INDEPENDENT AUDITOR'S REPORT

To the Members of

A2Z Infraservices Limited

Gurgaon

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of A2Z Infraservices Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2023, and its financial performance (including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

M P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

M P GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
B-3/59, 3RD FLOOR, SECTOR 6, ROHINI, NEW DELHI – 110085
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We do not have any matters to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters, if any, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

M. No. 509523
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• Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

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

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

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

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Report on Other Legal and Regulatory Requirements

1. With respect to matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub- section (11) of section 143 of the Act, according to the information and explanations given to us and based on the CARO reports issued by the respective auditors of companies included in the consolidated financial statements, to which reporting under CARO is applicable, we report as under:

   Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the standalone financial statements are:

S. No.	Name of Company	Holding/ subsidiary/ associate/	Clause number of the CARO report which is qualified or is adverse
1.	A2Z Waste Management (Aligarh) Limited	Subsidiary	vii(a)
2.	A2Z Waste Management (Ludhiana) Limited	Subsidiary	vii(a)
3.	Ecogreen Envirotech Solutions Limited	Subsidiary	iii(a),vii(a)
4.	Vswach Environment (Aligarh) Private Limited	Subsidiary	NA
5.	Vsapients Techno Services Private Limited	Subsidiary	NA
6.	Magic Genie Smartech Solutions Limited	Subsidiary	vii(a)
7.	Rishikesh Waste Management Limited	Subsidiary	vii(a)

2. As required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

c. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

e. On the basis of the written representations received from the directors as on 31 March 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure I"; and

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

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

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

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

For M P Gupta & Associates
Chartered Accountants
Regn. No. 027523N

M P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N

Mata Prasad
Proprietor
M. No. 509623

Date: 18.05.2023
Place: Gurugram
UDIN: 23509623BGXMRF5957

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Annexure - II to the Auditors' Report

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

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

We have audited the internal financial controls over consolidated financial reporting of A2Z Infraservices Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the Ind AS financial statements of the Company and its subsidiary companies for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, 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 M P Gupta & Associates
Chartered Accountants
Regn. No. 027523N

M. No. 509623
FRN 027523N

Mata Prasad
Proprietor
M. No. 509623

Date: 18.05.2023
Place: Gurugram
UDIN: 23509623BGXMRF5957

A2Z Infraservices Limited
Consolidated Balance Sheet as at March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	2,575.58	2,836.02
Capital work in progress	3	4,210.50	4,210.50
Other intangible assets	4	3.81	5.69
Right to use of assets	3	-	0.80
Intangible assets under development	4	-	41.94
Financial assets:			
Other financial assets	6	739.59	369.37
Deferred tax assets (net)	7	1,059.16	350.63
Non-current tax assets (net)	8	3,174.28	2,733.16
Other non-current assets	9	496.64	510.73
		12,259.56	**11,058.84**
Current Assets:			
Inventories	10	462.00	450.38
Financial assets:			
Trade receivables	11	7,125.14	7,881.69
Cash and cash equivalents	12	538.33	678.63
Other bank balances	13	141.98	137.71
Loans	5	1,333.89	8,215.35
Other financial assets	6	4,883.23	6,690.18
Other current assets	9	1,116.80	1,845.55
		15,601.37	**25,899.49**
		27,860.93	**36,958.33**
EQUITY AND LIABILITIES:			
Equity:			
Equity share capital	14	381.60	381.60
Other equity	14	6,443.08	10,123.18
Equity attributable to equity holders of the Company		**6,824.68**	**10,504.78**
Non-controlling interests		(363.61)	(301.39)
Total equity		**6,461.07**	**10,203.39**
Liabilities:			
Non-current liabilities:			
Financial liabilities:			
Borrowings	15	766.24	675.07
Long term provisions	18	629.27	630.24
Other non-cuurent liablities	19	2,852.60	3,031.48
		4,248.11	**4,336.79**
Current liabilities:			
Financial liabilities:			
Borrowings	20	2,737.79	4,199.19
Lease liability	16	-	1.25
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		3.81	10.02
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,236.74	9,678.61
Other financial liabilities	17	2,660.51	2,137.08
Other current liabilities	19	2,500.42	6,336.14
Short term provisions	18	12.48	24.36
Current tax liabilites	22	-	31.50
		17,151.75	**22,418.15**
		27,860.93	**36,958.33**

The accompaning notes are part of consolidated financial statements.
This is the consolidated balance sheet referred to in our report of even date.

For M.P. Gupta & Associates
Chartered Accountants
Regn. No. 027523N

Mata Prasad
Proprietor
M.No. 509623

Place: Gurugram
Date: 18.05.2023

UDIN: 23509623BGXMRF5957

For and on behalf of the Board of Directors

Amit Mittal
Director
(DIN 00058944)

Dipali Mittal
Whole Time Director
(DIN 00872628)

M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

A2Z Infraservices Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue:			
Revenue from operations	23	26,083.03	24,760.62
Other income	24	194.80	688.74
Total revenue		**26,277.83**	**25,449.36**
Expenses:			
Cost of materials consumed	25	6,326.10	10,785.44
Change in inventories	26	(5.87)	261.86
Employee benefits expense	27	15,200.13	11,066.64
Finance costs	28	702.19	850.94
Depreciation and amortisation expenses	29	390.23	417.15
Other expenses	30	1,323.91	1,670.33
Total expenses		**23,936.69**	**25,052.36**
Profit/ (loss) before exceptional items and tax		**2,341.14**	**397.00**
Exceptional items (Refer Note 45)		(6,891.55)	388.89
Profit/(Loss) before tax		**(4,550.41)**	**785.89**
Tax expense			
Current tax		60.86	298.19
Deferred tax charge		(713.74)	33.79
		(652.88)	**331.98**
Profit / (Loss) for the period		**(3,897.53)**	**453.91**
Other comprehensive income:			
a) Remeasurement of defined benefit obligations		108.56	151.86
b) Income tax relating to items that will not be reclassified to profit or loss		(5.20)	(30.80)
		103.36	**121.06**
Total comprehensive income/ (loss) for the period (comprising loss and other comprehensive income)		**(3,794.17)**	**574.97**
Profit is attributable to:			
Equity holders of the Company		(3,820.18)	505.14
Non-controlling interests		(77.35)	(51.24)
Other comprehensive income is attributable to:			
Equity holders of the Company		88.23	115.46
Non-controlling interests		15.13	5.60
Total comprehensive income is attributable to:			
Equity holders of the Company		(3,731.95)	620.60
Non-controlling interests		(62.22)	(45.64)
Profit per equity share :	32		
(Nominal value of shares INR 10)			
Basic		(100.11)	13.24
Diluted		(100.11)	13.24

The accompaning notes are part of consolidated financial statements.
This is the consolidated statement of profit and loss referred to in our report of even date.

For M.P. Gupta & Associates
Chartered Accountants
Regn. No. 027523N

M.P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

Mata Prasad
Proprietor
M.No. 509623

Place: Gurugram
Date: 18.05.2023

UDIN: 23509623BGXMRF5957

For and on behalf of the Board of Directors

Amit Mittal
Director
(DIN 00058944)

Dipali Mittal
Whole Time Director
(DIN 00872628)

A2Z Infraservices Ltd.
GURUGRAM

A2Z Infraservices Limited
Consolidated Cash flow statement for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Net Profit before tax and non-controlling interest (after exceptional items)	**(4,550.41)**	**785.88**
	Adjustments :		
	Exceptional items	6,891.55	(388.89)
	Depreciation and amortisation expense	390.23	417.15
	Interest expense	630.31	850.94
	Interest income	(45.04)	(638.43)
	Amount written off	41.94	222.46
	Rent LER	4.71	
	Provision for employee benefits	287.07	
	Subsidy amortised	(48.07)	(48.07)
	Recognition of share based payments	51.85	5.61
	Operating profit before working capital changes	**3,654.14**	**1,206.65**
	Changes in working capital:		
	Changes in inventories	(11.62)	257.37
	Change in trade receivables	756.55	479.24
	Changes in loans	(10.21)	86.92
	Changes in other financial assets	1,690.07	2,318.77
	Changes in other assets	742.96	(1,263.18)
	Changes in trade payable	(449.34)	953.89
	Changes in other financial liabilities	505.22	(3,874.21)
	Changes in other liabilities	(3,971.24)	728.27
	Changes in provisions	(191.35)	177.25
	Net changes in working capital:	**(938.96)**	**(135.68)**
	Net cash generated from operations	**2,715.18**	**1,070.97**
	Current taxes paid (net of refunds)	(533.37)	(419.48)
	Net cash generated from operating activities	**2,181.81**	**651.49**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work in progress)	(124.61)	(157.95)
	Purchase of intangible asset	(2.50)	-
	Fixed deposits matured / (placed) - (net)	(243.39)	43.94
	Interest received	30.72	137.08
	Net cash generated from investing activities	**(339.78)**	**23.07**
C	**Cash flow from financing activities**		
	(Repayment of)/ Proceeds from long term borrowings (net)	(227.66)	872.55
	(Repayment of)/ Proceeds from short term borrowings (net)	(1,220.10)	(1,161.64)
	Interest paid	(534.57)	(614.31)
	Net cash used in financing activities	**(1,982.33)**	**(903.40)**
	Net decrease in cash and cash equivalents (A+B+C)	**(140.30)**	**(228.84)**
	Cash and cash equivalents at the beginning of the year	678.63	907.46
	Cash and cash equivalents at the end of the year	**538.33**	**678.63**

Reconciliation of cash and cash equivalents as per the cash flow statement.	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents as per above comprises of the following :		
a. Cash in hand	4.10	29.62
b. Balances with banks		
- in current account	534.23	649.01
	538.33	**678.63**

The accompaning notes are part of consolidated financial statements
This is the consolidated cash flow statement as referred to in our report of even date

For M.P. Gupta & Associates
Chartered Accountants
Regn. No. 027523N

Mata Prasad
Proprietor
M.No. 509623

M.P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

Place: Gurugram
Date: 18.05.2023

UDIN: 23509623BGXMRF5957

For and on behalf of the Board of Directors

Amit Mittal
Director
(DIN 00058944)

Dipali Mittal
Whole Time Director
(DIN 00872628)

A2Z Infraservices Ltd.
GURUGRAM

A2Z Infraservices Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

NOTE : 14
A. Equity share capital:

	Note No.	Number of shares	Amount
Issued, subscribed and fully paid up			
Equity shares of INR 10 each			
Balance as at April 1, 2022	14	3,815,978	381.60
Issue of equity share capital		-	-
Balance as at March 31, 2023	14	3,815,978	381.60

B. Other equity:

	Attributable to equity holders of the Company								
	Reserves and Surplus								
	Securities premium account	Capital reserve	Equity components of compound financial instruments	General reserve	Employee stock option plan reserve	Retained earnings	Total other equity	Non-controlling interests	Total
Balance as at April 1, 2022	2,456.61	995.41	1,953.29	22.11	117.03	4,578.73	10,123.18	(301.39)	9,821.79
Profit / (Loss) for the year	-	-	-	-	-	(3,820.18)	(3,820.18)	(77.35)	(3,897.53)
Other comprehensive income	-	-	-	-	-	88.23	88.23	15.13	103.36
Total comprehensive income	-	-		-	-	(3,731.95)	(3,731.95)	(62.22)	(3,794.17)
Acquired through business combination	-	-	-	-		-	-	-	-
Transactions with owners of holding comapny:									
Employee stock option plan (ESOP) expense	-	-	-	-	51.85	-	51.85	-	51.85
Balance as at March 31, 2023	2,456.61	995.41	1,953.29	22.11	168.88	846.78	6,443.08	(363.61)	6,079.47

The accompaning notes are part of consolidated financial statements.

