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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

A2Z Powertech Limited

Gurgaon

**Report on the Financial Statements**

1. We have audited the accompanying standalone financial statements of A2Z Powertech Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its loss and its cash flows for the year ended on that date.

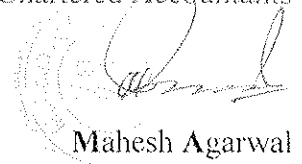
### **Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) Section 143 of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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;
  - c. The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. On the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. 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:

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- i. The Company does not have any pending litigation which would impact its standalone financial position;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mahesh Aggarwal & Associates  
Chartered Accountants



**Mahesh Aggarwal**  
Partner

M. No. 85013

Regn. No. 006092N

Place: Gurgaon

Dated:

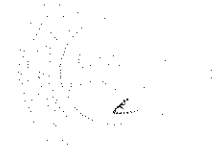
Re: [A2Z Powertech Limited] ('the Company')

**Annexure-I**

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

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

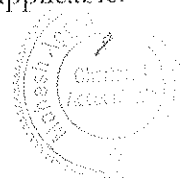
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The company does not holds any immovable property, so the provision of clause of 3(i)(c) of the order is not applicable.
- (ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- The company has not granted any loans, secured or unsecured to companies, firms or other parties covered by Section 2(76) of the 2013 Act which defines related parties in reference to companies.
- (iv) The company has not made any loans, investment and guarantees, accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is generally not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, , service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate



authorities. Undisputed amounts payable in respect thereof which were outstanding at the year-end for a period of more than six months from the date they become payable are as follows:

Nature of the Statute	Nature of Dues	Amount (Rs)	Period for which the amount relates
Income Tax Act, 1961	TDS	5,77,124.00	Before April 2014
Commercial Tax, Telangana	Professional Tax	6,300.00	Before September 2014

- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



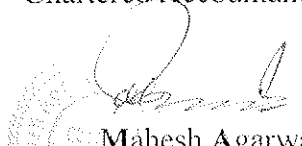
**Mahesh Aggarwal & Associates**  
Chartered Accountants  
602, Rohit House, 3, Tolstoy Marg,  
Connaught Place, New Delhi-110001.

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Fax : +91 11 435 88 778  
E-mail : agarwalmaheshin@yahoo.com

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

For Mahesh Aggarwal & Associates  
Chartered Accountants

  
Mahesh Aggarwal  
Partner  
M. No. 85013  
Regn. No. 006092N

Place: Gurgaon  
Dated:

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**Annexure - II to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of A2Z Powertech Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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



## Mahesh Aggarwal & Associates

Chartered Accountants  
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Connaught Place, New Delhi-110001.

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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 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mahesh Aggarwal & Associates  
Chartered Accountants



Mahesh Aggarwal  
Partner

M. No. 85013

Regn. No. 006092N

Place: Gurgaon

Dated:



**AZZ POWERTECH LIMITED**

Balance sheet as at March 31, 2016

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

	Note	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' fund</b>			
Share capital	3	14,000,000	14,000,000
Reserves and surplus	4	(57,683,600)	(53,547,885)
		<b>(43,683,600)</b>	<b>(39,547,885)</b>
<b>Current liabilities</b>			
Short-term borrowings	5	38,561,304	43,388,104
Trade payables	6	5,139,430	5,755,276
Other current liabilities	7	15,062,688	10,979,785
		<b>58,763,422</b>	<b>60,123,165</b>
		<b>15,079,822</b>	<b>20,575,280</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	8	757,341	1,055,786
<b>Current assets</b>			
Trade receivables	9	3,429,436	3,429,436
Cash and cash equivalents	10	155,811	74,764
Short-term loans and advances	11	10,737,234	16,015,294
		<b>14,322,481</b>	<b>19,519,494</b>
		<b>15,079,822</b>	<b>20,575,280</b>

The accompanying notes forms an integral part of the financial statements

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

For Mahesh Aggarwal & Associates  
Chartered Accountants

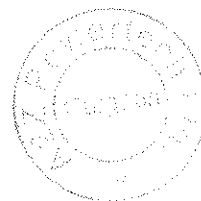
Mahesh Agarwal  
Partner  
M No. 85013  
Regn No. 006092N

Place : Gurgaon  
Dated :

For and on behalf of the Board of Directors

Manoj Gupta  
Director  
(DIN: 00063460)

