal and Solid waste at various locations in India. There are no unfulfilled conditions or other contingencies attaching to these grants. The group did not benefit directly from any other forms of government assistance.



**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	As at March 31, 2017
<b>Note 20 : CURRENT BORROWINGS</b>		
<b>Carried at amortised cost</b>		
<b>Secured borrowings from banks (Refer Note 20.1 and 20.3)</b>		
Working capital loans	6,460.76	6,333.05
Cash credit facilities	49,536.06	62,844.55
Other borrowings	3,981.36	-
<b>Unsecured borrowings (Refer Note 20.2 and 20.3)</b>		
From others	4,118.76	6,281.48
<b>Total</b>	<b>64,096.94</b>	<b>75,459.08</b>

**Note 20.1: Working capital loans from banks and other secured loans**

- 1 a) The working capital loans of INR 5,571.50 lacs (March 31, 2017 INR 5,571.50 lacs) and cash credit facilities of INR 38,562.17 lacs (March 31, 2017 INR 50,953.05 lacs) 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, Gurugram 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 Company's 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 Shree 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 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 :
    - (a) Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab;
    - (b) Land measuring about 5.309 Hectare situated at village Palsora, District Indore;
    - (c) Land measuring 6.065 Hectare, Village Mandela Chhota, Tehsil Fatehpur, District Seekar, Rajasthan;
    - (d) Land with Boundary wall, Gate 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;
    - (e) Land with Boundary wall, at Gate 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 Shree Hariom Utensils Private Limited and Shree Balaji Pottery Private Limited. The rate of interest vary from 10.15% - 13.25% per annum and these loans are repayable on demand.
- 1 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.
2. The Cash credit facility of INR 1,393.96 lacs (March 31, 2017 INR 1,324.98 lacs), in case of A2Z Powercom Limited is secured against:
  - (i) Second charge on the following immovable properties owned by A2Z Infra Engineering Limited: (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 (STL), fixed deposits, stocks, work in progress etc.
  - (iii) Personal guarantee of Mr. Amit Mittal (Managing Director)
  - (iv) Corporate guarantee of the Company.
  - (v) Pledge of 1,144,790 shares (being 30% of holding) of A2Z Infraserivices Limited held by the Company.

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

- (vi) Second pari passu charge on entire movable fixed assets of A2Z Green Waste Management Limited.
- (vii) Second pari passu charge on entire movable fixed assets of Nanded and Ahmedabad projects of A2Z Green Waste Management Limited.
- (viii) Exclusive Charge on fixed assets of A2Z Powercom Limited.
- 3. Cash credit facility from banks amounting to INR 3,929.58 lacs (March 31, 2017 INR 4,033.82 lacs), in case of A2Z InfraserVICES Limited, are secured by first pari passu charge on the current assets of subsidiary company including book debts and other receivable and fixed assets of the subsidiary company and also by Corporate Guarantee of the Company and personal guarantee of Mr. Amit Mittal (Managing Director) and Ms. Dipali Mittal (Director) of the Company.
- 4. Cash credit facility from bank aggregating to INR 4,882.52 lacs (March 31, 2017 INR 4,209.87 lacs), in case of A2Z Green Waste Management Limited, carrying interest rate of BPR + 400 bps, is secured by
  - (i) first charge on the movable assets of Kanpur, Ferozabad, Patna and Muzaffarnagar projects and entire current assets of the subsidiary company, both present and future;
  - (ii) demand promissory note;
  - (iii) irrevocable and unconditional corporate guarantee of the Company; and
  - (iv) irrevocable and unconditional personal guarantee of Mr. Amit Mittal (Managing Director) and Ms. Dipali Mittal (Director) of the Company.
- 5. Cash Credit facility from bank aggregating to INR 767.84 lacs (March 31, 2017 INR 661.93 lacs), in case of A2Z Green Waste Management 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.
- 6. Cash credit facility from bank aggregating to INR Nil (March 31, 2017 INR 1,660.90 lacs), in case of subsidiaries of A2Z Green Waste Management Limited, carrying interest rate of 12% - 14% per annum.

The above cash credit is secured by:

- (i) first charge on the entire movable and current assets of the company (both present and future),
- (ii) Escrow on the subsidy receivables from UPJN and tipping fee for MSW collection from Municipal Corporation (iii) Corporate guarantee of the Company.

Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during year. Refer Note 43.1

- 7. Working capital demand loan from bank aggregating to INR 889.26 lacs (March 31, 2017 INR 766.60 lacs) in case of A2Z Green Waste Management 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 & Muzaffarnagar MSW plant. First charge over the receivables pertaining and exclusive charge over the current asset of the borrower pertaining to its Kanpur & Muzaffarnagar MSW plant and further secured by corporate guarantee of the Company.
- 8. Other borrowings amounting to INR 3,888.39 lacs (March 31, 2017 INR Nil) pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of cash credit facilities. The same is repayable in within 1 year (Refer Note 43.1).

As per the OTS arrangement all existing securities, guarantees and legal documents shall remain in full force and effective till the discharge of the settlement amount (Refer Note 16.3, Note 16.4.2, Note 16.4.5, Note 16.4.6, Note 20.1.1 and Note 20.1.6).

**Note 20.2:** The unsecured borrowing from other is repayable on demand and having an interest rate of 10.75% - 24.00 % per annum.

**Note 20.3:** The Group has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

	As at March 31, 2018	As at March 31, 2017
<b>Banks:</b>		
-Principal		
> 12 months	9,900.26	10,934.89
-Interest		
0-3 Months	2,009.30	2,150.71
3-6 Months	614.62	864.69
6-12 Months	2,101.60	2,061.86
> 12 months	6,653.73	6,974.10

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	As at March 31, 2017
<b><u>Note 21 : TRADE PAYABLES</u></b>		
Total outstanding dues of micro and small enterprises (Refer Note 21.1)	49.63	22.98
Total outstanding dues of creditors other than micro and small enterprises	73,960.21	76,013.08
<b>Total</b>	<b>74,009.84</b>	<b>76,036.06</b>

**Note 21.1 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 Enterprises Development (MSMED) Act, 2006 is as follows:

	As at March 31, 2018	As at March 31, 2017
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	112.54	112.54
- interest amount	85.07	60.95
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	320.08	235.01
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, 2018	As at March 31, 2017
<b><u>Note 22 : CURRENT TAX LIABILITIES</u></b>		
Current tax liabilities (net of advance tax)	5.77	-
	<b>5.77</b>	<b>-</b>

Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 23 : REVENUE FROM OPERATIONS</u></b>		
Sale/rendering of services		
Revenue from engineering services	33,779.72	60,191.73
Revenue from facility management services	26,594.16	26,823.13
Revenue from collection and transportation of municipal solid waste	5,434.64	4,480.36
Revenue from sale of power	-	154.39
Revenue from operation and maintenance services	1,261.12	1,016.60
Revenue from professional services	76.26	6.30
Revenue from data processing services	523.28	496.33
Sale of products		
Compost sale	176.83	200.72
Miscellaneous sale	-	0.62
Other operating revenues:		
Sale of traded goods	3,004.89	5,528.65
Bad debt recovered/liabilities written back	-	649.46
Duty drawback	1.56	1.05
Scrap sale	1.36	1.50
<b>Total</b>	<b>70,853.82</b>	<b>99,550.84</b>
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 24 : OTHER INCOME</u></b>		
Interest income:		
on fixed deposits	291.97	215.26
on income tax refund	5.85	119.45
on others	238.34	742.67
Other non-operating income		
Rental income	11.58	62.67
Foreign exchange fluctuation (net)	4.75	314.78
Subsidy amortised	698.31	1,125.75
Provisions/liabilities written back	2,936.59	815.19
Miscellaneous	123.08	377.28
<b>Total</b>	<b>4,310.47</b>	<b>3,773.05</b>
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 25 : COST OF MATERIALS CONSUMED</u></b>		
Opening inventory - project	827.61	1,888.68
Opening inventory - raw material	188.27	374.32
Add: Raw material purchased	12,807.58	15,369.76
Add: Material purchased for execution of projects	357.11	25.69
Less: Recovery from contractors	75.14	255.16
Less: Project inventory transferred to held for sale	-	18.05
Less: Raw material transferred to held for sale	-	12.66
Less: Closing inventory - raw material	-	188.27
Less: Closing inventory - project	409.39	827.61
<b>Material consumed</b>	<b>13,696.04</b>	<b>16,356.70</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(Contd.)</b>		
Freight and cartage	397.49	289.07
Sub contractor / erection expenses	12,350.85	32,835.83
Electricity expenses	1.46	64.32
Labour charges	143.53	304.51
Fabrication expenses	0.56	10.44
Site expenditure	1,297.63	1,031.22
Deduction and demurrage	296.23	589.95
Technical consultancy for projects	4,449.64	2,325.74
Power plant running expenses	-	115.68
MSW collection charges / fuel charges	0.58	970.47
Consumables / stores and spares	40.28	33.26
Other direct cost	3,142.83	1,413.34
<b>Total</b>	<b>35,817.12</b>	<b>56,340.53</b>

**Note 25.1:** During the year, The Company has received an amount of INR 16.55 lacs (March 31, 2017 INR 11.37 lacs) as insurance claim from the insurance company during the year.