This is the consolidated statement of changes in equity referred to in our report of even date.

For M.P. Gupta & Associates
Chartered Accountants
Regn. No. 027523N

M.P. GUPTA & ASSOCIATES ★ Chartered Accountants ★ M. No. 509623 FRN 027523N

Mata Prasad
Proprietor
M.No. 509623

Place: Gurugram
Date: 18.05.2023
UDIN: 23509623BGXMRF5957

For and on behalf of the Board of Directors

Amit Mittal
Director
(DIN 00058944)

Dipali Mittal
Whole Time Director
(DIN 00872628)

A2Z Infraservices Ltd. ★ GURUGRAM

1. Corporate information

A2Z Infraservices Limited ('the Company') is the subsidiary of A2Z Infra Engineering Limited . It was incorporated at National Capital Territory of Delhi & Haryana on April 15, 2008.

In facility management services, the company provides back end management services for efficient functioning of Shopping Malls, Airports, Multiplexes, Corporate & Business Establisments like Operations and Maintenance (O&M) services such as Electromechanical Services, Environmental Services, Mechanized Housekeeping Service, Security Services, etc., upkeep of Railway Trains & Stations and other Comprehensive Services for Facilities/Administration Management.

2. Significant accounting policies and key accounting estimates and judgements

2.1 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, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements").

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 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 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 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.

M P GUPTA & ASSOCIATES Chartered Accountants M. No. 509623 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

- **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 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.

- **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 Input method (percentage completion method) in accounting for its revenue from construction services. The use of percentage-of-completion method requires the Group 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.

M P GUPTA & ASSOCIATES
M. No. 509823
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

- **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) 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.

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.

b) Revenue recognition

The Group has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue Recognition". The Group has applied Ind AS 115 using the cumulative catch-up transition method and impact of transition to Ind AS 115 has been adjusted against the Retained Earnings as at April 1, 2018, if any. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

M.P. GUPTA & ASSOCIATES Chartered Accountants M. No. 509623 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

Transaction price is the amount of consideration to which the Group expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

a) Determining the revenue to be recognised in case of performance obligation satisfied over a period of time. Revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

b) Determining the estimated losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

i. Revenue from operation and maintenance service :

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.

ii. 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.

iii. Interest

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income [OCI], interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument [for example, prepayment, extension, call and similar options] but does not consider the expected credit losses.

iv. Other income

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

M P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

c) Foreign currencies transactions

The Group's financial statements are presented in INR, which is also the functional currency of the Group. Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

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

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

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

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.

HP GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

Particulars	Useful life (Straight line method)
Building	3-60 years
Office equipment	5 years
Plant and equipment	8-15 years
Computers	3-6 years
Furniture and fixtures	8-10 years
Vehicles	6-10 years

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

i. Where the Group is the lessee

For any new contracts entered into on or after April 1, 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

GUPTA & ASSOCIATES M. No. 509623 FRN 027523N Chartered Accountants

A2Z Infraservices Ltd. GURUGRAM

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in standalone statement of profit and loss on a straight-line basis 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. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease, except when the lease rentals, increase are in line with general inflation index. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized 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) 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.

M.P. GUPTA & ASSOCIATES Chartered Accountants M. No. 509823 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

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').

M P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

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.

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:

a) Financial assets that are debt instruments, and are measured at amortised cost.
b) 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
c) Loan commitments which are not measured as at FVTPL
d) 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.

M P GUPTA & ASSOCIATES * Chartered Accountants * M. No. 509523 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

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) Equity shares

Nature and purpose of reserves;

a) General reserve
General reserves can be used for the purpose and as per guidelines 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 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.

d) 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 Group for business combination in earlier years.

e) Employee stock option plan reserves
The Holding 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

M P GUPTA & ASSOCIATES Chartered Accountants M. No. 509823 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

Reserves is used to recognise the value of equity settled share based payments provided to employees.

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

M.P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

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
- 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) 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.

M P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd
GURUGRAM

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.

o) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

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

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

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

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

p) 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.

q) Employee benefits

i. Short-term employee benefits

M.P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

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 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.

r) Borrowing costs

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

General and specific borrowing costs that are directly attributable to the acquisition, construction or 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) amortisation is included in finance costs.

M P GUPTA & ASSOCIATES ★ Chartered Accountants ★ M. No. 509623 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

s) 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.

t) Segment reporting

Operating Segments are identified based on financial information that is regularly reviewed by the chief operating decision maker (CODM) in deciding how to allocate resources and in assessing performance. The primary reporting of the Group has been performed on the basis of business segment. Segments have been identified and reported based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. The Group is operating into following segments i) Facility Management Services ii) Municipal Solid Waste Management

u) 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.

v) 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.

M P GUPTA & ASSOCIATES ★ Chartered Accountants ★ M. No. 509823 FRN-027523N

A2Z Infraservices Ltd. GURUGRAM ★

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

w) 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.

x) 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.

M P GUPTA & ASSOCIATES Chartered Accountants M. No. 509623 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 3: Property, plant and equipment

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

	Leasehold improvement	Computers	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Tools and equipment	Office equipment	Total	Right to use of assets	Capital work in-progress
Gross carrying amount:											
Balance as at April 1, 2022	47.47	396.63	1,527.29	3,879.25	186.63	1,561.14	275.40	184.75	8,058.56	18.32	4,210.50
Additions	-	6.59	-	24.37	-	84.14	2.50	7.04	124.64	-	-
Aquired through business combination									-		
Disposals/adjustment	-	-	-	(0.02)	-	-	-	-	(0.02)	-	-
Balance as at March 31, 2023	47.47	403.22	1,527.29	3,903.64	186.63	1,645.28	277.90	191.79	8,183.22	18.32	4,210.50
Gross carrying amount:											
Balance as at April 1, 2021	47.47	394.56	1,527.29	3,867.29	186.63	1,554.09	275.40	181.99	8,034.72	58.10	4,076.39
Additions	-	2.07	-	36.94	-	7.05	-	2.76	48.82	-	134.11
Aquired through business combination											
Disposals/adjustment	-	-	-	24.98	-	-	-	-	24.98	39.78	-
Balance as at March 31, 2022	47.47	396.63	1,527.29	3,879.25	186.63	1,561.14	275.40	184.75	8,058.56	18.32	4,210.50
Depreciation and impairment:											
Balance as at April 1, 2022	47.47	392.36	482.97	2,485.84	173.54	1,208.88	270.97	160.51	5,222.54	17.52	-
Depreciation**	-	3.67	50.89	233.54	3.06	88.42	0.40	5.12	385.10	0.80	-
Disposals/adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	47.47	396.03	533.86	2,719.38	176.60	1,297.30	271.37	165.63	5,607.64	18.32	-
Depreciation and impairment:											
Balance as at April 1, 2021	47.47	389.76	432.09	2,232.81	170.03	1,132.48	267.02	156.01	4,827.67	32.64	-
Depreciation**	-	2.60	50.88	253.04	3.52	76.40	3.95	4.50	394.88	18.19	-
Aquired through business combination	-	-	-	-	-	-	-	-	-	-	
Disposals/adjustment	-	-	-	-	-	-	-	-	-	33.31	-
Balance as at March 31, 2022	47.47	392.36	482.97	2,485.84	173.54	1,208.88	270.97	160.51	5,222.55	17.52	-
Net carrying amount:											
Balance as at March 31, 2023	-	7.19	993.43	1,184.26	10.03	347.98	6.53	26.16	2,575.58	-	4,210.50
Balance as at March 31, 2022	-	4.27	1,044.32	1,393.41	13.09	352.26	4.43	24.24	2,836.02	0.80	4,210.50

M P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd
GURUGRAM

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

Note 3.: Capital work in progress

Assets under construction comprises of expenditure for the Building and 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, 2023	As at March 31, 2022
Buildings under construction	1,111.98	1,111.98
Power plant equipment's under erection	2,059.21	2,059.21
Borrowing costs capitalised	184.87	184.87
Other expenses (directly attributable to construction/erection of assets)	-	-
Employee benefit expense	107.81	107.81
Depreciation	156.56	156.56
Other directly attributable expenses (including trial/test run expenses)	805.53	805.53
Less:- Revenue recognised during trial run period	(215.47)	(215.47)
Total	**4,210.49**	**4,210.50**

Aging of Capital work in progress

Particulars	Amount in CWIP for a period of 2021-22				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	134.12	-	1.85	**135.97**
Projects temporarily suspended	-	-	4.50	4,070.02	**4,074.52**
Total	**-**	**134.12**	**4.50**	**4,071.87**	**4,210.49**

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M P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd
GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 4 : Other intangible assets
Details of the other intangible assets and their carrying amounts are as follows:

	Computer Software	Intangibles assets under development*
Gross carrying amount:		
Balance as at April 1, 2022	**271.25**	**41.94**
Additions	2.50	(41.94)
Disposals/adjustment	-	-
Disposal of subsidiary		-
Balance as at March 31, 2023	**273.75**	-
Amortisation and impairment:		
Balance as at April 1, 2022	**265.56**	-
Amortisation	4.38	-
Disposal of subsidiary	-	-
Balance as at March 31, 2023	**269.94**	-
Net carrying amount:		
Balance as at March 31, 2023	**3.81**	-
Balance as at March 31, 2022	**5.69**	**41.94**

* Intangible assets under development includes software under implementation.