Sanjeev Sharma  
Director  
(DIN: 02159764)



**A2Z POWERTECH LIMITED**


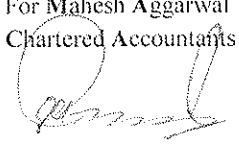
Statement of profit and loss for the year ended March 31, 2016

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


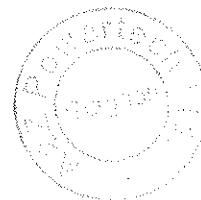
	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Revenue</b>			
Revenue from operations		-	-
Other Income	12	846,948	33,338
<b>Total revenue</b>		<b>846,948</b>	<b>33,338</b>
<b>Expenses</b>			
Employee benefit expense	13	-	1,403,781
Financial expenses	14	4,574,256	4,572,974
Depreciation and amortization expense	8	298,445	1,333,534
Other expenses	15	109,962	687,109
<b>Total expenses</b>		<b>4,982,663</b>	<b>7,997,398</b>
<b>Loss for the period before tax</b>		<b>(4,135,715)</b>	<b>(7,964,060)</b>
<b>Tax expense</b>			
Deferred tax charge / (credit)		-	-
<b>Net loss for the period after tax</b>		<b>(4,135,715)</b>	<b>(7,964,060)</b>
<b>Earnings Per Share</b>			
Basic earning per share	20	(2.95)	(5.69)
Diluted earning per share		(2.95)	(5.69)

The accompanying notes forms an integral part of the financial statements

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

For Mahesh Aggarwal & Associates  
Chartered Accountants  
Mahesh Aggarwal  
Partner  
M No. 85013  
Regn No. 006092NPlace : Gurgaon  
Dated :

For and on behalf of the Board of Directors

  
Manoj Gupta  
Director  
(DIN: 00063460)  
Sanjeev Sharma  
Director  
(DIN: 02159764)

**A2Z POWERTECH LIMITED**

Statement of cash flows for the year ended March 31, 2016  
(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A Cash flow from / (used in) operating activities</b>		
Net loss before tax	(4,135,715)	(7,964,060)
<b>Adjustment for</b>		
Interest expense	4,572,896	4,556,714
Depreciation	298,445	1,333,534
Operating loss before working capital changes	735,626	(2,073,812)
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Trade receivables	-	305,364
Short term loan and advances and other current assets	618,603	(649,885)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Long term provisions	-	(27,226)
Trade payables	(615,846)	219,324
Other current liabilities	(8,113)	463,773
Short term provisions	-	(6,112)
Cash generated from / (used in) from operations	730,270	(1,768,574)
Current taxes paid (net of refunds)	4,659,457	-
<b>Net cash generated from / (used in) operating activities</b>	<b>5,389,727</b>	<b>(1,768,574)</b>
<b>B Cash flow from / (used in) investing activities</b>	-	-
<b>Net cash generated from / (used in) investing activities</b>	-	-
<b>C Cash flow from / (used in) financing activities</b>		
Interest paid	(481,880)	(458,061)
Repayment of long term borrowings	-	(108,807)
Proceeds from short term borrowings from affiliates (net)	(4,826,800)	2,277,500
<b>Net cash generated from / (used in) financing activities</b>	<b>(5,308,680)</b>	<b>1,710,632</b>
<b>Net increase in cash and cash equivalents ( A+B+C)</b>	<b>81,047</b>	<b>(57,942)</b>
Cash and cash equivalents at the beginning of the year	74,764	132,706
<b>Cash and cash equivalents at the end of the period</b>	<b>155,811</b>	<b>74,764</b>
<b>Components of cash and cash equivalents</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
Cash on hand	4,066	5,278
Balances with banks in current accounts	151,745	69,486
	<b>155,811</b>	<b>74,764</b>

Notes: Figures in brackets indicate cash outflow.

The accompanying notes form an integral part of the financial statements

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

For Mahesh Aggarwal & Associates  
Chartered Accountants

Mahesh Aggarwal  
Partner  
M No. 85013  
Regn No. 006092N

Place : Gurgaon  
Dated :

For and on behalf of the Board of Directors

Manoj Gupta  
Director  
(DIN: 00063460)

Sanjeev Sharma  
Director  
(DIN: 02159764)



## A2Z POWERTECH LIMITED

### Notes forming part of the financial statements

#### Note 1: Nature of operations

A2Z Powertech Limited (the Company) is the subsidiary of A2Z Infra Engineering Limited (formerly A2Z Maintenance & Engineering Services Limited). It was incorporated at National Capital Territory of Delhi on April 28, 2008 to carry on the business of system integrators using IT applications in the power sector.