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 26 : PURCHASE OF STOCK-IN-TRADE</u></b>		
Purchases of stock-in-trade [*]	2,602.17	4,996.99
<b>Total</b>	<b>2,602.17</b>	<b>4,996.99</b>
[*] Details of purchases of stock-in-trade under broad heads:		
Cables / GI Wire / GSS Wire	1,478.31	3,045.77
Steel / Galvanised Steel / M S Angle / M S Channel / TMT Bars	1,123.86	1,951.22
<b>Total</b>	<b>2,602.17</b>	<b>4,996.99</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 27 : CHANGES IN INVENTORIES</u></b>		
Opening inventory of work in progress	8.72	20.08
Opening inventory of finished goods	1,040.32	4,031.62
Opening Finished goods held for sale	3,148.34	-
Less: Finished goods written off	2,460.40	-
Less: On account of disposal of subsidiary	53.74	-
Less: Finish goods transferred to held for sale	-	3,148.34
Less: Closing inventory of work in progress	-	8.72
Less: Closing inventory of finished goods	1,388.69	1,040.32
<b>Decrease in inventory</b>	<b>294.55</b>	<b>(145.68)</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Note 28 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and bonus including directors' remuneration	23,494.60	22,451.75
Contribution to provident and other funds (Refer Note 28.1)	2,597.54	2,229.13
Gratuity (Refer Note 18 ii)	123.80	323.30
Compensated absences benefits	5.05	(6.99)
Share-based payments (Refer Note 28.2)	196.22	169.84
Staff welfare expenses	83.85	113.42
<b>Total</b>	<b>26,501.06</b>	<b>25,280.45</b>

**Note 28.1 : Defined contribution plan**

The Group has certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basic salary as per regulations. The contribution are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards the defined contribution plan is INR 2,597.54 lacs (March 31, 2017 INR 2,229.13 lacs)

**Note 28.2 : Share-based employee remuneration**

**(a) A2Z Stock Option Plan 2010**

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 company 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 Remuneration-cum-Compensation 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.

**(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 INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 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 four years since then.

**(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 INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 19.95 each which is BSE 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 and 40% on the third anniversary of the grant date till completion of four years since then.

**(d) A2Z Employees Stock Option Plan, 2014**

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 INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 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 and 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 consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**(e) A2Z Employees Stock Option Plan, 2013 & 2014 (Regrant )**

The Nomination and remuneration Committee in its meeting held on August 17, 2017 has regranted 1,760,000 stock options(788,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 972,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 36.90 each which is NSE closing market price on August 16, 2017 (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 and 40% on the third anniversary of the grant date till completion of five years since then.

	ESOP 2010 plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013-I Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013-II Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2014 Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013 and 2014 (Regrant I) plan (Number of shares)	Programme weighted average exercise price per share
<b>Outstanding as at March 31, 2016</b>	<b>276,750</b>	<b>314.13</b>	<b>20,000</b>	<b>10.35</b>	<b>1,179,500</b>	<b>19.95</b>	<b>4,500,000</b>	<b>15.50</b>	-	-
Lapsed/Forfeited	100,850	314.13	-	-	189,000	19.95	340,000	15.50	-	-
Exercised	-	-	9,995	10.35	385,500	19.95	1,215,000	15.50	-	-
<b>Outstanding as at March 31, 2017</b>	<b>175,900</b>	<b>314.13</b>	<b>10,005</b>	<b>10.35</b>	<b>605,000</b>	<b>19.95</b>	<b>2,945,000</b>	<b>15.50</b>	-	-
Granted	-	-	-	-	-	-	-	-	1,760,000	39.40
Lapsed/Forfeited	55,350	314.13	-	-	122,000	19.95	360,000	15.50	-	-
Exercised	-	-	10,005	10.35	214,000	19.95	670,000	15.50	-	-
<b>Outstanding as at March 31, 2018</b>	<b>120,550</b>	<b>314.13</b>	<b>-</b>	<b>10.35</b>	<b>269,000</b>	<b>19.95</b>	<b>1,915,000</b>	<b>15.50</b>	<b>1,760,000</b>	<b>39.40</b>
Exercisable at March 31, 2017	175,900	314.13	10,005	10.35	141,000	19.95	75,000	15.50	-	-
Exercisable at March 31, 2018	120,550	314.13	-	10.35	269,000	19.95	555,000	15.50	-	-

The following table lists the inputs to the models used for the plans as at March 31, 2018:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 and 2014 (Regrant) Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015	August 17, 2017
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018	August 16, 2020
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48	INR 39.40
Volatility	34.93%	65.19%	67.05%	65.50%	50.14%
Option life	10 years	6 years	8 years	8 years	8 years
Dividend yield	2.25%	0%	0%	0%	0%
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%	6.74%
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 11.15	INR 24.81
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50	INR 36.90
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018	August 17, 2020
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023	August 16, 2025
Weighted average remaining contractual life (In years)	0.17	1.85	3.36	4.37	6.48
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

The following table lists the inputs to the models used for the plans as at March 31, 2017:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 and 2014 (Regrant) Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015	-
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018	-
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48	-
Volatility	0.35	65.19%	67.05%	65.50%	-
Option life	10 years	6 years	8 years	8 years	-
Dividend yield	2.25%	0.00%	0%	0%	-
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%	-
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 11.15	-
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50	-
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018	-
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023	-
Weighted average remaining contractual life (In years)	1.17	2.85	4.36	5.37	-
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	-

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 29 : FINANCE COSTS</u></b>		
Interest expense [*]	19,880.44	19,367.19
Other borrowing costs		
Bank commission & charges	719.25	686.13
<b>Total</b>	<b>20,599.69</b>	<b>20,053.32</b>
[*] The break up of interest expense into major heads is given below:		
On term loans	7,107.74	4,694.46
On other bank loans	8,422.53	7,867.32
On loan from others	3,131.08	6,438.06
On others	1,219.09	367.35
<b>Total</b>	<b>19,880.44</b>	<b>19,367.19</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 30 : DEPRECIATION AND AMORTISATION EXPENSES</u></b>		
Depreciation of property, plant and equipment (Refer Note 3)	3,216.84	4,240.17
Amortisation of intangible assets (Refer Note 4)	47.91	67.74
<b>Total</b>	<b>3,264.75</b>	<b>4,307.91</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 31 : OTHER EXPENSES</u></b>		
Electricity	97.10	90.75
Rent (Refer Note 31.1)	556.84	636.09
Rates and taxes	415.55	114.94
Freight outward expenses	57.59	54.56
Insurance	236.75	203.98
Repair and maintenance		
- Building	0.16	0.30
- Plant & machinery	11.85	68.23
- Vehicles	43.59	147.74
- Others	194.69	493.57
Brokerage	0.55	2.73
Traveling expenses	1,156.58	1,247.98
Communication expenses	83.73	106.18
Printing and stationery	76.85	82.55
Legal and Professional	957.81	956.27
Director sitting fees	37.24	21.07
Payments to auditors (Refer Note 31.2)	105.84	101.27
Loss on sale of Property, plant and equipment	130.83	117.12
Impairment in value of current investment	1.00	231.29
Provision for contract revenue in excess of billing	242.29	93.79
Provision for bad and doubtful advances	1,240.36	-
Allowances for write down of inventories to net realisable value	353.06	-
Tender expenses	42.74	20.25
Fees and subscription / inspection charges	81.65	39.82
Business promotion expenses	54.69	60.19
Watch and ward expenses	43.31	44.13
Warranty expense	556.51	-
Bad debts written off	61.96	43.52
Provision for bad and doubtful debts	947.49	1,701.63
Advances/ earnest money deposit written off	76.16	109.59
Liquidated damages	-	67.73
Inspection charges	-	1.01
Miscellaneous expenses	284.57	122.34
<b>Total</b>	<b>8,149.34</b>	<b>6,980.62</b>

**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 INR 556.84 Lacs (March 31, 2017 INR 636.09 Lacs).

**Note 31.2 Details of payments to auditors**

	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor		
Statutory audit fee	23.66	20.94
Audit fee for consolidated financial statements	10.00	5.00
Limited review fee	37.50	30.00
In other capacity		
Certification fee	7.16	1.10
Other matter	6.00	23.48
Reimbursement of expenses	4.10	4.43
<b>Total</b>	<b>88.42</b>	<b>84.95</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b><u>Note 32 : TAX EXPENSE</u></b>		
Current tax expense	190.85	237.67
Tax expense/ (reversal) relating to prior years	1.39	(3.78)
Deferred tax charge (Refer Note 8)	45.01	5,968.30
<b>Tax expense</b>	<b>237.25</b>	<b>6,202.19</b>

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss before tax	(8,507.16)	(24,367.83)
Corporate tax rate as per income tax act, 1961	34.61%	34.61%
<b>Tax on accounting profit</b>	<b>(2,944.16)</b>	<b>(8,433.22)</b>
i) Tax effect on non deductible expenses/ non-taxable income	(6,595.06)	166.21
ii) Tax effect on impairment	986.33	2,035.37
iii) Tax effect on deferred tax assets reversed during the year	-	6,814.78
iv) Tax effect on temporary differences on which no deferred tax is created	1,865.75	23.24
v) Tax effect on losses of current year on which no deferred tax is created	5,792.24	5,274.41
vi) Tax effect on other adjustment	1.39	321.40
vii) Effect of change in tax rate	1,130.76	-
<b>Tax expense</b>	<b>237.25</b>	<b>6,202.19</b>