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/ financial institutions (Refer Note 15 and Note 20).

M.P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

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

Note 5 : Loans

	As at March 31, 2023		As at March 31, 2022	
	Current	Non - Current	Current	Non - Current
[Unsecured considered good, unless otherwise stated]				
Loan to employees	0.87	-	1.16	-
Loans to related party	4,200.44	-	4,200.15	-
Interest accrued but not due from related parties	548.51	-	4,014.04	-
Less: Provision for doubtful deposits	3,415.93	-	-	-
Total	**1,333.89**	**-**	**8,215.35**	**-**

Note 6 : Other financial assets

	As at March 31, 2023		As at March 31, 2022	
	Current	Non - Current	Current	Non - Current
[Unsecured, considered good unless otherwise stated]				
Security deposits	361.07	261.63	361.98	130.53
Earnest money deposit with customers	103.66	-	155.31	-
Advance recoverable in cash	279.22	-	362.95	-
Subsidy recievables	-	-	135.37	-
Retention money	1,168.68	-	1,092.01	-
Advance recoverable from related party	712.20	-	627.81	-
Contract revenue in excess of billing	2,240.61	-	3,950.27	-
Interest accrued on fixed deposits	17.79	0.14	4.48	0.14
Bank deposits with more than 12 months maturity **	-	477.82	-	238.7
Total	**4,883.23**	**739.59**	**6,690.18**	**369.37**

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

Note 7 : Deferred tax assets (net)

	As at March 31, 2023	Credit /(Charge) to statement of profit and loss	As at March 31, 2022
Deferred tax liabilities			
Depreciation	39.27	(5.70)	44.97
	39.27	(5.70)	44.97
Deferred tax assets			
Unabsorbed loss and depreciation	12.83	-	12.83
Provision for doubtful advances and other receivables	859.76	775.62	84.14
Provision for doubtful debts and unbilled receivables	55.85	47.77	8.08
Other provisions for expense allowance on payment basis under income tax act(net)	169.99	(120.56)	290.55
	1,098.43	702.83	395.60
Total	**1,059.16**	**708.53**	**350.63**

Note 8 : Non-current tax assets (net)

	As at March 31, 2023	As at March 31, 2022
Advance tax (net of provision)	3,174.28	2733.16
Total	**3,174.28**	**2,733.16**

Note 9 : Other assets

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
[Unsecured, considered good unless otherwise stated]				
Capital advances	-	445.96	-	460.05
Other advances	813.35	-	1,531.34	-
Prepaid expenses	76.34	-	44.27	-
Balances with government authorities	227.11	50.68	269.94	50.68
Total	**1,116.80**	**496.64**	**1,845.55**	**510.73**

M.P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd
GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 10 : Inventories	As at March 31, 2023	As at March 31, 2022
[Valued at lower of cost or net realisable value]		
Project stores and spares	22.24	16.50
Finished goods	439.76	433.88
Total	**462.00**	**450.38**

Note 10.1: Inventories are pledged as collateral for borrowings from banks (Refer Note 15 and Note 20).

Note 11 : Trade receivables	As at March 31, 2023	As at March 31, 2022
Trade receivables - (Unsecured):		
From other than related parties		
Considered good	6,701.12	7,336.25
Considered doubtful	224.85	337.22
	6,925.97	**7,673.47**
From related parties		
Considered good	424.02	545.44
Considered doubtful	-	-
	424.02	**545.44**
Less: Allowances for doubtful debts (Refer Note 11.1)	(224.85)	(337.22)
Total	**7,125.14**	**7,881.69**

Note 11.1 : The movements in the allowance for doubtful debts is presented below:	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at the beginning of the year	337.22	337.22
Changes in provision		
Add: Acquisition of subsidiary	-	-
Balance as at the end of the year	337.22	337.22

Note 11.2 : 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.

M P GUPTA & ASSOCIATES Chartered Accountants M. No. 509623 FRN 027523N

A2Z Infraservices Ltd GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Ageing of trade receivables at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	3,650.20	114.72	23.15	1,064.69	1,809.01	**6,661.77**
(ii)Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	0.19	224.66	**224.85**
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	(0.19)	(224.66)	**224.85**
(iv) Disputed Trade Receivables — considered good	-	-	-	-	463.37	**463.37**
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowances for doubtful debts						-
Total	**3,650.20**	**114.72**	**23.15**	**1,064.69**	**2,272.38**	**7,125.14**

Ageing of trade receivables at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	3,872.05	401.14	1,174.06	1,111.43	1,196.65	**7,755.34**
(ii)Undisputed Trade Receivables — which have significant increase in credit risk	-	-	0.19	-	-	**0**
(iii) Undisputed Trade Receivables — credit impaired	-	-	(0.19)	-	(334.27)	**334.46**
(iv) Disputed Trade Receivables — considered good	-	-	-	-	460.62	**460.62**
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Provision for Trade receivables						-
Total	**3,872.05**	**401.14**	**1,174.06**	**1,111.43**	**1,323.00**	**7,881.69**

Note 12 : Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks	534.23	649.01
Cash in hand	4.10	29.62
Total	**538.33**	**678.63**

Note 13 : Other bank balances

	As at March 31, 2023	As at March 31, 2022
Fixed deposit with bank having original maturity of more than three months less than a year^	141.98	137.71
Total	**141.98**	**137.71**

[^] Fixed deposits with banks held as margin money for issue of bank guarantees and as debt service reserve account against term loans from banks

M P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 15 : Non- current borrowings

	As at March 31, 2023		As at March 31, 2022	
Carried at amortised cost - Secured	Current	Non-Current	Current	Non-Current
Term loans (Refer Note 15.1)				
From banks	-	-	266.67	-
Vehicle and equipment loan from banks				
From banks (Refer Note 15.3)	13.44	-	9.00	7.70
From financial institution (Refer Note 15.3)	23.72	42.88	2.79	21.54
Unsecured				
Debt Component of Compound Financial Instruments - Debenture/Preference shares (Refer Note 15.2)	-	723.36	-	645.83
Total	**37.16**	**766.24**	**278.46**	**675.07**

Note 15.1 Term loan from Banks
Term loan outstanding of INR Nil (March 31, 2022 INR 266.67 lacs), in case of A2Z Infraservices 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 and corporate guarantee of holding company namely A2Z Infra Engeniering Limited. 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. In the current year, comapny has entered into an settlement agreement with banks for one time settlement of the above loan.

Note 15.2 Debt portion of debentures / Preference shares
1. Zero coupon debentures issued by A2Z Waste management (Aligarh) Limited (subsidiary company) of INR 630.00 lakhs issued to A2Z Waste management (Ranchi) Limited on October 1, 2016 till October 1, 2056. This being compound financial instrument, the same has been discounted and debt portion is shown as borrowing in the group financial statement.

2. Preference shares issued by A2Z Waste management (Ludhiana) Limited (subsidiary company) of INR 630.00 lakhs issued to Mansi Bijlee and Rice Mills Limited on September 26, 2016 till September 26, 2031. This being compound financial instrument, the same has been discounted and debt portion is shown as borrowing in the group financial statement.

3. Zero Coupon CCDs of face value of Rs.100/- are unsecured and each Zero Coupon CCDs shall be compulsorily convertible into 0.01% Non-Participative Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten Only) each, at a price of Rs.10/- (Rupees Ten Only) each and redeemable at par.
The conversion of Zero Coupon CCDs into 0.01% Non-Participative Cumulative Redeemable Preference Shares shall take place on or before ten (10) years from the date of issue i.e. on or before December 30, 2026 as mutually agreed between the parties.

Note 15.3: Vehicle loans:
1) Vehicle loan outstanding of INR 13.44 lakhs (March 31, 2022 INR 16.70 lakhs), in case of Ecogreen Envirotech Solutions Limited , from Bank of Baroda is secured by charge on all the respecitve vehicle. The loan is repayable in 60 equal monthly instalment and carries an interest rate of 9.10%.

2) Term loan outstanding of aggregate INR 66.60 lakhs (March 31, 2022 INR 24.33 lakhs), in case of Ecogreen Envirotech Solutions Limited , from Kogta Financial (India) Limited is secured by charge on all the respecitve vehicle. The loan is repayable in 48 and 35 equal monthly instalment and carries an interest rate of 17.81% p.a.

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Note 16 : Lease liability				
Lease Liability	-	-	1.25	-
	-	-	**1.25**	-

Note 17 : Other financial liabilities	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Interest accrued on borrowings from others	33.68	-	15.46	-
Interest accrued on borrowings from related party	917.41	-	917.42	-
Temporary book overdraft	-	-	0.85	-
Payable against purchase of property, plant and equipment: dues of micro and small enterprises	-	-	35.41	-
Payable against purchase of property, plant and equipment: others	65.50	-	66.79	-
Security Deposit	418.35	-	66.80	-
Bank overdraft	0.06	-	5.06	-
Payable to :				
- Related party	1,216.16	-	1,019.41	-
- Others	9.35	-	9.88	-
	2,660.51	-	**2,137.08**	-

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 18 : Provisions	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Provision for gratuity	12.48	629.27	6.22	630.24
Provision for compensated leave absences	-	-	18.14	-
Total	**12.48**	**629.27**	**24.36**	**630.24**

i) 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 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)	As at March 31, 2023	As at March 31, 2022
Present value of obligation	652.69	646.97
Fair value of plan assets	(10.94)	-10.52
Net asset / (liability)	**641.75**	**657.49**

Expenses recognised during the year	For the year ended March 31, 2023	For the year ended March 31, 2022
In statement of profit and loss	305.22	245.73
In other comprehensive income	(108.56)	(151.86)
Total expenses recognized during the year	**196.66**	**93.87**

Defined benefit obligation
The details of the Group's DBO are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation as at the beginning	**646.98**	**633.85**
Current service cost	259.79	204.21
Interest expense or cost	46.18	42.63
Re-measurement (or Actuarial) (gain) / loss arising from:		
-change in demographic assumptions	-	(37.28)
-change in financial assumptions	(14.78)	(114.69)
-experience variance (i.e. Actual experiencevs assumptions)	(94.11)	-
Benefits paid	(191.37)	(81.74)
Adjustment on account of acquisition of subsdiary	-	-
Present value of obligation as at the end	**652.69**	**646.98**