#### Note 2: Statement of significant accounting policies

##### a) Basis of preparation

The Financial Statements have been prepared to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### (i) Revenue from services rendered

Revenues from services are recognised pro-rata over the period of the contract as and when services are rendered.

##### (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. Excise Duty, Sales Tax and VAT deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arise during the year.

##### (iii) Interest

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

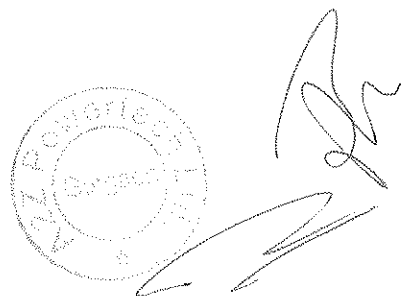
##### d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

##### e) Depreciation

In accordance with the requirements of Schedule II of the Companies Act, 2013, management had re-assessed the useful lives of the fixed assets and accordingly, the depreciation charge was higher by NIL (Previous Year-Rs 772,277) for the period ended March 31, 2016 due to change in useful lives.

Particulars	Useful Life (SLM)
Office equipment	5 Years
Furniture and fixture	10 Years
Computer - end user devices	3 Years
Computer - Servers/ Softwares	6 Years
Plant and machinery	15 Years
Vehicle (Car)	8 Years



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## AZZ POWERTECH LIMITED

### Notes forming part of the financial statements

#### f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### g) Borrowing costs

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

#### h) Leases

##### Where the Company is the lessee:

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

#### i) Inventories

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

#### j) Foreign currency transactions

##### Initial recognition

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

##### Conversion

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

##### Exchange differences

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

#### k) Retirement and other employment benefits

i) Retirement benefits in the form of provident fund and employee state insurance is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

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

iii) Accumulated leave, which is expected to be utilised within next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. The Company presents the entire leave as a current liability the Balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

iv) Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

## A2Z POWERTECH LIMITED

### Notes forming part of the financial statements

#### l) Income taxes

Tax expense comprises of current income tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

#### m) Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise of the net profit / (loss) after tax for the period. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for deriving basic earnings per share, and also the weighted average number of shares, which would have been issued on the conversion of dilutive potential equity shares, if any.

#### n) Segment reporting

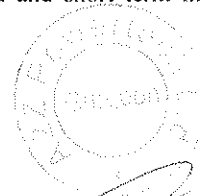
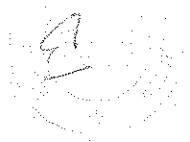
Since the Company's business activity falls within a single business and geographical segment i.e. System Integration Services, there are no additional disclosures to be provided under Accounting Standard 17- 'Segment Reporting'.

#### o) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less.



A2Z POWERTECH LIMITED

Notes forming part of the financial statements

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

Note 3: Share capital

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares of Rs 10 each	2,000,000	20,000,000	2,000,000	20,000,000
	<b>2,000,000</b>	<b>20,000,000</b>	<b>2,000,000</b>	<b>20,000,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs 10 each	1,400,000	14,000,000	1,400,000	14,000,000
	<b>1,400,000</b>	<b>14,000,000</b>	<b>1,400,000</b>	<b>14,000,000</b>

Note 3.1: Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of Rs 10 each fully paid up</b>				
Opening balance	1,400,000	14,000,000	1,400,000	14,000,000
Add: Fresh issue	-	-	-	-
Closing balance	<b>1,400,000</b>	<b>14,000,000</b>	<b>1,400,000</b>	<b>14,000,000</b>

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

Note 3.3: Shares held by A2Z Infra Engineering Limited (formerly A2Z Maintenance & Engineering Services Limited), the holding Company

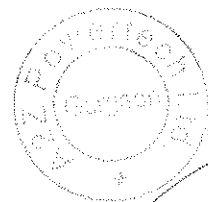
	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of Rs 10 each fully paid up</b>				
Opening balance	1,330,000	13,300,000	1,330,000	13,300,000
Add: Fresh issue	-	-	-	-
Closing balance	<b>1,330,000</b>	<b>13,300,000</b>	<b>1,330,000</b>	<b>13,300,000</b>