**Note 32.1:** a) Detail of unused tax losses for which no deferred tax is recognised in balance sheet:

	As at March 31, 2018			As at March 31, 2017		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
<b>Tax losses</b>						
Assessment Year 2010-11	-	-	-	497.11	128.01	March 31, 2019
Assessment Year 2011-12	495.32	127.54	March 31, 2020	495.32	127.54	March 31, 2020
Assessment Year 2012-13	1,919.81	494.34	March 31, 2021	1,919.81	494.34	March 31, 2021
Assessment Year 2013-14	3,120.80	1,025.72	March 31, 2022	3,120.80	1,025.72	March 31, 2022
Assessment Year 2014-15	14,433.99	4,954.33	March 31, 2023	14,433.99	4,954.34	March 31, 2023
Assessment Year 2015-16	19,533.85	6,385.90	March 31, 2024	19,533.85	6,385.90	March 31, 2024
Assessment Year 2016-17	149.43	38.47	March 31, 2025	149.43	38.47	March 31, 2025
Assessment Year 2017-18	17,934.90	5,776.01	March 31, 2026	14,960.65	4,442.56	March 31, 2026
Assessment Year 2018-19	17,167.51	5,085.88	March 31, 2027	-	-	March 31, 2027
<b>Total</b>	<b>74,755.61</b>	<b>23,888.19</b>		<b>55,110.96</b>	<b>17,596.88</b>	

b) Detail of unrecognised deductible temporary differences and unabsorbed depreciation for which no deferred tax asset is recognised in financial statements:

	As at March 31, 2018			As at March 31, 2017		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	19,189.27	5,550.74	Not applicable	17,012.62	4,844.38	Not applicable
Impairment loss	8,731.21	3,021.70	Not applicable	5,881.21	2,035.37	Not applicable
Other temporary differences	6,405.15	1,865.75	Not applicable	67.16	23.24	Not applicable
	<b>34,325.63</b>	<b>10,438.19</b>		<b>22,960.99</b>	<b>6,902.99</b>	

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 33 : EARNINGS PER SHARE (EPS)**

Both the basic and diluted earnings per share have been calculated using the loss attributable to equity holders of the parent as the numerator, i.e. no adjustments to loss were necessary in year ended March 31, 2018 or March 31, 2017.

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	As at March 31, 2018	As at March 31, 2017
Weighted average number of shares used in basic and diluted earnings per share	149,354,839	129,509,513
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	<b>149,354,839</b>	<b>129,509,513</b>

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

Loss attributable to equity holders of the parent	INR in lacs	(11,060.39)	(26,552.83)
Weighted average number of equity shares outstanding during the year	Numbers	149,354,839	129,509,513
Nominal value of equity share	INR	10.00	10.00
Basic EPS	INR	(7.41)	(20.50)
Diluted EPS	INR	(7.41)	(20.50)

**Note 34 : INTEREST IN JOINT VENTURES**

The Group's interest and share in joint ventures in the jointly controlled operations as at March 31, 2018 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 34(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 34(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 34(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 34(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 34(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 34(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 34(a).1 below	*

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
**(Unless otherwise stated, all amounts are in INR Lacs)**

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation
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 34(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 34(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 34(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 34(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 34(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 34(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 34(a).1 and Note 34(a).2 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 34(a).1 below	*

One of the subsidiaries, A2Z Green Waste Management 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 34(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 34(a).1 below	*



**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation
18	M/s Maccaferri Environmental Solutions Private Limited	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 land fill facility including supply and installation of all equipments and accessories required to handle municipal solid waste on National Level on turn key basis as well Build, Own, Operate, Transfer contract for operation and maintenance.	See Note 34(a).1 below	*

\*Country of Incorporation not applicable, as these are unincorporated Joint Ventures.

**Note 34(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 34(a).2:** The Company holds 60% interest in an Association of Person (AOP), formed between A2Z Infra Engineering Limited and Satya Builders, a jointly controlled entity which is involved in waste water projects at Alwar and Chittorgarh, Rajasthan.

**Note 35: RELATED PARTY TRANSACTIONS**

Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures".

**A Name of the related parties and nature of the related party relationship:**

**1 Joint venture (unincorporated)**

- M/s UB Engineering Limited
- M/s Southern Petrochemicals Industries Corporation Limited (SPIC – SMO)
- M/s Cobra Instalaciones Y Servicios, S.A
- M/s Karamtara Engineering Private Limited
- M/s Richardson & Cruddas (1972) Limited
- M/s Maccaferri Environment Solutions Private Limited
- M/s Satya Builders
- M/s Linkwell Telesystems Private Limited
- M/s Bhumika Transport
- M/s Eco Save Systems Private Limited
- M/s Shyama Power (India) Private Limited
- M/s Sudhir Power Projects Limited
- M/s Ram Engineering & Construction Co.
- M/s Karnataka Compost Development Corporation

**2 Key management personnel ('KMP')**

- Mr. Amit Mittal (Managing director)
- Mrs. Dipali Mittal (Whole time director till August 14, 2017 and Non-executive Director w.e.f. August 15, 2017)
- Mr. Surender Kumar Tuteja (Non- executive independent director)
- Mr. Suresh Prasad Yadav (Non- executive independent director)
- Dr. Ashok Kumar (Non- executive independent director)
- Mr. Rajesh Jain (Chief executive officer and whole time director)
- Mr. Gaurav Jain (Non- executive independent director till September 01, 2017)
- Dr. Ashok Kumar Saini (Whole time director)
- Mr. Lalit Mohan Gulati (Chief financial officer) (till September 10, 2016)
- Mr. Atul Kumar Agarwal (Company secretary)
- Dr. G.R. Nagendran (Chief financial officer) (w.e.f. September 11, 2016)

**3 Relative of key management personnel**

- Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)
- Mr. Rajendra Kumar Mittal (Father of Mr. Amit Mittal)

**4 Enterprise in control of relatives of key management personnel**

- Mestric Consultants Private Limited
- JIT Logistics Private Limited
- Devdhar Trading and Consultants Private Limited
- Mapple Solcon Private Limited

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**B. Transactions with related parties during the year**

The following transactions were carried out with the related parties in the ordinary course of business:

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	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
<b>Rent expense / equipment hiring charges</b>						
- Dipali Mittal	-	-	10.54	-	-	10.14
- Sucha Mittal	-	-	5.36	-	-	5.28
<b>Fund transferred (includes expenses incurred on behalf of others)</b>						
- Maccaferri Environment Solutions Private Limited	-	-	-	117.35	-	-
<b>Fund received (includes expenses incurred on behalf of the Company)</b>						
- UB Engineering Limited	-	-	-	218.63	-	-
- SPIC-SMO	-	-	-	28.47	-	-
<b>ESOP expenses</b>						
- Rajesh Jain	-	-	57.08	-	-	50.35
- Ashok Saini	-	-	14.43	-	-	16.16
- Gaurav Jain	-	-	(4.45)	-	-	21.14
- Atul Kumar Aggarwal	-	-	26.61	-	-	21.14
<b>Provision created/(reversed) on doubtful debts expense</b>						
- UB Engineering Limited	248.05	-	-	(0.59)	-	-
- SPIC-SMO	73.46	-	-	(14.54)	-	-
<b>Loan and advances refunded</b>						
- Amit Mittal	-	-	2.50	-	-	52.05
<b>Remuneration</b>						
- Dipali Mittal	-	-	24.11	-	-	19.08
- Rajesh Jain	-	-	18.00	-	-	18.00
- Ashok Saini	-	-	18.00	-	-	18.00
- Amit Mittal	-	-	48.00	-	-	36.00
- Surender Kumar Tuteja	-	-	5.50	-	-	5.35
- Ashok Kumar	-	-	6.25	-	-	6.10
- Suresh Prasad Yadav	-	-	1.00	-	-	4.75
- Gaurav Jain	-	-	2.25	-	-	2.25
- GR Nagendran	-	-	29.24	-	-	19.89
- Atul Kumar Aggarwal	-	-	34.24	-	-	33.20
- Lalit Mohan Gulati	-	-	-	-	-	10.78
<b>Interest income on loan given</b>						
- Devdhar Trading and Consultants Private Limited	-	1.82	-	-	1.82	-

Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2018			Balance outstanding as at March 31, 2017		
	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
<b>Trade receivable / other recoverable</b>						
- UB Engineering Limited	8,268.39	-	-	8,268.39	-	-
- SPIC-SMO	2,448.60	-	-	2,448.60	-	-
- Karamtara Engineering Private Limited	84.27	-	-	385.28	-	-
- Devdhar Trading and Consultants Private Limited	-	13.00	-	-	13.00	-
- Satya Builders	51.44	-	-	51.44	-	-
- Amit Mittal	-	-	124.93	-	-	127.43
<b>Provision for doubtful debts</b>						
- UB Engineering Limited	3,193.68	-	-	2,945.63	-	-
- SPIC-SMO	1,209.68	-	-	1,136.22	-	-
<b>Remuneration payable</b>						
- Dipali Mittal	-	-	5.58	-	-	8.69
- Rajesh Jain	-	-	7.15	-	-	2.51
- Ashok Saini	-	-	8.57	-	-	2.51
- Amit Mittal	-	-	2.90	-	-	2.50
- Surender Kumar Tuteja	-	-	2.93	-	-	3.02
- Ashok Kumar	-	-	3.63	-	-	3.47
- Suresh Prasad Yadav	-	-	0.90	-	-	2.03
- Gaurav Jain	-	-	2.03	-	-	0.90
- GR Nagendran	-	-	16.03	-	-	8.50
- Atul Kumar Aggarwal	-	-	6.87	-	-	8.37
<b>Short term loans and advances</b>						
- Bhumika Transport	20.00	-	-	20.00	-	-
<b>Other current assets</b>						
- Devdhar Trading and Consultants Private Limited	-	3.55	-	-	-	-
<b>Trade payable</b>						
- Linkwell Telesystems Private Limited	-	-	-	0.02	-	-
- Eco Save Systems (P) Limited	4.93	-	-	9.85	-	-
- Maccaferri Environment Solutions Private Limited	-	-	-	12.33	-	-
- Richardson & Cruddas (1972) Ltd.	14.61	-	-	14.61	-	-
- Cobra Instalaciones Y Servicios, S.A	4.85	-	-	4.85	-	-
- Dipali Mittal	-	-	489.85	-	-	1.58
- Amit Mittal	-	-	2,214.15	-	-	-
- Devdhar Trading and Consultants Private Limited	-	119.55	-	-	-	-
- Manoj Gupta	-	-	-	-	-	0.33
- Sudha Mittal	-	-	3.96	-	-	1.98
- Bhumika Transport	0.07	-	-	2.88	-	-

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 35.1:** In the opinion of the management, the transactions reported herein are on arms' length basis.