Bifurcation of net liability	As at March 31, 2023	As at March 31, 2022
Current liability (Short term)	9.75	6.22
Non-current liability (long term)	632.01	630.24
Net liability	**641.75**	**636.46**

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, 2023	For the year ended March 31, 2022
Fair value of plan assets as at the beginning	10.52	17.61
Investment income	0.76	1.18
Employer's Contribution	-	0.00
Benefits Paid	-	(8.14)
Return on plan assets , excluding amount recognised in net interest expense	(0.33)	(0.13)
Fair value of plan assets as at the end	**10.94**	**10.52**

Expenses recognised in the profit and loss statement	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	259.79	204.20
Past service cost	-	-
Benefit paid	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	45.43	41.53
Adjustment on account of acquisition of subsidiary	-	-
Expenses recognised in the statement of profit and loss	**305.22**	**245.73**

GUPTA & ASSOCIATES M.No. 509823 FRN 037502N Chartered Accountants

A2Z Infraservices Ltd. GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Other Comprehensive Income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(14.78)	(37.28)
- experience variance (i.e. Actual experience vs assumptions)	(94.11)	(114.69)
Return on plan assets, excluding amount recognised in net interest expense	0.33	0.12
Components of defined benefit costs recognised in other comprehensive	**(108.57)**	**(151.85)**

Financial assumptions

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

	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.30%	6.55-7.70%
Salary growth rate (per annum)	5.00%	5.00%

Demographic assumptions

	As at March 31, 2023	As at March 31, 2022
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Withdrawal rates, based on service years: (per annum)		
4 and below years	20.00%	20.00%
Above 4 years	2.00%	2.00%

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, 2023	As at March 31, 2022
Defined benefit obligation (Base)	652.69	646.97

	As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	753.74	569.67	749.41	566.15
(% change compared to base due to sensitivity)	15.60%	-12.68%	16.13%	-8.53%
Salary Growth Rate (- / + 1%)	567.28	755.11	563.95	746.58
(% change compared to base due to sensitivity	-13.07%	15.80%	-13.42%	16.30%
Attrition Rate (- / + 50%)	638.31	663.78	660.51	631.20
(% change compared to base due to sensitivity)	-2.32%	1.18%	-1.17%	1.80%
Mortality Rate (- / + 10%)	652.06	653.32	646.39	647.56
(% change compared to base due to sensitivity)	-0.08%	0.08%	-0.08%	0.05%

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 14-20 years.

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

	As at March 31, 2023	As at March 31, 2022
Within the next 12 months [next annual reporting year]	20.69	17.92
Between 2 and 5 years	102.74	129.50
Between 5 and 10 years	240.07	207.78
Beyond 10 years	1,925.87	1,817.62
Total expected payments	**2,289.36**	**2,172.82**

Note 19 : Other liabilities

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Advances from customers	-	-	2,252.94	-
Statutory dues payable	1,997.01	-	1,753.38	-
Other payables	503.41	-	2,329.82	-
Subsidy	-	2,492.85	-	2,676.44
Lease equalisation reserve	-	359.75	-	355.04
Total	**2,500.42**	**2,852.60**	**6,336.14**	**3,031.48**

MP GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 20 : Current borrowings	As at March 31, 2023	As at March 31, 2022
Carried at amortised cost		
Secured borrowings from banks (Refer Note 20.1)		
Cash credit facilities	1,236.90	2,725.48
Current maturities of long term debt (Refer Note 15)	37.16	278.46
Unsecured borrowings (Refer Note 20.2)		
From related party	1,245.91	1,128.92
From others	155.88	4.39
Secured borrowings from related party (Refer Note 20.3)	61.94	61.94
Total	**2,737.79**	**4,199.19**

Note 20.1: Working capital loans from banks

Cash credit facility from banks amounting to INR 1236.90 lacs (March 31, 2022 INR 2,725.48 lacs), in case of A2Z Infraservices Limited, are secured by first pari passu charge on the current assets of company including book debts and other receivable and fixed assets of the company and also by Corporate Guarantee of the Holding Company and personal guarantee of Mr. Amit Mittal (Managing Director) and Ms. Dipali Mittal (Director) of the Company.

Note 20.2: The unsecured borrowing from other is repayable on demand and having an interest rate of 10.75% - 24.00 % per

Note 20.3: The secured borrowing from related party is repayable within twelve months having an interest rate of 14.00%. The above loan is secured against charge on immovable assets of the borrower to remain valid during entire tenor of borrowing.

Note 21 : Trade payables	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (Refer Note 21.1)	3.81	10.02
Total outstanding dues of creditors other than micro and small enterprises	9,236.74	9,678.61
Total	**9,240.55**	**9,688.63**

Note 21.1	**Disclosures under Micro, Small and Medium Enterprises Act, 2006**		
	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	3.81	10.02
	- interest amount	-	-
	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

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

Ageing of trade payables at March 31, 2022

	Particulars	Outstanding for following periods fromdue date of payment					
		Unbilled	ss than 1 ye	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	0.15	-	2.15	0.42	1.23	**3.95**
(ii)	Others	2,665.58	3,140.84	614.27	471.78	2,344.13	**9,236.60**
(iii)	Disputed dues – MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
	Total	**2,665.73**	**3,140.84**	**616.43**	472.20	2,345.36	9,240.55

Ageing of trade payables at March 31, 2022

	Particulars	Outstanding for following periods fromdue date of payment					
		Unbilled	ss than 1 ye	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	2.58	7.44	-	-	-	**10.02**
(ii)	Others	3,701.83	2,367.18	29.63	1,078.45	2,501.52	**9,678.61**
(iii)	Disputed dues – MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
	Total	**3,704.41**	**2,374.62**	**29.63**	1,078.45	**2,501.52**	9,688.63

Note 22 : Current tax liablities	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net of advance tax)	-	31.50
	-	**31.50**

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M.P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 14 : Equity share capital	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised share capital				
Equity shares of INR 10 each	26,855,000	2,685.50	26,855,000	2,685.50
6% non cumulative redeemable preference share of Rs 100/- each	500	0.50	500	0.50
6% non cumulative redeemable preference share of Rs 10/- each*	250,000	25.00	250,000	25.00
	27,105,500	**2,711.00**	**27,105,500**	**2,711.00**

	Number of shares	Amount	Number of shares	Amount
(ii) Issued, subscribed and fully paid up				
Equity Shares of INR 10 each				
Balance as at April 1, 2021	3,815,978	381.60	3,815,978	381.60
Issue of equity share capital	-	-	-	-
Balance as at March 31, 2023	**3,815,978**	**381.60**	**3,815,978**	**381.60**

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

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	3,815,978	381.60	3,815,978	381.60
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	**3,815,978**	**381.60**	**3,815,978**	**381.60**

(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, 2022.

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

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Holding	Number of shares	Holding
Equity shares of INR 10 each fully paid up				
A2Z Infra Engineering Limited	3,580,410	93.83%	3,580,410	93.83%
	3,580,410	**93.84%**	**44,268,163**	**51.16%**

(Vii) Shares held by promoters at the end of the year

Number of shares held	March 31, 2023		March 31, 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of Rs 10 each fully paid up				
A2Z Infra Engineering Limited	3,580,410	93.83%	3,580,410	93.83%
	3,580,410	**93.83%**	**3,580,410**	**93.83%**

M P GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

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

Note 23 : Revenue from operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale/rendering of services		
Revenue from operation and maintenance services	17,862.76	15,237.89
Revenue from collection and transportation of municipal solid waste	8,184.26	9,053.62
Miscellaneous sale	33.05	469.11
Total	**26,083.03**	**24,760.62**

Note 24 : Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income:		
on fixed deposits	43.51	20.18
on income tax	0.10	1.20
on group company loans	-	594.00
On others	1.43	23.05
Other non-operating income		
Subsidy amortised	48.07	48.07
Miscellaneous income	101.69	2.24
Total	**194.80**	**688.74**

Note 25 : Cost of materials consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	16.50	12.01
Material consumed	984.89	3,406.44
Fuel charges	325.12	307.94
Power Consumed	24.73	14.76
Stores and spares	8.77	7.32
Freight and cartage	-	112.63
Sub contractor / erection expenses	1,522.91	2,104.60
Deduction and demurrage	-	94.40
Other direct cost	3,465.42	4,741.84
Closing stock	(22.24)	(16.50)
Total	**6,326.10**	**10,785.44**

Note 26 : Change in inventories

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventory of finished goods	433.88	**695.74**
Less: Closing inventory of finished goods	(439.76)	**(433.88)**
Increase/ (Decrease) in inventory	**(5.87)**	**261.86**

Note 27 : Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and bonus including directors' remuneration	13,577.29	10,073.78
Contribution to provident and other funds	1,245.78	713.56
Gratuity	305.21	245.73
Compensated absences benefits	(18.14)	5.16
Share-based payments	51.85	5.61
Staff welfare expenses	38.14	22.80
Total	**15,200.13**	**11,066.64**

M.P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

Note 28 : Finance costs	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense [*]	630.31	795.81
Other borrowing costs		
Bank commission & charges	71.88	55.13
Total	**702.19**	**850.94**
[*] The break up of interest expense into major heads is given below:		
On other bank loans	361.47	439.09
On others	191.31	131.38
On group company	77.53	225.34
Total	**630.31**	**795.81**

Note 29 : Depreciation and amortisation expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (Refer Note 3)	385.05	394.88
Amortisation of intangible assets (Refer Note 4)	4.38	4.08
Right to use of assets (Refer note 3)	0.80	18.19
Total	**390.23**	**417.15**

Note 30 : Other expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
Electricity	71.97	83.06
Rent (Refer Note 30.1)	113.67	166.38
Rates and taxes	0.31	8.90
Freight Outward Expenses	11.39	9.60
Insurance	8.21	28.10
Repair and maintenance	27.13	
- Plant and machinery	2.43	20.82
- Vehicle	55.15	51.34
- Others	0.87	0.47
Brokerage	-	-
Traveling expenses	329.51	268.95
Communication expenses	21.84	12.50
Printing and stationery	18.68	9.20
Legal and Professional	264.50	179.52
Payments to auditors (Refer Note 30.2)	5.53	5.35
Provision for doubtful advances	-	-
Advertisment expenses	0.35	-
Business promotion expenses	1.58	456.67
Fee and penalty	133.29	-
Donation (including towards CSR expenditure)	13.00	14.85
Amount written off	41.94	222.46
Director sitting fees	0.50	
GST Late Fee	9.69	
Hiring Charges	58.50	64.80
Miscellaneous expenses	133.87	67.36
Total	**1,323.91**	**1,670.33**

Note 30.1 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 113.67 Lacs (March 31, 2022 INR 166.38 Lacs).