Note 3.4: Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2016		As at March 31, 2015	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares of Rs 10 each fully paid up</b>				
A2Z Infra Engineering Limited (formerly A2Z Maintenance & Engineering Services Limited)	1,330,000	95%	1,330,000	95%
	<b>1,330,000</b>	<b>95%</b>	<b>1,330,000</b>	<b>95%</b>



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**A2Z POWERTECH LIMITED**

Notes forming part of the financial statements

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

**Note 4: Reserve and surplus****Surplus / (deficit) in statement of profit and loss**

	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the period	(53,547,885)	(45,409,623)
Add : Transferred from statement of profit and loss	(4,135,715)	(7,964,060)
Less: Depreciation Impact on Assets for Change in Life	-	174,202
<b>Balance at the end of the period</b>	<b>(57,683,600)</b>	<b>(53,547,885)</b>

**Note 5: Short term borrowings (unsecured)**

Loan from holding Company	161,304	9,388,104
Loan from fellow subsidiary Company	38,400,000	34,000,000
	<b>38,561,304</b>	<b>43,388,104</b>

**Details of terms of repayment in respect of the unsecured borrowings:**

The loans are having an interest rate of 10.75% - 14% per annum and are repayable on demand.

**Note 6: Trade payable**

a) total outstanding dues to micro and small enterprises (Refer note 6.1)

Total outstanding dues to others	5,139,430	5,755,276
	<b>5,139,430</b>	<b>5,755,276</b>

**Note 6.1: Disclosures under Micro, Small and Medium Enterprises Act, 2006**

Based on the information available with the Company, there are no dues outstanding in respect of Micro, Small and Medium enterprises at the balance sheet date. No amounts were payable to such enterprises which were outstanding for more than 45 days. Further, no interest during the year has been paid or payable in respect thereof. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note 7: Other current liabilities**

	As at March 31, 2016	As at March 31, 2015
Interest accrued and due on short term borrowings	14,021,258	9,930,242
Statutory dues payable	1,041,430	1,049,543
	<b>15,062,688</b>	<b>10,979,785</b>

**Note 9: Trade receivables (unsecured)**

Trade receivable outstanding for a period exceeding six months

	As at March 31, 2016	As at March 31, 2015
- Considered good	3,429,436	3,429,436
Other trade receivables	-	-
- Considered good	-	-
	<b>3,429,436</b>	<b>3,429,436</b>

**Note 10: Cash and cash equivalents**

Cash on hand	4,066	5,278
Balances with banks in current accounts	151,745	69,486
	<b>155,811</b>	<b>74,764</b>

**Note 11: Short term loans and advances (Unsecured considered good)**

Advances recoverable in cash or in kind or for value to be received	7,565,473	8,209,899
Earnest money deposit with customers	2,540,500	2,540,500
Security deposit	98,095	133,639
Prepaid expenses	2,789	-
Service tax credit	103,532	44,954
VAT input credit	3,594	3,594
Advance tax / TDS recoverable (net of provision for tax)	423,251	5,082,708
	<b>10,737,234</b>	<b>16,015,294</b>

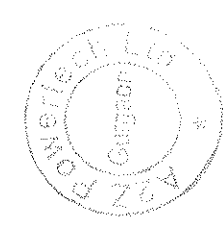


**AZZ POWERTECH LIMITED**

Notes forming part of the financial statements  
(Unless otherwise stated, all amounts are in Indian Rupees)

**Note 8: Fixed assets**

Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As at April 1, 2015	Additions	Sale / Adjustments	As at March 31, 2016	As at April 1, 2015	Charge for the year	Adjustment in opening reserves	Sale / Adjustments	As at March 31, 2016	As at March 31, 2015
Tangible assets - owned										
Furniture and fixtures	136,233	-	-	136,233	51,905	14,324	-	-	70,004	84,328
Office equipments	506,005	-	-	506,005	430,347	41,738	-	-	33,920	75,658
Computers	2,841,023	-	-	2,841,023	2,575,397	95,645	-	-	169,981	265,626
Plant and equipments	46,000	-	-	46,000	14,444	2,692	-	-	28,864	31,556
Vehicles	1,016,675	-	-	1,016,675	418,057	144,046	-	-	454,572	598,618
<b>Total</b>	<b>4,545,936</b>	<b>-</b>	<b>-</b>	<b>4,545,936</b>	<b>3,490,150</b>	<b>298,445</b>	<b>-</b>	<b>-</b>	<b>757,341</b>	<b>1,055,786</b>
Previous year	4,545,936	-	-	4,545,936	1,982,414	1,333,534	174,202	-	3,490,150	2,563,522