**Note 35.2:** Details relating to persons referred to as key managerial personnel above:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short term employee benefits	168.29	153.87
Defined contribution plan	1.30	1.08
Share-based payment transactions	93.67	108.78
Sitting fees	17.00	18.45
<b>Total compensation paid to key management personnel</b>	<b>280.26</b>	<b>282.18</b>

**Note 35.3:** 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 previous year, the Central Government has rejected the Company's application for the waiver of the excess remuneration so paid amounting to INR 189.48 lacs which is being held in trust by the Managing Director. Out of the entire excess remuneration paid INR 64.55 lacs has been received/adjusted from the Managing Director and the balance outstanding as at March 31, 2018 is INR 124.93 lacs (March 31, 2017 INR 127.43 lacs).

**Note 36 : FAIR VALUE MEASUREMENT**

**(i) Fair value measurement of financial instruments**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements**

As at March 31, 2018	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
<b>Fair value through profit and loss</b>				
Derivative liability	-	-	1,810.00	<b>1,810.00</b>
<b>Total financial liabilities</b>	-	-	<b>1,810.00</b>	<b>1,810.00</b>

As at March 31, 2017	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
<b>Fair value through profit and loss</b>				
Derivative liability	-	-	-	-
<b>Total financial liabilities</b>	-	-	-	-

**(iii) Fair value of instruments measured at amortised cost**

The carrying values of financial instruments measured at amortised cost is considered to be a reasonable approximation of their fair values.

**(iv) Valuation process and technique used to determine fair value**

The fair value of derivative liability is estimated using Black Scholes technique. The significant unobservable inputs used in the fair value measurements are as shown below:-

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2018	As at March 31, 2017
<b>Significant unobservable inputs</b>		
Volatility	46.10-51.11%	NA
<b>Sensitivity*</b>		
The sensitivity of profit or loss and equity to changes in the value of Volatility		
Volatility – increase by 5%	(72.08)	NA
Volatility – decrease by 5%	69.33	NA

\* Holding all other variables constant

**Note 37 : FINANCIAL RISK MANAGEMENT**

**(i) Financial instruments by category**

For amortised cost instruments, carrying value represents the best estimate of fair value.

	As at March 31, 2018		
	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>			
Trade receivables	-	-	130,916.48
Loans	-	-	1,245.39
Cash and cash equivalents	-	-	1,908.19
Other bank balances	-	-	1,016.30
Other financial assets	-	-	38,989.66
<b>Total</b>	-	-	<b>174,076.02</b>
<b>Financial liabilities</b>			
Borrowings	-	-	148,228.37
Trade payables	-	-	74,009.84
Other financial liability	1,810.00	-	6,317.49
<b>Total</b>	<b>1,810.00</b>	-	<b>228,555.70</b>

	As at March 31, 2017		
	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>			
Trade receivables	-	-	133,305.51
Loans	-	-	1,864.18
Cash and cash equivalents	-	-	6,186.52
Other bank balances	-	-	1,316.75
Other financial assets	-	-	41,710.55
<b>Total</b>	-	-	<b>184,383.51</b>
<b>Financial liabilities</b>			
Borrowings	-	-	186,474.52
Trade payables	-	-	76,036.06
Other financial liability	-	-	6,630.43
<b>Total</b>	-	-	<b>269,141.01</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**(ii) Risk management**

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Analysis of committed credit lines and borrowing facilities
Market risk-foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Risk limits
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Risk limits
Market risk - security price	Investments in equity securities	Sensitivity analysis	Risk limits

The Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

**A. Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's receivables comprises of trade receivables. During the periods presented, the group made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired, as given below:

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Not more than 30 days	32,751.40	34,505.44
More than 30 days but not more than 60 days	3,650.04	5,774.45
More than 60 days but not more than 90 days	1,311.88	1,858.73
More than 90 days	108,641.56	105,945.28
<b>Total</b>	<b>146,354.88</b>	<b>148,083.90</b>
Less: Allowances for doubtful debts	(15,438.40)	(14,778.39)
	<b>130,916.48</b>	<b>133,305.51</b>

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good. The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables. The Group follows a single loss rate approach and estimates expected credit loss on trade receivables to be 3%. Further, specific provision is made for any individual debtors which are considered to be doubtful and non-recoverable in part or in full. The reconciliation of expected credit losses on trade receivables is given below.



**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>Balance as at the beginning of the year</b>	<b>14,778.39</b>	<b>13,740.41</b>
Changes in provision		
Additional provision	947.49	1,701.63
Reversal of provision	(287.48)	(663.65)
<b>Balance as at the end of the year</b>	<b>15,438.40</b>	<b>14,778.39</b>

The credit risk for other financial assets is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings. However, specific provision is made in case a particular receivable is considered to be non-recoverable.

**B. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<b>As at March 31, 2018</b>	<b>Less than 1 year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>More than 3 years</b>	<b>Total</b>
<b>Non-derivatives</b>					
Borrowings	123,079.34	10,389.14	9,968.05	19,159.91	<b>162,596.44</b>
Trade payables	74,009.84	-	-	-	<b>74,009.84</b>
Other financial liabilities	6,317.49	-	-	-	<b>6,317.49</b>
<b>Derivative financial liabilities</b>					
Other financial liabilities	810.00	1,000.00	-	-	<b>1,810.00</b>
<b>Total</b>	<b>204,216.67</b>	<b>11,389.14</b>	<b>9,968.05</b>	<b>19,159.91</b>	<b>244,733.77</b>
<b>As at March 31, 2017</b>	<b>Less than 1 year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>More than 3 years</b>	<b>Total</b>
<b>Non-derivatives</b>					
Borrowings	148,142.16	9,144.54	9,074.85	22,174.54	<b>188,536.09</b>
Trade payables	76,036.06	-	-	-	<b>76,036.06</b>
Other financial liabilities	6,550.00	-	-	-	<b>6,550.00</b>
<b>Derivative financial liabilities</b>					
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>230,728.22</b>	<b>9,144.54</b>	<b>9,074.85</b>	<b>22,174.54</b>	<b>271,122.15</b>

**C. Market risk**

**(a) Interest rate risk**

**(i) Liabilities**

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2018, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits all pay fixed interest rates.

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Interest rate risk exposure**

Below is the overall exposure of the Group to interest rate risk:

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Variable rate borrowing	117,695.91	164,499.25
<b>Total</b>	<b>117,695.91</b>	<b>164,499.25</b>

**Sensitivity**

Below is the sensitivity of profit or loss and equity changes in interest rates.

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	(769.61)	(1,075.66)
Interest rates – decrease by 100 basis points (100 bps)	769.61	1,075.66

\* Holding all other variables constant

**(b) Foreign exchange risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Uganda Shillings, Tanzania Shillings and Zambia Kwacha. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

**Unhedged foreign currency exposure**

The Group's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

	<b>As at March 31, 2018</b>			
	<b>Currency</b>	<b>Amount in foreign currency</b>	<b>Exchange rate</b>	<b>Amount in INR</b>
<b>Trade receivables</b>	USD	15.71	64.92	1,019.57
	Uganda Shillings	216.17	0.02	3.78
	Zambian Kwacha	10.40	6.79	70.60
<b>Cash and cash equivalents</b>	USD	223.30	64.92	233.86
	Uganda Shillings	1,263.25	0.02	22.09
	Zambian kwacha	1.24	6.79	8.41
<b>Other financial assets</b>	USD	17.46	64.82	1,131.50
	Uganda Shillings	18,625.58	0.02	325.76
	Zambian kwacha	3.40	6.79	23.10
	Tanzania Shillings	1,846.90	0.03	52.90
<b>Trade payables</b>	USD	6.88	64.92	446.74
	Uganda Shillings	4,409.04	0.02	77.11
	Zambian kwacha	0.85	6.79	5.77
<b>Other financial liabilities</b>	USD	11.23	64.92	729.01
	Uganda Shillings	1,091.37	0.02	19.09
	Zambian kwacha	10.90	6.79	73.95