Note 30.2 Details of payments to auditors	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor		
Statutory audit fee	5.15	4.97
Tax audit fee	0.38	0.38
Total	**5.53**	**5.35**

M.P. GUPTA & ASSOCIATES Chartered Accountants M. No. 509623 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

Note 31 : Tax expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense	60.86	298.19
Deferred tax charge (Refer Note 8)	(713.74)	33.79
Tax expense	**(652.88)**	**331.98**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (Loss) before tax	(4,550.05)	1,034.61
Corporate tax rate as per income tax act, 1961	25.17%	25.17%
Tax on accounting profit	**(1,146.72)**	**267.13**
i) Tax effect on non deductible expenses/ non-taxable income	82.74	37.27
ii) Tax effect on temporary timing differences on which deferred tax not created	26.75	44.48
iii) Effect of change in tax rate	-	-
iv) Tax effect on acquisition of subsidiary	-	-
iii) Tax effect on losses of current year on which no deferred tax is created	384.33	(16.89)
Tax expense	**(652.90)**	**331.98**

Note 32.1: a) Detail of unused tax losses for which no deferred tax is recognised in balance sheet:

	March 31, 2023			March 31, 2022		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Tax losses						
Assessment Year 2013-14	-	-	March 31, 2022			March 31, 2022
Assessment Year 2014-15	-	-	March 31, 2023			March 31, 2023
Assessment Year 2015-16	-	-	March 31, 2024			March 31, 2024
Assessment Year 2016-17	-	-	March 31, 2025			March 31, 2025
Assessment Year 2017-18	0.06	0.02	March 31, 2026	-	-	March 31, 2026
Assessment Year 2018-19	200.55	52.15	March 31, 2027	146.03	37.97	March 31, 2027
Assessment year 2019-20	38.27	9.95	March 31, 2028	-	-	March 31, 2028
Assessment Year 2020-21	279.00	72.54	March 31, 2029	-	-	March 31, 2029
Assessment Year 2021-22	17.35	4.51	March 31, 2030	22.00	5.66	March 31, 2030
Assessment Year 2022-23	124.22	32.30	March 31, 2031	14.40	3.74	March 31, 2031
Assessment Year 2023-24	43.39	11.28				
Total	**702.84**	**182.74**		**182.43**	**47.37**	

b) Detail of unrecognised deductible temporary differences and unabsorbed depreciation for which no deferred tax asset is recognised in financial statements:

	March 31, 2023			March 31, 2022		
	Base	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date
Temporary Differences on which deffered tax not create	(1.72)	(0.44)	Not applicable	89.53	23.27	Not applicable
Provision for Gratuity & Leave Encashment	-	-	Not applicable	48.53	12.62	Not applicable
Temporary difference on depreciation	(0.27)	(0.07)	Not applicable	-	-	Not applicable
Expensed on which TDS not Deposited	31.98	8.31	Not applicable	31.98	8.31	Not applicable
Depreciation	(2.77)	(0.72)	Not applicable	(15.85)	(4.12)	Not applicable
Unabsorbed depreciation	1,902.91	494.68	Not applicable	1,449.12	382.57	Not applicable
	1,930.13	**501.77**		**1,603.31**	**422.64**	

Note 32 : Earnings per share (EPS)

Both the basic and diluted earnings per share have been calculated using the Profit/(loss) attributable to equity holders of the parent as the numerator, i.e. no adjustments to profit/(loss) were necessary in year ended March 31, 2023 or March 31, 2022.

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, 2023	As at March 31, 2022
Weighted average number of shares used in basic and diluted earnings per share	3,815,978	3,815,978
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	3,815,978	3,815,978

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

Profit attributable to equity holders of the parent	INR in lacs	(3,820.18)	505.14
Weighted average number of equity shares outstanding during the year	Numbers	3,815,978	3815978
Nominal value of equity share	INR	10.00	10
Basic EPS	INR	(100.11)	13.24
Diluted EPS	INR	(100.11)	13.24

M.P. GUPTA & ASSOCIATES M. No. 509623 FRN 027523N Chartered Accountants

A2Z Infraservices Ltd. GURUGRAM

A2Z Infraservices Limited
Notes to the financials statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 33 : Related Party

Note 33.1 : Names of related parties

I) Holding company

A2Z Infra Engineering Limited

II) Subsidiaries of A2Z Infra Engineering Limited

1. Blackrock Waste Processing Private Limited
2. A2Z Powercom Limited
2. Mansi Bijlee & Rice Mills Limited
4. Chavan Rishi International Limited (till 08.02.2022)
5. Magic Genie Services Limited
6. A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)

III) Associate of A2Z Infra Engineering Limited

1. A2Z Waste Management (Nainital) Private Limited (w.e.f. March 13, 2019)
2. Greeneffect Waste Management Limited
3. A2Z Waste Management (Jaipur) Limited

IV) Subsidiaries of Greeneffect Waste Management Limited

1. A2Z Waste Management (Merrut) Limited
2. A2Z Waste Management (Moradabad) Limited
3. A2Z Waste Management (Varanasi) Limited
4. A2Z Waste Management (Badaun) Limited
5. A2Z Waste Management (Balia) Limited
6. A2Z Waste Management (Fatehpur) Limited
7. A2Z Waste Management (Jaunpur) Limited
8. A2Z Waste Management (Mirzapur) Limited
9. A2Z Waste Management (Ranchi) Limited
10. A2Z Waste Management (Sambhal) Limited
11. A2Z Waste Management (Dhanbad) Private Limited
12. A2Z Waste Management (Jaipur) Limited
13. A2Z Waste Management (Ahmedabad) Limited
14. Earth Enviornment Management Services Private Limited
15. Shree Balaji Pottery Private Limited
16. Shree Hari Om Utensils Private Limited

A2Z Infraservices Ltd GURUGRAM

M P GUPTA & ASSOCIATES M. No. 509623 FRN 027523N Chartered Accountants

V) Subsidiaries of A2Z Waste Management (Ludhiana) Limited

1. Magic Genie Smartech Solutions Limited
2. Rishikesh Waste Management Limited

VI) Subsidiaries

1. Ecogreen Envirotech Solutions Limited (49% along with management control)
2. A2Z Infraservices Lanka Private Limited (till 26.04.2022)
3. A2Z Waste Management (Aligarh) Limited
4. A2Z Waste Management (Ludhiana) Limited
5. Vswach Environment (Aligarh) Private Limited (wef 09.12.2022)
6. Vsapients Techno Services Private Limited (wef 21.02.2023)

VII) Directors and KMP of the Company

1. Mr. Amit Mittal, Director
2. Ms. Priya Goel, Director
3. Mrs. Dipali Mittal, Whole Time Director
4. Mrs. Atima Khanna, Director
5. Ms. Chaitali Sharma, Director
6. Mr. Vikas Agarwal, Director

VIII) Private Companies in which a Director or Manager or his Relative is a Member or Director

Mr. Amit Mittal or his Relatives

1. Devdhar Trading & Consultants Private Limited
2. Mestric Consultants Private Limited

IX) Mr. Jivan Chandra Pant or his Relatives

1. Career Shapers HR Consulting Private Limited

X) Directors and KMP of the Holding Company

1. Mr. Amit Mittal (Managing Director cum Chief Executive Officer)
2. Mr. Surender Kumar Tuteja (Non- executive independent director)
3. Ms. Atima Khanna (Non-executive independent director)
4. Mrs. Dipali Mittal (Non-Executive Director)
5. Mr. Ashok Kumar Saini (Non-Executive Director) (till July 20, 2022)
6. Mr. Arun Gaur (Non-Executive Director)
7. Mr. Manoj Tiwari (Non-Executive Director w.e.f. July 20, 2022)
8. Mr. Atul Kumar Agarwal (Compliance Officer and Company Secretary)
9. Mr. Lalit Kumar (Chief Financial Officer)

M.P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

A2Z INFRASERVICES LIMITED
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 34.2 : Related party transactions

Particulars	2022-23				2021-22			
	Holding Company	Fellow Subsidiaries	Associate of Holding Company	Key Management Personnel	Holding Company	Fellow Subsidiaries	Associate of Holding Company	Key Management Personnel
Sale of material								
A2Z Infra Engineering Limited								
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)								
A2Z Waste Management (Jaunpur) Limited							29.50	
Services Rendered-								
A2Z Infra Engineering Limited	-1,902.48				3,049.19			
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)								
Received Against Service Rendered								
A2Z Infra Engineering Limited								
Rent Expense-								
Chavan Rishi international Limited								
Remuneration charged-								
Amit Mittal				[illegible]				41.10
Dipali Mittal				54.52				29.15
Rajesh Jain				-				18.11
Jivan chandra Pant(Sitting fees)								
Atima khanna				1.60				
Hemant kumar				5.17				5.17
Bhagya Makkar				8.83				7.68
Anand Mishra				7.92				2.85
Vishant Chaudhary								4.87
Manoj Tiwari				14.04				-
Chetali Sharma				0.80				
Liability written back								
Chavan Rishi International Limited						68.43		
Provision created								
Greeneffect Waste Management Limited	-	-	3,415.93	-				
Assets written off								
Magic Genie Services Limited						227.16		
Greeneffect Waste Management Limited	-	-	3,475.62	-				
Short term loan given								
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)								
Mansi Bijli & Rice mills Limited		2.54				0.66		
A2Z Waste Management (Nainital) Private Limited								
A2Z Infra Engineering Limited								
A2Z Waste Management (Jaunpur) Limited								
Loan repaid								
A2Z Powercom Limited		8.00						
Mansi Bijlee and Rice Mills Limited		0.55						
A2Z Infra Engineering Limited	5.00							
Mosaic Consultants Private Limited								
Short term loan refunded								
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)							26.21	
Magic Genie Services Limited								
Mosaic Consultants Private Limited								
A2Z Waste Management (Jaunpur) Limited								
A2Z Infra Engineering Limited					247.65			

M. GUPTA & ASSOCIATES * Chartered Accountants * M. No. 509623 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

A2Z INFRASERVICES LIMITED
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 34.2 : Related party transactions