**A2Z POWERTECH LIMITED**

Notes forming part of the financial statements

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Note 12: Other income</b>		
Provision written back	-	33,338
Interest on Income Tax Refund	846,948	-
	<b>846,948</b>	<b>33,338</b>

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Note 13: Employee benefit expense</b>		
Salaries and other allowances	-	1,370,282
Contribution to provident fund and other funds (Refer note 13.1)	-	33,499
	-	<b>1,403,781</b>

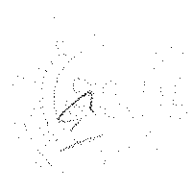
**Note 13.1: Defined contribution plans**

	For the year ended March 31, 2016	For the year ended March 31, 2015
Employer's contribution to provident fund	-	18,314
Employer's contribution to employee state insurance	-	15,185
	-	<b>33,499</b>

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Note 14: Financial charges</b>		
Bank charges	1,360	16,260
Interest		
- on long term borrowings from banks	-	2,505
- on short term borrowings from affiliates	4,545,572	4,554,059
- on others	27,324	150
	<b>4,574,256</b>	<b>4,572,974</b>

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Note 15: Other expenses</b>		
Electricity expenses	-	24,483
Rent (Refer note 15.1)	26,150	217,800
Insurance expenses	13,373	21,056
Payment to auditors		
As auditors:		
- Statutory audit fee	22,900	22,472
- Tax audit fee	-	10,618
Fees and subscription	10,770	17,441
Legal and professional expenses	35,000	86,600
Tour and travelling expenses	-	18,181
Communication expenses	-	31,347
Repairs and maintenance - others	-	47,265
Business promotion	-	59,111
Printing and stationary	1,200	16,930
Office Expenses	-	18,540
Miscellaneous expenses	569	95,265
	<b>109,962</b>	<b>687,109</b>

**Note 15.1:** The Company has entered into various short-term cancellable lease agreements at a notice period up to three months for leased premises. Gross rental expenses aggregate to Rs 26,150 (Previous year – Rs 2,17,800).



**A2Z POWERTECH LIMITED**

Notes forming part of the financial statements

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

**Note 16: Earnings per share (EPS)**

The calculations of earning per share are based on the profit / (loss) and number of shares as computed below:

Particulars	For the year ended	For the year ended
	March 31, 2016	March 31, 2015
Net profit / (loss) for the period	(4,135,715)	(7,964,060)
Net profit / (loss) for calculation of diluted EPS	(4,135,715)	(7,964,060)
Face value of equity share	10	10
Weighted average number of equity shares used in computing basic EPS	1,400,000	1,400,000
Weighted average number of equity shares used in computing diluted EPS	1,400,000	1,400,000
Basic EPS	(2.95)	(5.69)
Diluted EPS	(2.95)	(5.69)

**A2Z POWERTECH LIMITED**

Notes forming part of the financial statements

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

**Note 17: Related party**

Names of related parties

**Holding Company**

A2Z Infra Engineering Limited (formerly, A2Z Maintenance & Engineering Services Limited)

**Fellow subsidiary Companies**

A2Z Infraservices Limited

A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited)

A2Z Powercom Limited

Selligence Technologies Services Private Limited

Mansi Bijlee & Rice Mills Limited

Star Transformers Limited

Chavan Rishi International Limited

A2Z Maintenance & Engineering Services (Uganda) Private Limited (Till 30.03.2016)

Magic Genie Services Limited (formerly known as A2Z Water Solutions Limited)

A2Z Singapore Waste Management Holdings Private Limited (Till 17.03.2016)

A2Z Waste Management (Nainital) Private Limited

A2Z Maintenance & Engineering Services Limited and Satya

Builders (Association of person)