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2017			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
<b>Trade receivables</b>	USD	6.61	64.75	427.98
	Uganda Shillings	276.17	0.02	5.52
	Zambian Kwacha	15.47	6.71	103.80
<b>Cash and cash equivalents</b>	USD	2.41	64.75	155.79
	Uganda Shillings	8,910.92	0.02	178.22
	Zambian Kwacha	1.38	6.71	9.26
<b>Other financial assets</b>	USD	21.91	64.75	1,418.53
	Uganda Shillings	30,020.67	0.02	600.41
<b>Trade payables</b>	USD	10.31	64.75	667.63
	Uganda Shillings	3,364.95	0.02	67.30
	Zambian Kwacha	4.43	6.71	29.73
<b>Other financial liabilities</b>	USD	18.75	64.75	1,214.17
	Uganda Shillings	68.11	0.02	1.36
<b>Borrowings</b>	USD	260.82	64.75	16,887.26

**Sensitivity**

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	As at March 31, 2018	As at March 31, 2017
<b>USD sensitivity</b>		
INR/USD- increase by 5%	39.53	(548.21)
INR/USD- decrease by 5%	(39.53)	548.21
<b>UGX sensitivity</b>		
INR/UGX- increase by 5%	8.35	23.39
INR/UGX- decrease by 5%	(8.35)	(23.39)
<b>ZMW sensitivity</b>		
INR/ZMW- increase by 5%	0.73	2.72
INR/ZMW- decrease by 5%	(0.73)	(2.72)
<b>TZS sensitivity</b>		
INR/TZS- increase by 5%	1.73	-
INR/TZS- decrease by 5%	(1.73)	-

\* Holding all other variables constant

**Note 38 : CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern
  - to provide an adequate return to shareholders
- by pricing products and services commensurately with the level of risk.

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

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

	As at March 31, 2018	As at March 31, 2017
Borrowings	148,228.37	186,554.95
Trade payables	74,009.84	76,036.06
Less: Cash and cash equivalents	(1,908.19)	(6,186.52)
<b>Net debt</b>	<b>220,330.02</b>	<b>256,404.49</b>
Equity	37,195.45	35,868.08
<b>Capital and net debt</b>	<b>257,525.47</b>	<b>292,272.57</b>
<b>Gearing ratio</b>	<b>85.56%</b>	<b>87.73%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

**Note 39 : DISCLOSURE PURSUANT TO IND AS-105 "NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS"**

- 1) The group has following group of assets recognised as held for sale as at March 31, 2018 and March 31, 2017.

**Assets/Group of assets**

1500 TPD of processing and disposal unit(Refer Note 39.2)

Contract for laying and maintenance of Optical fibre cable (Refer Note 39.3)

**Reportable segment**

Municipal solid waste management

Power generation plant

- 2) During the year ended March 31, 2016, one of the subsidiary company, namely A2Z Green Waste Management Limited has entered into a framework agreement with one of the lenders ('the Lender') for settlement of its various debt obligations. The terms of settlement would include transfer of two waste management projects located at Kanpur and Indore to the Lender and is subject to execution of definitive agreements and necessary approvals from its stakeholders. The assets and liabilities to be transferred to the buyer shall be identified on the execution of the "Business Transfer Agreement" with the Lender. Pending execution of such agreement and in line with the provisions of Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" the management has identified specific assets related to both the projects and disclosed them as 'Assets held for sale' in the consolidated financial statements.

During the current year, the Company has renegotiated the terms of the aforementioned agreement and basis the revised terms under discussion with the Lender, the Company now intends to transfer only the plant located at Kanpur. Accordingly, the assets pertaining to Indore plant have been reclassified from 'Assets held for sale' to the respective financial statement line items as at March 31, 2018.

- 3) During the year, A2Z Powercom Limited, a subsidiary company, has entered into a Memorandum of Understanding (MoU) with one of the customers wherein it has agreed to short close certain contracts being executed by A2Z Powercom Limited for the customer and transfer all the assets and liabilities pertaining to the projects to the customer. Definitive agreement for the aforementioned transaction is yet to be executed.
- 4) The details of group of disposable assets classified as held for sale are as under:

	As at March 31, 2018	As at March 31, 2017
<b>Non-current assets</b>		
Property, plant and equipment	8,001.50	10,933.97
Capital work in progress	14,642.79	14,642.79
	<b>22,644.29</b>	<b>25,576.76</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>Current assets</b>		
Inventories	287.24	3,179.05
Trade receivables	152.57	456.01
Contract in excess of billing	4,555.80	-
	<b>4,995.61</b>	<b>3,635.06</b>
<b>Current liabilities</b>		
Trade payable	145.35	-
Advance from customer	2,757.96	-
Security deposit	417.57	-
	<b>3,320.88</b>	
<b>Total</b>	<b>24,319.02</b>	<b>29,211.82</b>

**Note 40 : SEGMENT REPORTING**

**Segmental information**

**Business segments:**

The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108). The Company 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.

	<b>For the year ended March 31, 2018</b>						
	<b>Engineering services</b>	<b>Facility management services</b>	<b>Municipal solid waste management</b>	<b>Power generation projects</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
<b>Revenue</b>							
Segment revenue	32,998.73	26,678.55	5,592.39	-	5,584.15	-	<b>70,853.82</b>
Other income	2,385.63	302.93	1,038.83	-	46.92	-	<b>3,774.31</b>
Intersegment revenue	-	269.42	-	-	62.40	331.82	-
<b>Total segment revenue</b>	<b>35,384.36</b>	<b>27,250.90</b>	<b>6,631.22</b>	<b>-</b>	<b>5,693.47</b>	<b>331.82</b>	<b>74,628.13</b>
<b>Cost</b>							
Segment cost	(36,138.50)	(26,273.63)	(8,065.70)	(1,073.99)	(5,408.99)	(331.82)	<b>(76,628.99)</b>
<b>Total segment cost</b>	<b>(36,138.50)</b>	<b>(26,273.63)</b>	<b>(8,065.70)</b>	<b>(1,073.99)</b>	<b>(5,408.99)</b>	<b>(331.82)</b>	<b>(76,628.99)</b>
<b>Segment operating (loss) / profit</b>	<b>(754.14)</b>	<b>977.27</b>	<b>(1,434.48)</b>	<b>(1,073.99)</b>	<b>284.48</b>	<b>0.01</b>	<b>(2,000.86)</b>
Finance income							536.16
Finance costs							(20,599.69)
Exceptional Item (Refer Note 43)							13,557.23
<b>Loss before tax</b>							<b>(8,507.16)</b>
<b>Tax expense</b>							
Current tax							190.85
Deferred tax charge							45.01
Tax expense relating to prior years							1.39
<b>Loss after tax</b>							<b>(8,744.41)</b>
Reclassification of net actuarial gain on employee defined benefit obligations							71.26
<b>Total comprehensive income for the year (comprising loss and other comprehensive income)</b>							<b>(8,673.15)</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
**(Unless otherwise stated, all amounts are in INR Lacs)**

	As at March 31, 2018						Total
	Engineering services	Facility management services	Municipal solid waste management	Power generation projects	Others	Elimination	
<b>Assets</b>							
Segment assets	163,407.69	14,530.05	51,142.03	46,558.70	2,821.49	-	<b>278,459.96</b>
Unallocable corporate assets	-	-	-	-	-	-	<b>15,910.77</b>
<b>Total assets</b>	<b>163,407.69</b>	<b>14,530.05</b>	<b>51,142.03</b>	<b>46,558.70</b>	<b>2,821.49</b>	<b>-</b>	<b>294,370.73</b>
<b>Liabilities</b>							
Segment liabilities	100,401.98	10,055.60	39,014.17	517.89	2,833.21	-	<b>152,822.85</b>
Unallocable corporate liabilities	-	-	-	-	-	-	<b>117,678.96</b>
<b>Total liabilities</b>	<b>100,401.98</b>	<b>10,055.60</b>	<b>39,014.17</b>	<b>517.89</b>	<b>2,833.21</b>	<b>-</b>	<b>270,501.81</b>
Capital expenditure	5.94	247.22	1,002.73	29.68	-	-	<b>1,285.57</b>
Depreciation	417.53	179.84	1,740.10	884.09	43.19	-	<b>3,264.75</b>
Impairment	-	-	-	3,500.00	-	-	<b>3,500.00</b>
Other non-cash expenditure	-	-	-	-	-	-	<b>3,216.83</b>
	For the year ended March 31, 2017						Total
	Engineering services	Facility management services	Municipal solid waste management	Power generation projects	Others	Elimination	
<b>Revenue</b>							
Segment revenue	59,791.57	26,823.13	4,681.08	154.39	8,100.67	-	<b>99,550.84</b>
Other income	1,569.92	-	1,125.75	-	-	-	<b>2,695.67</b>
Intersegment revenue	65.72	112.48	-	-	1,343.61	1,521.81	<b>-</b>
<b>Total segment revenue</b>	<b>61,427.21</b>	<b>26,935.61</b>	<b>5,806.83</b>	<b>154.39</b>	<b>9,444.28</b>	<b>1,521.81</b>	<b>102,246.51</b>
<b>Cost</b>							
Segment cost	(55,057.78)	(26,497.38)	(7,862.40)	(1,243.63)	(7,803.57)	(703.94)	<b>(97,760.82)</b>
<b>Total segment cost</b>	<b>(55,057.78)</b>	<b>(26,497.38)</b>	<b>(7,862.40)</b>	<b>(1,243.63)</b>	<b>(7,803.57)</b>	<b>(703.94)</b>	<b>(97,760.82)</b>
<b>Segment operating profit/ (loss)</b>	<b>6,369.43</b>	<b>438.23</b>	<b>(2,055.57)</b>	<b>(1,089.24)</b>	<b>1,640.71</b>	<b>817.87</b>	<b>4,485.69</b>
Finance income							1,077.38
Finance costs							(20,053.32)
Exceptional Item (Refer Note 43)							(9,877.58)
<b>Loss before tax</b>							<b>(24,367.83)</b>
<b>Tax expense</b>							
Current tax							237.67
Reversal of prior years tax expenses							(3.78)
Deferred tax charge							5,968.30
<b>Loss after tax</b>							<b>(30,570.02)</b>
Reclassification of net actuarial gain on employee defined benefit obligations							57.44
<b>Total comprehensive income for the year (comprising loss and other comprehensive income)</b>							<b>(30,512.58)</b>