Particulars	2022-23				2021-22			
	Holding Company	Fellow Subsidiaries	Associate of Holding Company	Key Management Personnel	Holding Company	Fellow Subsidiaries	Associate of Holding Company	Key Management Personnel
Loan Taken								
A2Z Green Waste Management (Jaunpur) Limited								
A2Z Waste Management (Meerut) Limited								
A2Z Powercom Limited								
A2Z Infra Engineering Limited	130.35				239.30			
Mestric Consultants Private Limited								
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)								
A2Z Waste Management (Nainital) Private Limited								
Interest Incomes on Loan Given								
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)							520.44	
A2Z Powercom Limited								
Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)								
Magic Genie Services Limited						10.11		
A2Z Waste Management (Jaunpur) Limited								
A2Z Maintenance & Engineering Services Limited & Sarva Builder (AOP)						62.33		
Shree Hari Om Utensils Private Limited							0.02	
Shree Balaji Pottery Private Limited							0.02	
A2Z Waste Management (Varanasi) Limited							0.66	
Interest income IND AS								
Magic Genie Services Limited								
A2Z Waste Management (Ludhiana) Limited								
Mansi Bijli & Rice Mills Limited						0.42		
Interest Expenses on Loan taken						10.86		
A2Z Powercom Limited								
A2Z Waste Management (Ludhiana) Limited								
Mansi Bijlee and Rice Mills Limited		73.56				68.26		
A2Z Infra Engineering Limited					10.28			
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)							106.40	
Mestric Consultants Private Limited								
A2Z Waste management (Jaunpur) Limited							14.94	
A2Z Waste Management (Meerut) Limited							8.31	
A2Z Waste Management (Ranchi) Limited			3.96				4.13	
A2Z Waste Management (Nainital) Private Limited							2.19	
Priya Goel				19.37				
Interest expense on loan taken paid								
A2Z Infra Engineering Limited					12.68			
Fund Received/includes expenses incurred on behalf of the company-								
A2Z Infra Engineering Limited	3,947.20							
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)			213.76				2.18	
Magic Genie Services Limited								
A2Z Waste Management (Nainital) Private Limited								
Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)								
Fund Transfered/includes expenses incurred on behalf of the company-								
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)			341.43					
Magic Genie Services Limited								
Magic Genie Smartech Solutions Limited								
A2Z Infra Engineering Limited	4,070.12				242.37			

M P GUPTA & ASSOCIATES * M. No. 509623 FRN 027523N * Chartered Accountants

A2Z Infraservices Ltd. GURUGRAM

A2Z INFRASERVICES LIMITED
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 34.2 : Related party transactions

Particulars	2022-23				2021-22			
	Holding Company	Fellow Subsidiaries	Associate of Holding Company	Key Management Personnel	Holding Company	Fellow Subsidiaries	Associate of Holding Company	Key Management Personnel
Balance outstanding as at the end of the period-								
Investment in Preference share/debentures (Equity portion)								
Mansi Bileee and Rice Mills Limited		1,487.74					1,487.74	
Greeneffect waste management Limited								
Investment in Preference share/debentures (Debt portion)								
Mansi Bileee and Rice Mills Limited		667.77					584.20	
Greeneffect waste management Limited								
Non-current borrowing(Debt portion of preference shares / debentures)								
A2Z Waste Management (Ranchi) Limited			45.00				41.04	
Greeneffect waste management Limited			10.59				10.59	
Other Equity(Equity portion of preference shares / debentures)								
Greeneffect waste management Limited			465.55				465.55	
A2Z Waste Management (Ranchi) Limited			605.27				605.27	
Creditors-								
Chavan Rishi International Limited								
Magic Genie Services Limited								
A2Z Infra Engineering Limited	25.96							
A2Z Powercom Limited								
Bhumika Transport								
Eco Save System (P) Limited			2.46				2.40	
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)			95.30				211.18	
A2Z Waste Management (Jaunpur) Limited			158.27				168.73	
Advance from customer								
A2Z Infra Engineering Limited	2,130.02				2,252.94			
Other financial assets								
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)			712.20				627.80	
A2Z Infra Engineering Limited								
Unbilled receivable								
A2Z Infra Engineering Limited	3,228.64				5,131.11			
Other Financial Liabilities-								
A2Z Waste Management (Nainital) Private Limited			5.00				5.00	
A2Z Waste Management (Meerut) Limited			59.33				59.33	
Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)								
A2Z Infra Engineering Limited	315.77				341.73			
A2Z Waste Management (Jaunpur) Limited			123.74					
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)			686.37				613.34	
Short term loan given-								
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)			3,728.60				3,728.60	
Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)								
Magic Genie Services Limited								
A2Z Maintenance & Engineering Services Limited & Sarva Builder (AOP)		445.19				445.19		
Magic Genie Smartech Solutions Limited								
A2Z Waste Management (Varanasi) Limited			4.71				4.71	
Shree Balaji Pottery Private Limited			0.13				0.13	
Shree Hari Om Utensils Private Limited			0.13				0.13	
A2Z Waste Management (Jaunpur) Limited								
Mansi Bili & Rice Mills Limited						3.00		
A2Z Waste management (Nainital) Limited								
A2Z Green Waste Management (Meerut) Limited			8.92				8.92	

M. No. 509623
FRN 027523N
P GUPTA & ASSOCIATES Chartered Accountants

A2Z Infraservices Ltd. GURUGRAM

A2Z INFRASERVICES LIMITED
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 34.2 : Related party transactions

Particulars	2022-23				2021-22			
	Holding Company	Fellow Subsidiaries	Associate of Holding Company	Key Management Personnel	Holding Company	Fellow Subsidiaries	Associate of Holding Company	Key Management Personnel
Interest Outstanding on Loan Given-								
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)			147.31				3,622.93	
A2Z Powercom Limited		0.31				0.31		
Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)								
Magic Genie Services Limited								
A2Z Maintenance & Engineering Services Limited & Satya Builder (AOP)		373.22				373.22		
Mansi Bijli & Rice Mills Limited						0.50		
A2Z Green Waste Managemnt (Jaunpur) Limited								
A2Z Waste Management (Mordabad) Limited			6.64				6.64	
A2Z Waste Management (Varanasi) Limited			5.77				5.77	
A2Z Waste Management (Ranchi) Limited			0.48				0.48	
Shree Hari Om Utensils Private Limited			0.13				0.13	
Shree Balaji Pottery Private Limited			0.13				0.13	
Provision for doubtful loans								
Greeneffect Waste Management Limited			3,415.93					
Interest Outstanding on Loan Taken-								
A2Z Powercom Limited		34.05				34.05		
Mansi Biilee and Rice Mills Limited		3.16				3.16		
A2Z Infra Engineering Limited	6.51				6.51			
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)			826.15				826.15	
A2Z Waste Management (Balia) Limited			0.04				0.04	
A2Z Waste Management (Nainital) Private Limited			8.49				8.49	
A2Z Green Waste Management (Meerut) Limited			20.52				20.52	
A2Z Waste Management (Ranchi) Limited			2.68				2.68	
A2Z Waste Management (Jaunpur) Limited			15.65				15.65	
A2Z Waste Management (Moradabad) Limited			0.15				0.15	
Mestric Consultants Private Limited				0.02				0.02
Priya Goel	-	-	-	19.37	-			
Short term borrowing-								
A2Z Powercom Limited		70.01				78.01		
Mansi Biilee and Rice Mills Limited		25.47				26.02		
A2Z Waste Management (Ludhiana) Limited								
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)			754.90				754.90	
A2Z Infra Engineering Limited	319.26				155.71			
A2Z Waste Management (Nainital) Private Limited			11.80				11.80	
A2Z Green Waste Management (Jaunpur) Limited			122.73				122.73	
A2Z Waste Management (Ranchi) Limited			3.68				3.68	
Mestric Consultants Private Limited								
Priya Goel				150.00				

M P GUPTA & ASSOCIATES * Chartered Accountants M. No. 509623 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

A2Z INFRASERVICES LIMITED
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 34.2 : Related party transactions

Particulars	2022-23				2021-22			
	Holding Company	Fellow Subsidiaries	Associate of Holding Company	Key Management Personnel	Holding Company	Fellow Subsidiaries	Associate of Holding Company	Key Management Personnel
Debtors-								
A2Z Infra Engineering Limited					129.39			
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)			396.16				398.66	
A2Z Waste Management (Balia) Limited			5.97				5.97	
A2Z Waste Management (Varanasi) Limited			9.63				9.63	
A2Z Waste Management (Meerut) Limited								
A2Z Waste Management (Mirzapur) Limited			1.28				1.28	
A2Z Waste Management (Fatehpur) Limited			2.12				2.12	
A2Z Waste Management (Aligarh) Limited								
A2Z Waste Managmnet (Badaun) Limited			1.57				1.57	
A2Z Waste Management (Sambhal) Limited			2.00				2.00	
A2Z Waste Management (Dhanbad) Limited			0.82				0.82	
A2Z Waste Management (Moradabad) Limited			0.74				0.74	
Greeneffect waste management Limited (Formerly known as A2Z Green Waste Management Ltd)(Mujjafarnagar Plant)								
A2Z Waste Management(Jaunpur) Limited			3.72				3.72	
Magic Genie Services Limited								
Security Deposit Given-								
Chavan Rishi International Limited								
Security Deposit Received-								
A2Z Infra Engineering Limited					2,252.94			
Remuneration Payable-								
Amit Mittal				27.14				11.90
[illegible]				10.90				
[illegible]				11.60				12.07
Chaitali Sharma				0.80				-
Anand Mishra				3.00				1.71
[illegible]								2.44
Atima khanna				1.50				
Hemant kumar				2.58				2.98
Bhagya Makkar				2.94				1.92

Note 34.3: In the opinion of the management, the transactions reported herein are on arms' length basis

Note 34.4: Details relating to persons referred to as key managerial personnel above:

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Short term employee benefits	136.78	32.42
Defined contribution plan	1.44	1.20
Sitting fees	2.40	2.60
Total compensation paid to key management personnel	**140.62**	**36.22**

M P GUPTA & ASSOCIATES * M. No. 509623 FRN 027523N * Chartered Accountants

A2Z Infraservices Ltd. GURUGRAM

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

Note 35: Financial risk management

(i) Fair value maesurement of financial instruments

For amortised cost instruments, carrying value represents the best estimate of fair value.
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 Instruments by Category

	As at March 31, 2023			As at March 31, 2022		
	FVPL	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investments	-	-	-	-	-	-
Trade receivables	-	-	7,125.14	-	-	7,881.69
Loans	-	-	1,333.89	-	-	8,215.35
Cash and cash equivalents	-	-	538.33	-	-	678.63
Other bank balances	-	-	141.98	-	-	137.71
Other financial assets	-	-	5,622.82	-	-	7,059.55
Total	-	-	**14,762.16**	-	-	**23,972.93**
Financial liabilities						
Borrowings	-	-	3,504.03	-	-	4,874.26
Trade payables	-	-	9,240.55	-	-	9,688.62
Lease liablity	-	-	-	-	-	1.25
Other financial liability	-	-	2,660.51	-	-	2,137.08
Total	-	-	**15,405.09**	-	-	**16,701.21**

(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.