**Subsidiaries of A2Z Green Waste Management Limited  
(Formerly A2z Infrastructure Limited):**

- a) A2Z Waste Management (Merrut) Limited
- b) A2Z Waste Management (Moradabad) Limited
- c) A2Z Waste Management (Varanasi) Limited
- d) A2Z Waste Management (Aligarh) Limited
- e) A2Z Waste Management (Badaun) Limited
- f) A2Z Waste Management (Balia) Limited
- g) A2Z Waste Management (Fatehpur) Limited
- h) A2Z Waste Management (Jaunpur) Limited
- i) A2Z Waste Management (Loni) Limited
- j) A2Z Waste Management (Mirzapur) Limited
- k) A2Z Waste Management (Ranchi) Limited
- l) A2Z Waste Management (Sambhal) Limited
- m) Green Waste Management Private Limited (formerly A2Z Waste Management (Haridwar) Private Limited)
- n) A2Z Waste Management (Dhanbad) Private Limited
- o) A2Z Waste Management (Ludhiana) Limited
- p) A2Z Waste Management (Jaipur) Limited
- q) A2Z Mayo SNT Waste Management (Nanded) Private Limited
- r) A2Z Waste Management (Ahmedabad) Limited
- s) Earth Environment Management Services Private Limited (with effect from June 30, 2014)
- t) Shree Balaji Pottery Private Limited (with effect from May 23, 2014)
- u) Shree Hari Om Utensils Private Limited (with effect from May 23, 2014)

**Subsidiary of A2Z Singapore Waste Management Holdings Private Limited:**

- a) A2Z Waste Management Private Limited (till January 8, 2015)

**Associate of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited):**

- a) A2Z Anaerobic Digestion Limited (Formerly Known as A2Z Waste Management (Basti) Limited) (Till March 31, 2016)



**A2Z POWERTECH LIMITED**

Notes forming part of the financial statements

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

**Related party transactions**



Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Holding Company	Fellow subsidiary	Holding Company	Fellow subsidiary
<b>Interest expense on borrowings</b>				
- A2Z Infra Engineering Limited	233,003	-	899,059	-
- A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited)	-	3,813,886	-	3,655,000
- A2Z Infraserivces Limited	-	498,683	-	-
<b>Loan taken</b>				
- A2Z Infra Engineering Limited	323,200	-	2,277,500	-
- A2Z Infraserivces Limited	-	8,900,000	-	-
<b>Loan repaid</b>				
- A2Z Infra Engineering Limited	9,550,000	-	-	-
- A2Z Infraserivces Limited	-	4,500,000	-	-
<b>Balance outstanding at the end of the period</b>				
<b>Short term borrowings</b>				
- A2Z Infra Engineering Limited	161,304	-	9,388,104	-
- A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited)	-	34,000,000	-	34,000,000
- A2Z Infraserivces Limited	-	4,400,000	-	-
<b>Interest accrued and due on borrowings</b>				
- A2Z Infra Engineering Limited	1,765,446	-	1,555,635	-
- A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited)	-	11,806,997	-	8,374,607
- A2Z Infraserivces Limited	-	448,815	-	-
<b>Trade receivable / advances recoverable</b>				
- A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited)	-	18,455	-	18,455

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

Note 18: The Parent Company is committed to provide continued operational and financial support to the Company for meeting their working capital and other financial requirements. Therefore, the financial statement has been prepared on going concern basis.

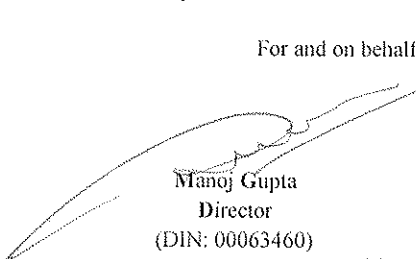
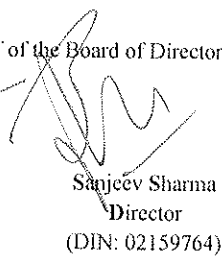
Note 19: Previous year's figures have been regrouped where necessary to confirm to this period's classification.

For Mahesh Aggarwal & Associates  
Chartered Accountants

Mahesh Aggarwal  
Partner  
M No. 85013  
Regn No. 006092N

For and on behalf of the Board of Directors

Manoj Gupta  
Director  
(DIN: 00063460)

Sanjeev Sharma  
Director  
(DIN: 02159764)

Place : Gurgaon  
Dated :