**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2017						
	Engineering services	Facility management services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
<b>Assets</b>							
Segment assets	179,116.52	12,494.27	59,368.93	50,481.07	5,037.19	-	306,497.98
Unallocable corporate assets	-	-	-	-	-	-	13,901.59
<b>Total assets</b>	<b>179,116.52</b>	<b>12,494.27</b>	<b>59,368.93</b>	<b>50,481.07</b>	<b>5,037.19</b>	<b>-</b>	<b>320,399.57</b>
<b>Liabilities</b>							
Segment liabilities	84,865.49	6,368.41	24,628.07	903.68	2,207.23	-	118,972.88
Unallocable corporate liabilities	-	-	-	-	-	-	180,071.14
<b>Total liabilities</b>	<b>84,865.49</b>	<b>6,368.41</b>	<b>24,628.07</b>	<b>903.68</b>	<b>2,207.23</b>	<b>-</b>	<b>299,044.02</b>
Capital expenditure	130.17	332.86	320.43	252.27	587.00	-	1,622.73
Depreciation	550.06	157.27	2,606.75	959.64	34.19	-	4,307.91
Impairment	-	-	-	6,839.46	-	-	6,839.46
Other non-cash expenditure	-	-	-	-	-	-	12,284.37

Unallocated operating income and expense mainly consist of post-employment benefits expenses. The unallocable assets include recoverable from Government authorities.

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

The revenue from a customer (having more than 10% of total revenue) during the year is INR 15,766.06 lacs (March 31, 2017 INR 50,645.98 lacs) arising from revenue from engineering services.

**Note 41 : DISCLOSURE PURSUANT TO IND AS -11 “CONSTRUCTION CONTRACTS”**

Revenue of INR 33,779.72 lacs (March 31, 2017 INR 60,191.73 lacs) relating to construction contracts has been included in revenue for the current reporting period. The amounts recognised in the balance sheet relate to construction contracts in progress at the end of the reporting year. The amounts are calculated as the net amounts of costs incurred plus recognised profits, less recognised losses and progress billings. The carrying amounts of assets and liabilities are analysed as follows:

	As at March 31, 2018	As at March 31, 2017
Contract revenue recognized as revenue in the year	33,779.72	60,191.73
Aggregate amount of costs incurred and recognised profits and losses for all contracts in progress	216,888.08	295,744.26
Amount of advance received on contract under progress and outstanding at year end	8,057.84	4,657.52
Amount of retentions on contract under progress	29,752.31	65,442.70
<b>Recognised as:</b>		
Due from customers for construction contract work, recognised in trade and other financial assets (Net of provision March 31, 2018 INR 23,172.84 lacs (March 31, 2017 INR 33,737.97 lacs))	24,886.83	36,144.97
Due to customers for construction contract work, recognised in other liabilities	1,732.12	1,357.77

**Note 41.1 :** The Group has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the year end, the Group 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 Group does not have any derivative contracts at the end of the year.

Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

### **Note 42 : CONTINGENT LIABILITIES AND COMMITMENTS**

a) The details of contingent liabilities are as follows:

	As at March 31, 2018	As at March 31, 2017
Right to recompense (CDR Scheme)	9,951.43	7,974.54
Open letters of credit	147.22	-
Litigations under workmen compensation act (Refer Note 42.1)	37.38	29.08
Litigations with contractors and others (Refer Note 42.1)	180.24	174.24
Sales tax demand under dispute* (Refer Note 42.1)	8,669.26	8,993.72
Income Tax demand under dispute (Refer Note 42.2 and 42.3)	2,800.69	2,608.67
	<b>21,786.22</b>	<b>19,780.25</b>

**Note 42.1 :** Based on discussions with the solicitors / favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Group has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

**Note 42.2 :** 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 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of INR 1,992.17 lacs. During the year ended March 31, 2015 the Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had 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 in respect of the matters where the CIT(A) has not accepted the Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Company.

Further, during the current year, the Company has received penalty order for the Assessment year 2008-09 from CIT and for Assessment year 2011-12 and 2013-14 from Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of INR 798.63 lacs against which the Commissioner of Income Tax (CIT) (Appeals) had not granted relief to the Company. The Company has filed appeals with ITAT for the Assessment Year 2008-09 and with CIT(A) for the Assessment Year 2011-12 and 2013-14 challenging the penalty orders.

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/CIT(A) and does not foresee any material liability. Pending the final decision on the matter, no adjustment has been made in the financial statements.

**Note 42.3 :** 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:

	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts to be executed and not provided for:		
Capital Commitments	3,688.96	4,246.39
Other Commitments	41,169.51	13,638.65
	<b>44,858.47</b>	<b>17,885.04</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Note 43 : EXCEPTIONAL ITEMS</b>		
One Time Settlement with banks of borrowings and financial institutions (Refer Note 43.1)	31,485.40	-
<b>Exception gain (A)</b>	<b>31,485.40</b>	-
Contract revenue in excess of billing written off	5,620.55	-
Capital assets and inventories impaired/Written off	11,532.67	3,038.12
Loss on sale of investment (Refer Note 43.2)	774.95	6,839.46
<b>Exceptional loss (B)</b>	<b>17,928.17</b>	<b>9,877.58</b>
<b>Net Exceptional gain/(loss)</b>	<b>13,557.23</b>	<b>(9,877.58)</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 43.1:** During the year ended March 31, 2018, the Group has entered into One Time Settlement Agreements ("OTS Agreements") with certain lenders ("the Lenders") wherein they have agreed to the settlement of the outstanding principal and accrued interest of the Company and its step down subsidiaries. Pursuant to the aforementioned OTS Agreements, the Company has issued 30,276,384 equity shares to the Lenders at the rate of INR 39.80 during the year. Additionally, the Company has paid INR 1,975.00 lacs during the year to the Lenders and shall further pay INR 8,863.02 lacs. The resultant impact of the transaction has been recognised as an exceptional item in these consolidated financial statements.

**Note 43.2:** During the year ended March 31, 2018, loss on sale of investments pertains to the loss incurred on the sale of entire shareholding in one of the subsidiary company i.e. Star Transformers Limited during the year. Consequently, Star Transformers Limited ceased to be a subsidiary of the Company.

**Note 44 : DISPOSAL OF SUBSIDIARY**

On June 20, 2017, the Company disposed of its entire shareholding in one of its subsidiary company, Star Transformer Limited. The resultant gain/loss on disposal has been included in consolidated financial statement. The carrying amount of assets and liabilities on date of disposal, profit/loss on disposal and net cash inflow from disposal are set below;

	As at June 20, 2017
<b>(a) Carrying amount of subsidiary's assets and liabilities disposed</b>	
<b>Assets</b>	
Property, plant and equipment	517.43
Intangible assets	0.28
Trade receivables	304.96
Other financial assets	379.41
Other non financial assets	68.03
Inventories	97.43
Cash and cash equivalents	997.70
<b>Total assets</b>	<b>2,365.24</b>
<b>Liabilities</b>	
Trade payable	30.03
Other financial liabilities	12.64
Other non financial liabilities	50.35
<b>Total liabilities</b>	<b>93.02</b>
<b>Total net assets disposed</b>	<b>2,272.22</b>
<b>(b) Computation of loss of disposal of subsidiary</b>	
<b>Group stake in subsidiary on the date of disposal</b>	<b>1,144.37</b>
Total consideration received in cash	1,055.34
<b>Loss on disposal</b>	<b>89.03</b>
Goodwill written off	685.92
<b>Net loss on disposal (Refer Note 43)</b>	<b>774.95</b>
<b>(c) Net cash inflow on disposal of subsidiary</b>	
Total consideration received in cash	1,055.34
Less: Cash and cash equivalents disposed off	997.70
<b>Net cash inflow</b>	<b>57.64</b>

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 45 : GROUP INFORMATION**

Consolidated financial statements as at March 31, 2018 comprise the financial statements of A2Z Infra Engineering (the "Company") and its subsidiaries, which are as under:

S. No.	Name	Principal activities	NIC Code	Country of incorporation	Status of Financial Statements at March 31, 2018	Proportion of equity Interest as at March 31, 2018	Proportion of equity Interest as at March 31, 2017
<b>A</b>	<b>Indian subsidiaries:</b>						
1	A2Z Infraserivces Limited	Combined facilities support activities	81100	India	Audited	93.83%	93.83%
2	A2Z Green Waste Management Limited*	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
3	A2Z Powercom Limited	Engineering Services	42202	India	Audited	100.00%	100.00%
4	A2Z Powertech Limited	Manufacture, Fabricate, develop, and assemble electronic equipments of all description	26109	India	Audited	100.00%	100.00%
5	Mansi Bijlee & Rice Mills Limited	Electric Power Generation, transmission and distribution	35106	India	Audited	100.00%	100.00%
6	Magic Genie Services Limited	Facility Management Services Provider	36000	India	Audited	75.00%	75.00%
7	Chavan Rishi International Limited	Leasing Services	68100	India	Audited	100.00%	100.00%
8	Selligence Technologies Services Private Limited	Technological Solution Services	62020	India	Audited	80.00%	80.00%
9	Star Transformers Limited^	Manufacture, Assemble, Buy, sell and Supply of Transformers	27102	India	Audited	-	49.00%
10	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Water Waste Management	38110/38210	India	Audited	60.00%	60.00%
11	A2Z Waste Management (Nainital) Private Limited**	Waste management processing facility	38110/38210	India	Audited	60.45%	60.45%

**Step down subsidiaries**

**Subsidiaries of A2Z Green Waste Management Limited**

1	A2Z Waste Management (Aligarh) Limited	Waste management processing facility	38110/38210	India	Audited	38.31%	38.31%
2	A2Z Waste Management (Moradabad) Limited	Waste management processing facility	38110/38210	India	Audited	38.31%	38.31%
3	A2Z Waste Management (Merrut) Limited	Waste management processing facility	38110/38210	India	Audited	38.31%	38.31%
4	A2Z Waste Management (Varanasi) Limited	Waste management processing facility	38110/38210	India	Audited	38.31%	38.31%
5	A2Z Waste Management (Jaunpur) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
6	A2Z Waste Management (Badaun) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
7	A2Z Waste Management (Sambhal) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
8	A2Z Waste Management (Mirzapur) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
9	A2Z Waste Management (Balai) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
10	A2Z Waste Management (Fatehpur) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
11	A2Z Waste Management (Ranchi) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
12	A2Z Waste Management (Ludhiana) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
13	A2Z Waste Management (Dhanbad) Private Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
14	Shree Balaji Pottery Private Limited	Pottery Work of all kind	77291/23931	India	Audited	47.89%	47.89%
15	Shree Hari Om Utensils Private Limited	Casting of Metals	243	India	Audited	47.89%	47.89%

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
(Unless otherwise stated, all amounts are in INR Lacs)

S. No.	Name	Principal activities	NIC Code	Country of incorporation	Status of Financial Statements at March 31, 2018	Proportion of equity Interest as at March 31, 2018	Proportion of equity Interest as at March 31, 2017
16	A2Z Waste Management (Jaipur) Limited #	Waste management processing facility	38110/38210	India	Audited	58.31%	58.31%
17	A2Z Mayo SNT Waste Management (Nanded) Private Limited	Waste management processing facility	38110/38210	India	Audited	28.73%	28.73%
18	A2Z Waste Management (Ahmedabad) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%
19	Earth Environment Management Services Private Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	47.89%

S. No.	Name	Principal activities	NIC Code	Country of incorporation	Status of Financial Statements at March 31, 2018	Proportion of equity Interest as at March 31, 2018	Proportion of equity Interest as at March 31, 2017
--------	------	----------------------	----------	--------------------------	--	--	--

**Subsidiaries of Magic Genie Services Limited**

1	Magic Genie Smartech Solutions Limited (till December 17, 2017)	Installation of Sanitation Equipment	43221	India	Audited	-	100.00%
---	---	--------------------------------------	-------	-------	---------	---	---------

**Subsidiaries of A2Z Infraseservices Limited**

1	Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited) (w.e.f. April 01, 2017)****	Waste management processing facility	38110/38210	India	Audited	45.98%	45.98%
2	A2Z Infraseservices Lanka Limited***	Combined facilities support activities	Incorporated	Srilanka	Audited	100.00%	100.00%

**Subsidiaries of A2Z Waste Management (Ludhiana) Limited**

1	Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited) (till March 31, 2017)	Waste management processing facility	38110/38210	India	Audited	24.42%	24.42%
2	Magic Genie Smartech Solutions Limited (w.e.f December 18, 2017)	Installation of Sanitation Equipment	43221	India	Audited	100.00%	-

\*With respect to A2Z Green Waste Management Limited ("AGWML"), although the Company owns less than one-half of the voting power, it is able to control AGWML by virtue of an agreement with another investor of A2Z Green Waste Management Limited i.e. Devdhar Trading and Consultants Private Limited ("Devdhar"), which provides that Devdhar shall continue to support the Company to have the control over the management of AGWML and shall follow the instructions given by the Company in this regard. Accordingly, the Company, together with Devdhar controls AGWML.

^ During the year ended March 31, 2018, the Company has sold the entire shareholding in its subsidiary i.e. Star Transformers Limited. Consequently Star Transformers Limited ceases to be a subsidiary of the Company. (Refer Note 44)

\*\* The Company directly holds 48% (March 31, 2017 48%) of total the share capital and 26% (March 31, 2017 26%) indirectly through its subsidiary, A2Z Green Waste Management Limited.

\*\*\* A2Z Infraseservices Limited is initial shareholders by virtue of shares subscription arrangement in A2Z Infraseservices Lanka Limited and has committed to make investment in the company.

\*\*\*\* Ecogreen Envirotech Solution Limited is direct subsidiary of A2Z Infraseservices Limited as A2Z Infraseservices Limited holds 49% shareholding in the Company along with management control and remaining 51% shares are held by A2Z Waste Management (Ludhiana) Limited.

# The Company directly holds 20% (March 31, 2017 20%) of total the share capital and 80% (March 31, 2017 80%) indirectly through its subsidiary, A2Z Green Waste Management Limited.

**Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018**  
**(Unless otherwise stated, all amounts are in INR Lacs)**

**Note 46 :**

Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to division II of Schedule III to the Companies Act, 2013:

	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Consolidated net assets	Amount	Consolidated profit / (Loss)	Amount	Consolidated Profit / (Loss)	Amount	Consolidated Profit / (Loss)	Amount
<b>Parent:</b>								
A2Z Infra Engineering Limited	256.97	61,336.63	131.25	(11,476.94)	56.57	40.31	131.86	(11,436.63)
<b>Subsidiaries:</b>								
<b>Indian:</b>								
1 A2Z Infraservices Limited	26.85	6,409.87	(5.55)	485.20	-	-	(5.59)	485.20
2 A2Z Green Waste Management Limited	(70.38)	(16,797.97)	18.59	(1,625.27)	26.84	19.13	18.52	(1,606.14)
3 A2Z Powercom Limited	0.69	164.59	0.51	(44.94)	5.43	3.87	0.47	(41.07)
4 A2Z Powertech Limited	(0.72)	(170.83)	0.35	(30.97)	-	-	0.36	(30.97)
5 Mansi Bijlee & Rice Mills Limited	3.80	907.08	3.89	(340.43)	-	-	3.93	(340.43)
6 Magic Genie Services Limited	(0.50)	(120.28)	1.03	(89.90)	-	-	1.04	(89.90)
7 Chavan Rishi International Limited	0.38	90.76	0.19	(16.26)	-	-	0.19	(16.26)
8 Selligence Technologies Services Private Limited	0.10	23.46	(0.02)	1.76	-	-	(0.02)	1.76
9 A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	(4.66)	(1,113.23)	1.74	(151.90)	-	-	1.75	(151.90)
10 A2Z Waste Management(Nainital) Private Limited	(0.07)	(16.10)	0.07	(6.29)	-	-	0.07	(6.29)
11 A2Z Waste Management (Aligarh) Limited	1.65	394.16	3.96	(346.35)	8.73	6.22	3.92	(340.13)
12 A2Z Waste Management (Moradabad) Limited	(4.15)	(989.79)	7.11	(621.95)	0.45	0.32	7.17	(621.62)
13 A2Z Waste Management (Merrut) Limited	(1.10)	(261.65)	15.16	(1,325.75)	(0.02)	(0.01)	15.29	(1,325.76)
14 A2Z Waste Management (Varanasi) Limited	(10.84)	(2,587.43)	44.72	(3,910.67)	0.03	0.02	45.09	(3,910.65)
15 A2Z Waste Management (Jaunpur) Limited	0.09	21.06	0.12	(10.75)	-	-	0.12	(10.75)
16 A2Z Waste Management (Badaun) Limited	2.32	554.10	2.66	(232.32)	-	-	2.68	(232.32)
17 A2Z Waste Management (Sambhal) Limited	2.05	488.26	1.98	(173.51)	-	-	2.00	(173.51)
18 A2Z Waste Management (Mirzapur) Limited	1.32	314.20	3.35	(293.23)	-	-	3.38	(293.23)
19 Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited)	0.14	32.58	0.67	(58.84)	-	-	0.68	(58.84)
20 A2Z Waste Management (Balai) Limited	1.36	325.74	3.22	(281.78)	-	-	3.25	(281.78)
21 A2Z Waste Management (Fatehpur) Limited	(0.09)	(20.79)	1.75	(152.97)	-	-	1.76	(152.97)
22 A2Z Waste Management (Ranchi) Limited	7.36	1,757.94	11.53	(1,008.01)	0.03	0.02	11.62	(1,007.98)
23 A2Z Waste Management (Ludhiana) Limited	3.88	927.12	3.12	(273.14)	1.93	1.38	3.13	(271.76)
24 A2Z Waste Management (Dhanbad) Private Limited	(0.17)	(39.84)	0.01	(1.03)	-	-	0.01	(1.03)
25 Shree Balaji Pottery Private Limited	(0.01)	(23.67)	0.04	(3.92)	-	-	0.05	(3.92)
26 Shree Hari Om Utensils Private Limited	(0.01)	(23.21)	0.04	(3.93)	-	-	0.05	(3.93)
27 A2Z Waste Management (Jaipur) Limited	(3.24)	(773.50)	1.25	(109.01)	-	-	1.26	(109.01)
28 A2Z Mayo SNT Waste Management (Nanded) Private Limited	(0.03)	(7.50)	0.03	(2.44)	-	-	0.03	(2.44)
29 A2Z Waste Management (Ahmedabad) Limited	(0.02)	(3.96)	0.01	(0.96)	-	-	0.01	(0.96)
30 Earth Environment Management Services Private Limited	(14.95)	(3,569.23)	26.57	(2,323.79)	-	-	26.79	(2,323.79)
31 Magic Genie Smartech Solutions Limited	0.01	2.56	(0.03)	3.03	-	-	(0.03)	3.03
32 Star Transformers Limited*	-	-	(0.34)	29.51	-	-	(0.34)	29.51
<b>Foreign:</b>								
33 A2Z Infraservices Lanka Limited**	-	-	-	-	-	-	-	-
<b>Total non-controlling interest in all subsidiaries</b>	<b>(55.83)</b>	<b>(13,326.53)</b>	<b>26.49</b>	<b>2,315.98</b>	<b>24.26</b>	<b>17.29</b>	<b>26.90</b>	<b>2,333.27</b>
<b>Total eliminations and other consolidation adjustments</b>	<b>(42.04)</b>	<b>(10,035.67)</b>	<b>152.52</b>	<b>13,337.36</b>	<b>(24.27)</b>	<b>(17.29)</b>	<b>153.58</b>	<b>13,320.07</b>
<b>Total</b>	<b>100.00</b>	<b>23,868.92</b>	<b>100.00</b>	<b>(8,744.41)</b>	<b>100.00</b>	<b>71.26</b>	<b>100.00</b>	<b>(8,673.15)</b>