Risk	Exposure arising from	Measurement	Management
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	Measurement	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:

	As at March 31, 2023	As at March 31, 2022
Not more than 30 days	2,595.50	2142.19
More than 30 days but not more than 60 days	391.16	998.90
More than 60 days but not more than 90 days	11.64	1124.68
More than 90 days	4,351.71	3953.14
Total	**7,350.01**	**8,218.91**
Less: Allowances for doubtful debts	(224.85)	(337.22)
	7,125.16	**7,881.69**

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.

M. P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	340.17	340.17
Add: Acquisition of subsidiary	-	-
Balance as at the end of the year	340.17	340.17

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.

As at March 31, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	2,811.13	-	-	3,902.17	6,713.30
Trade payables	9,240.55	-	-	-	9,240.55
Other financial liabilities	2,623.35	-	-	-	2,623.35
Total	14,675.03	-	-	3,902.17	18,577.20

As at March 31, 2022 **Non-derivatives**	Less than 1	1-2 year	2-3 year	More than 3 years	Total
Borrowings	4,343.55	-	-	7,009.04	11,352.59
Trade payables	9,688.62	-	-	-	9,688.62
Other financial liabilities	1,858.62	-	-	-	1,858.62
Total	15,890.79	-	-	7,009.04	22,899.83

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, 2023, 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.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

	As at March 31, 2023	As at March 31, 2022
Variable rate borrowing	-	-
Fixed rate borrowing	1,482.37	3,096.17
Total	1,482.37	3,096.17

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

	As at March 31, 2023	As at March 31, 2022
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	30.96	30.96
Interest rates – decrease by 100 basis points (100 bps)	(30.96)	(30.96)

* 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:

Particulars	March 31, 2023				March 31, 2022			
	Amount In Foreign	Currency	Exchange Rate as on March 31,2022	Amount in lacs	Amount In Foreign	Currency	Exchange Rate as on March 31,2021	Amount in lacs
Foreign currency in hand	516	Dirham	1 Dirham=INR 22.376	0.12	516	Dirham	1 Dirham=INR 20.004	0.10
Foreign currency in hand	127	USD	1 USD=INR 82.21	0.10	127	USD	1 USD=INR 75.91	0.10

M.P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

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

Note 36 : 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.

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, 2023	As at March 31, 2022
Borrowings	4,787.10	6281.64
Trade payables	9,240.55	9688.62
Less: Cash and cash equivalents	(538.33)	(678.63)
Net debt	**13,489.32**	**15,291.63**
Equity	6,461.07	10,203.39
Capital and net debt	**19,950.39**	**25,495.02**
Gearing ratio	**67.61%**	**59.98%**

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, 2023 and March 31, 2022.

Note 37 : Financial ratios

Sl. No.	Ratio	At March 31, 2023	At March 31, 2022	Variance	Reason for variance
i	Current ratio	0.91	1.16	-21%	NA
ii	Debt-equity ratio	0.54	0.48	14%	In current year there is an exceptional loss on account of loan written off/provided for.
iii	Debt service coverage ratio	NA	NA	NA	NA
iv	Return on equity ratio	(0.47)	0.05	-1122%	In current year there is an exceptional loss on account of loan written off/provided for.
v	Inventory turnover ratio	13.87	18.63	-26%	Due to increase in business of the Holding company turnover has increased.
vi	Trade receivables turnover ratio	3.48	3.04	14%	NA
vii	Trade payables turnover ratio	2.27	2.40	-5%	NA
viii	Net capital turnover ratio	(16.82)	7.11	-337%	Due to increase in business of the Holding company turnover has increased and working capital reduced on account of loan written off.
ix	Net profit ratio	(0.15)	0.02	-915%	In current year there is an exceptional loss on account of loan written off/provided for.
x	Return on capital employed	0.31	0.08	269%	In current year there is an exceptional loss on account of loan written off/provided for.
xi	Return on investment	NA	NA	NA	NA

Formulae for computation of ratios are as follows:-

Sl. No	Ratios	Formulae
1	Current ratio	Current assets ÷ Current liabilities
2	Debt-equity ratio	Total debt ÷ Shareholder's equity
3	Debt service coverage ratio	Earnings available for debt service* ÷ Debt Service**
4	Return on equity ratio	(Net profit after tax - Preference Dividend (if any)) ÷ Average shareholder's equity
5	Inventory turnover ratio	Cost of goods sold or sales ÷ Average Inventory
6	Trade receivables turnover ratio	Net Credit Sales ÷ Average accounts receivables
7	Trade payables turnover ratio	Net credit purchases ÷ Average trade payables
8	Net capital turnover ratio	Net Sales ÷ Working capital
9	Net profit ratio	Net profit after tax ÷ Revenue from operations
10	Return on capital employed	Earnings before interest and Taxes ÷ Capital employed****
11	Return on investment	(Current value of investment - Cost of investment) ÷ Cost of investment

* Earning for Debt Service = Net Profit after taxes*** + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

** Debt service = Interest & Lease Payments + Principal Repayments

*** "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

**** Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

M P GUPTA & ASSOCIATES Chartered Accountants M. No. 509623 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

A2Z Infraservices Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

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

Note 37 : Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

(a) Disaggregation of revenue into operating segments and geographical areas for the year ended March 31, 2023

Segment	Revenue as per Ind AS 115	Other Revenue	Total
Revenue from operations			
Revenue from operation and maintenance services	17,862.76	-	**17,862.76**
Revenue from collection and transportation of municipal solid waste	8,184.26		**8,184.26**
Other operating income			
Miscellaneous sale	33.05	-	**33.05**
Scrap sale	2.96		**2.96**
Total	**26,083.03**	-	**26,083.03**

(b) Out of the total revenue recognised under IND AS-115 during the year, INR 26,083.03 lacs is recognised over a period of time

c) Movement in Expected Credit Loss during the year:

Particulars	Provision on Trade receivables covered under Ind AS 115	Provision on Contract assets
Closing balance as at March 31, 2022	337.22	-
Changes in allowance for expected credit loss:		
Provision/(reversal) of allowance for expected credit loss	(112.37)	-
Additional provision (net) towards credit impaired receivables	-	-
Write off as bad debts	-	-
Closing balance as at March 31, 2023	**224.85**	-

(d) Contract balances:

(i) Movement in contract balances during the year:

Particulars	Trade Receivable	Contract assets	Contract liabilities
Opening balance as at April 1, 2022	5,876.53	-	-
Closing balance as at March 31, 2023	4,298.19	-	-
Net increase/(decrease)	(1,578.34)	-	-

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to INR Nil.

(iii) Revenue recognised during the year from the performance obligation satisfied in previous year (arising out of contract modifications) amounts to INR Nil.

(e) Cost to obtain the contract :

(i) Amount of amortisation recognised in Profit and Loss during the year 2021-22: Nil

(ii) Amount recognised as assets as at March 31, 2022 : Nil

(f) Reconciliation of contracted price with revenue during the year:

Opening contracted price of orders as at April 1, 2021*	**16,275.91**
Add:	
Fresh orders/change orders received (net)	44,888.15
Less:	
Orders completed during the year	3,367.43
Closing contracted price of orders as at March 31, 2022*	**57,796.63**
Total Revenue recognised during the year:	17,862.76
Less: Revenue out of orders completed during the year	3,367.43
Revenue out of orders under execution at the end of the year (I)	14,495.33
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	2,456.11
Decrease due to exchange rate movements (net) (III)	-
Balance revenue to be recognised in future viz. Order book (IV)	40,845.18
Closing contracted price of orders as at March 31, 2022* (I+II+III+IV)	**57,796.63**

*including full value of partially executed contracts.

(g) Remaining performance obligations: The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows:

Particulars	Total	Expected conversion in revenue	
		Upto 1 Year	More than 1 year
Transaction Price allocated to remaining performance obligation	40,845.18	19,848.17	20,997.01

M.P. GUPTA & ASSOCIATES Chartered Accountants M. No. 509623 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

Note 38 : 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) Facility Management Services (FMS)
(ii) Municipal Solid Waste Management (MSW)

	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Facility management services	Municipal solid waste management	Elimination	Total	Facility management services	Municipal solid waste management	Elimination	Total
Revenue								
Segment revenue	17,862 76	8,220.25	-	**26,083.01**	15,036 51	9,724 11	-	**24,760.62**
Other income	-	149.76	-	**149.76**	0 00	50 31	-	**50.31**
Intersegment revenue	-	-	-	-	-	-	-	-
Total segment revenue	17,862.76	8,370.01	-	26,232.77	15,036.51	9,774.42	-	24,810.93
Cost								
Segment cost	(14,900.78)	(8,333.74)	-	(23,234.52)	(15,037.16)	(9,164.31)	-	(24,201.47)
Total segment cost	(14,900.78)	(8,333.74)	-	(23,234.52)	(15,037.16)	(9,164.31)	-	(24,201.47)
Segment operating (loss)/ profit	2,961.98	36.27	-	2,998.25	(0.65)	610.11	-	609.46

	As at March 31, 2023	As at March 31, 2022
Total Segment Cost	**2,998.25**	**609.46**
Finance income	45 04	638 43
Finance costs	(702.19)	(850.94)
Exceptional Item	(6,891.55)	388.89
Loss before tax	(4,550.45)	785.84
Tax expense		
Current tax	60.86	298 19
Deferred tax charge	(713 74)	33 79
Loss after tax	**(3,897.57)**	**453.86**
Other comprehensive income	103.36	121.06
Total comprehensive income for the year (comprising loss and other comprehensive income)	**(3,794.21)**	**574.92**