\* Refer Note 44

\*\* The Company incorporated on January 06, 2017. No such commercial activities commenced by the company.



Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

#### **Note 47 : DISCLOSURE OF SUBSIDIARY HAVING MATERIAL NON-CONTROLLING INTEREST**

	As at March 31, 2018	As at March 31, 2017
Name of subsidiary	A2Z Green Waste Management Limited	A2Z Green Waste Management Limited
Principal place of business	India	India
Proportion of ownership interest held by non-controlling interests	52.12%	52.12%
Proportion of voting rights held by non-controlling interests (Refer Note 45)	45.12%	45.12%
<b>i) Summarised balance sheet</b>		
Current assets	37,226.93	42,921.68
Current liabilities	54,091.08	65,881.54
<b>Net current assets</b>	<b>(16,864.15)</b>	<b>(22,959.86)</b>
Non-current assets	30,345.70	33,913.42
Non-current liabilities	35,900.06	35,049.95
<b>Net non-current assets</b>	<b>(5,554.36)</b>	<b>(1,136.53)</b>
<b>Net assets</b>	<b>(22,418.51)</b>	<b>(24,096.39)</b>
<b>Accumulated non-controlling interest</b>	<b>(13,297.78)</b>	<b>(15,655.09)</b>
	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>ii) Summarised statement of profit and loss</b>		
Loss for the year	(12,697.75)	(7,905.52)
Other comprehensive income for the year	27.07	10.59
<b>Total comprehensive income</b>	<b>(12,670.68)</b>	<b>(7,894.93)</b>
Gain/(loss) allocated to non-controlling interest	<b>2,357.31</b>	<b>(3,981.68)</b>
Dividend to non-controlling interest	-	-
<b>iii) Summarised statement of cash flow</b>		
Cash flow from operating activities	1,082.27	(3,145.60)
Cash used in investing activities	(1,138.75)	(3,199.34)
Cash (used in)/flow from financing activities	(287.44)	6,957.72
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(343.92)</b>	<b>612.78</b>

**Note 47.1:** All above mention figures are based on consolidate financial statement of the subsidiary company

**Note 47.2:** Transactions with non-controlling interests

During the year ended March 31, 2017, the stake of NCI in A2Z Green Waste Management Limited increased from 28.13% to 52.12% on account of pledged shares held by the Parent Company in A2Z Green Waste Management Limited which were invoked by a lender. The shares were invoked against interest accrued to the lender of INR 940.07 lacs, and the accordingly the decrease in carrying value of NCI was INR 11,634.56 lacs, which was debited to retained earnings.

#### **Note 48 :**

The following subsidiary companies, A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Varanasi) Limited and A2Z Waste Management (Moradabad) Limited, step-down subsidiaries of the Company, have incurred net losses during the year ended March 31, 2018 aggregating INR 109.01 lacs, INR 3,910.65 lacs and INR 621.62 lacs respectively and as of that date, have accumulated losses aggregating INR 768.50 lacs, INR 2,582.43 lacs and INR 984.79 lacs respectively resulting in complete erosion of their net worth and are presently facing liquidity problems on account of non-realization of trade receivables. Management is in the process of exploring various options to revive their business and has initiated arbitration proceedings against the respective municipal authorities for realization of the outstanding receivables. Based on independent legal advice, the management believes that amount recoverable from such arbitration proceedings shall be in excess of the aforementioned accumulated losses and shall result in the requisite cash inflow which shall resolve the liquidity issues being presently faced by the Company and support the management plan of revival of business. Hence, the financial statements of the aforementioned subsidiaries have been prepared on the assumption of going concern and no adjustment is necessary to be made in the consolidated financial statement.

Summary of significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2018  
(Unless otherwise stated, all amounts are in INR Lacs)

**Note 49 : DISCLOSURE PURSUANT TO IND AS 7 “STATEMENT OF CASH FLOWS”-CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:**

	Non- current borrowings (Including current maturities) (Refer Note 16)	Current borrowings (Refer Note 20)	Interest accrued on borrowings (Refer Note 17)	Total
<b>Opening Balance as at April 1, 2017</b>	<b>89,040.17</b>	<b>75,459.08</b>	<b>21,975.27</b>	<b>186,474.52</b>
(a) Changes from financing cash flow	(3,292.94)	(393.92)	(4,603.91)	(8,290.77)
(b) Effect of changes in foreign exchange rates	(3.60)	-	-	(3.60)
(c) Other changes				
(i) Reclassification within categories	4,785.05	(978.51)	(3,806.54)	-
(ii) Interest charge to statement of profit and loss	-	-	18,661.35	18,661.35
(iii) Non-cash changes	(11.16)	(2,860.44)	(278.00)	(3,149.60)
(iv) One time settlement (Refer Note 43.1)				
Gain on one time settlement of borrowing with banks and financial institutions	(21,017.75)	(1,011.14)	(9,456.51)	(31,485.40)
Settled through equity shares	(7,050.00)	(5,000.00)	-	(12,050.00)
Settled through derivative liability	(562.13)	(1,000.00)	(247.87)	(1,810.00)
Settled through fixed deposits	-	(118.13)	-	(118.13)
<b>Closing Balance as at March 31, 2018</b>	<b>61,887.64</b>	<b>64,096.94</b>	<b>22,243.79</b>	<b>148,228.37</b>

**Note 50 : POST-REPORTING DATE EVENTS**

No adjusting or significant non-adjusting events have occurred between the reporting date (March 31, 2018) and the date of authorisation (May 29, 2018).

**Note 51 : AUTHORISATION OF FINANCIAL STATEMENTS**

The consolidated financial statements for the year ended March 31, 2018 (including comparatives) were approved by the board of directors on May 29, 2018.

For **Walker Chandiok & Co LLP**  
Chartered Accountants

Sd/-  
per **Neeraj Sharma**  
Partner

**Place: Gurugram**  
**Date : May 29, 2018**

**For and on behalf of the Board of Directors**

Sd/-  
**Amit Mittal**  
Managing Director  
(DIN 00058944)

Sd/-  
**G R Nagendran**  
Chief Financial Officer

Sd/-  
**Rajesh Jain**  
Whole Time Director & CEO  
(DIN 07015027)

Sd/-  
**Atul Kumar Agarwal**  
Company Secretary

## Notes

[illegible]

## This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting or typing. There are no margins, text, or other markings on the page.

## Notes

[illegible]



15% Off  
Deep Cleaning



*\* Check Website for more offers\**



Deep Cleaning

Pest Control

Plumbing

Honing & Polishing

Carpet/Chair Shampooing

Electrical

Carpenter

Painter

WE ARE AVAILABLE FROM  
10AM TO 6PM

A2Z WITH 16 YEARS OF EXPERIENCE IN FACILITY MANAGEMENT  
SERVICES, NOW BRINGS PROFESSIONAL MAINTENANCE SERVICES  
AT YOUR DOORSTEP



0124-4517617  
9990990172

**info@magicgenie.in**  
**www.magicgenie.in**





## **A2Z INFRA ENGINEERING LTD.**

CIN: L74999HR2002PLC034805

### **REGISTERED OFFICE**

0-116, 1st Floor, DLF Shopping Mall, Arjun Marg,  
DLF Phase - I, Gurugram - 122002, Haryana (INDIA)

### **CORPORATE OFFICE**

Plot No. B-38, Institutional Area, Sector-32,  
Gurugram - 122001, Haryana (India)  
Ph. No. 91-124 45176001 Fax 91-124 4380014