	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Facility management services	Municipal solid waste management	Elimination	Total	Facility management services	Municipal solid waste management	Elimination	Total
Assets								
Segment assets	10,272 90	15,268 07	4,872 07	**20,668.90**	13,530 66	16,009.48	5447.45	**24,092.69**
Unallocable corporate assets	-	-	-	7,192.04		-		12,822.37
Total assets	10,272.90	15,268.07	4,872.07	27,860.94	13,530.66	16,009.48	5,447.45	36,915.07
Liabilities								
Segment liabilities	9,450 96	11,964 75	4,214 79	**17,200.92**	12,930 72	12,799.03	4,792 15	**20,937.60**
Unallocable corporate liabilities	-	-	-	4,198.95	-	-		6792.55
Total liabilities	9,450.96	11,964.75	4,214.79	21,399.87	12,930.72	12,799.03		27,730.15
Capital expenditure	39 47	85 17		**124.64**	15 07	167.85		**182.92**
Depreciation	159 53	230.70		**390.23**	195 12	222 03		**417.15**
Other non-cash expenditure		-	-	**51.85**			-	**17.94**

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

M.P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

A2Z Infraservices Ltd.
GURUGRAM

A2Z Infraservices Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2023

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

Note 39: Group information:

Consolidated financial statements as at March 31, 2023 comprise the financial statements of A2Z Infraservices Limited (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, 2022	Proportion of equity Interest as at March 31, 2023	Proportion of equity Interest as at March 31, 2022
	Indian and Foreign subsidiaries:						
1	Ecogreen Envirotech Solution Limited	Waste management processing facility	81100	India	Audited	84.70%	84.70%
2	A2Z Infraservices Lanka (Pvt) Limited*	Combined facilities support activities	Incorporated	Srilanka	Audited	0.00%	51.00%
3	A2Z Waste Management (Aligarh) Limited	Waste management processing facility	38110/38210	India	Audited	80.00%	80.00%
4	A2Z Waste Management (Ludhiana) Limite	Waste management processing facility	38110/38210	India	Audited	70.00%	70.00%
5	Magic Genie Smartech Solutions Limited	Installation of Sanitation Equipment	43221	India	Audited	70.00%	70.00%
6	Rishikesh Waste Management Limited (Formerly knonw as A2Z Powertech Limited)	Waste management processing facility	38110/38210	India	Audited	70.00%	70.00%
7	Vsapients Techno Services Private Limited	Waste management processing facility	38110/38210	India	Audited	100.00%	100.00%
8	Vswach Environment (Aligarh)	Waste management processing facility	38110/38210	India	Audited	100.00%	100.00%

* A2Z Infraservices Limited is initial shareholders by virtue of subscription to Memorandum of Association of A2Z Infraservices Lanka (Pvt) Limited and committed to make investment.

Note 40: 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 other comprehensive income	
		As % of Consolidated net assets	Amount	% of Consolidated profit /(loss)	Amount	% of Consolidated Profit /(loss)	Amount	% of Consolidated Profit /(loss)	Amount
Parent:									
1	A2Z Infraservices Limited	85.00%	5,492.02	92.44%	(3,602.75)	14.96%	15.46	94.55%	(3,587.29)
Subsidiaries:									
1	Ecogreen Envirotech Solutions Limited	33.50%	2,164.60	1.13%	(44.07)	73.90%	76.38	-0.85%	32.31
2	A2Z Infraservices Lanka Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3	A2Z Waste Management (Aligarh) Limited	-2.82%	(182.25)	1.16%	(45.16)	0.13%	0.13	1.19%	(45.03)
4	A2Z Waste Management (Ludhiana) Limited	-4.26%	(275.21)	4.70%	(183.27)	0.12%	0.12	4.83%	(183.15)
5	Magic Genie Smartech Solutions Limited	-0.65%	(41.89)	0.28%	(11.01)	10.20%	10.54	0.01%	(0.47)
6	Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)	-3.10%	(200.54)	0.28%	(10.91)	0.706%	0.73	0.27%	(10.18)
7	Vsapients Techno Services Private Limited	0.00%	(0.15)	0.00%	(0.15)	0.000%	-	0.00%	(0.15)
8	Vswach Environment (Aligarh)	0.00%	(0.20)	0.01%	(0.20)	0.000%	-	0.01%	(0.20)
Total non-cntrolling interest in all subsidiaries		**-5.63%**	**(363.59)**	1.98%	**(77.35)**	14.64%	15.13	1.64%	(62.22)
Total eliminations/ consolidation adjustments		-2.04%	(131.71)	-1.98%	77.33	-14.64%	(15.13)	-1.64%	62.20
Total		**1.00**	**6,461.08**	**1.00**	**(3,897.54)**	**1.00**	**103.36**	**100.00%**	**(3,794.18)**

M.P. GUPTA & ASSOCIATES
M. No. 509623
FRN 027523N
Chartered Accountants

Infraservices Ltd.
GURUGRAM

Note 41 : Disclosure of subsidiary having material non-controlling interest

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Name of subsidiary	A2Z Waste Management (Ludhiana) Limited		Rishikesh Waste Management Limited	
Principal place of business	India			
Proportion of ownership interest held by non-controlling interests	30.00%	30.00%	30.00%	30.00%
Proportion of voting right held by non-controlling interests	30.00%	30.00%	30.00%	30.00%

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
i) Summarised balance sheet				
Current assets	1,227.49	1,158.01	200.20	198.35
Current liabilities	3,017.46	2,896.93	254.59	239.80
Net current assets	**(1,789.96)**	**(1,738.92)**	**(54.40)**	**(41.45)**
Non-current assets	4,618.30	4,663.25	4.45	4.58
Non-current liabilities	3,098.54	3,011.66	10.59	10.59
Net non-current assets	**1,519.75**	**1,651.59**	**(6.13)**	**(6.00)**
Net assets	**(270.21)**	**(87.33)**	**(60.53)**	**(47.45)**

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
ii) Summarised statement of profit and loss				
Profit / (Loss) for the year	(183.27)	(248.67)	(10.90)	5.69
Other comprehensive income for the year	0.12	4.33	0.73	0.10
Total comprehensive income	**(183.15)**	**(244.34)**	**(10.17)**	**5.80**
Loss allocated to non-controlling interest	**(59.15)**	**(42.57)**	-	-

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
iii) Summarised statement of cash flow				
Cash flow from operating activities	(28.04)	(270.52)	2.98	60.20
Cash used in investing activities	(0.00)	75.60	0.00	0.09
Cash used in/(flow from) financing activities	22.66	182.92	(30.92)	(32.49)
Net (decrease)/ increase in cash and cash equivalents	**(5.38)**	**(12.00)**	**(27.94)**	**27.80**

Note 42 : Disclosure pursuant to Ind AS 116 "Leases"

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The expense of short term leases and leases with period less than 12 months from intial application date is 165.49 lacs (March 31, 2020: INR 134.91 Lakhs)

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the prospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 13.55%.

Lease payments not included in measurement of lease liability:

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	March 31, 2023	March 31, 2022
Short-term leases	94.11	116.72
Leases of low value assets	-	-
Variable lease payments	-	-
Closing Balance	**94.11**	**116.72**

M.P. GUPTA & ASSOCIATES ★ Chartered Accountants M. No. 509623 FRN 027523N

A2Z Infraservices Ltd. GURUGRAM

A2Z Infraservices Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lacs)

The changes in the carrying value of ROU assets for the year ended March 31, 2023 are as follows:

Particulars	March 31, 2023	March 31, 2022
Opening Balance	0.80	25.46
Addition during the year	-	-
Depreciation during the year	0.80	18.19
Deletion during the year	-	6.47
Closing Balance	**0.00**	**7.27**

The movement in lease liabilities during the year ended March 31, 2023 is as follows:

Particulars	March 31, 2023	March 31, 2022
Opening Balance	1.25	37.86
Addition during the year	-	-
Finance cost accrued during the period	-	1.13
Payment of lease liabilities	1.25	37.74
Deletion during the year	-	-
Closing Balance	-	**1.25**

The break-up of current and non-current lease liabilities as at March 31, 2023 is as follows:

Particulars	March 31, 2023	March 31, 2022
Current lease liabilities	-	1.25
Non-current lease liabilities	-	-
Total	-	**1.25**

The details of the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis are as follows:

Particulars	March 31, 2023	March 31, 2022
Less than one year	-	1.25
One to five years	-	-
More than five years	-	-
Total	-	**1.25**

Note 43 : Corporate social responsibility

As per section 135 of the Companies Act, a company, meeting the elibility criteria, needs to spend at least 2% of its average profit for the immediately preceding three fianncial years on corporate social responsibility (CSR) activities. The Company CSR programs/projects focuses on sectors and issues as mentioned in Schedule VII read with section 135 of the Act. A CSR committee has been formed by the Company as per the Act. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives, however, the committee expects finalisation of such proposals in due course.

Particulars	March 31, 2023	March 31, 2022
Gross amount to be spent during the year for average profits for last three preceding year	12.96	15.39
Amount spent during the year 2022-23	13.00	14.85
Opening balance of unspent amount	(0.55)	(1.09)
Closing balance of unspent amount	**(0.59)**	**(0.55)**

Note 44 : Contingent liabilities and commitments

The details of contingent liabilities are as follows:

	As at March 31, 2023	As at March 31, 2022
Corporate guarantees given to others	-	-
	-	-

Note 45 : During the year, the Company has assessed credit losses on loans granted to one of the associate of its parents Company and interest receivable on such loans. Exceptional items includes such credit loss for provision for doubtful loan amounting to Rs. 3415.93 and amount written off for interest receivable on such loans amounting Rs 3475.64 aggregating to Rs. 6891.55.

Note 46 : Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the 31 March 2023 reporting date and the date of authorisation 18 May 2023.

Note 47 : Authorisation of financial statements

The Financial statements for the year ended 31 March 2023 (including comparatives) were approved by the board of directors on 18 May 2023.

For M.P. Gupta & Associates
Chartered Accountants
Regn. No. 027523N

M.P. GUPTA & ASSOCIATES M. No. 509623 FRN 027523N Chartered Accountants

Mata Prasad
Proprietor
M.No. 509623

Place: Gurugram
Date: 18.05.2023

UDIN: 23509623BGXMRF5957

For and on behalf of the Board of Directors

Amit Mittal
Director
(Din: 00058944)

Dipali Mittal
Director
(Din: 00872628)

A2Z Infraservices Ltd. GURUGRAM