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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

A2Z Waste Management (Merrut) Limited

Gurgaon

**Report on the Ind AS Financial Statements**

1. We have audited the accompanying Ind AS financial statements of A2Z Waste Management (Merrut) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, 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 of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 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 Ind AS 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 Ind AS financial statements are free from material misstatement.



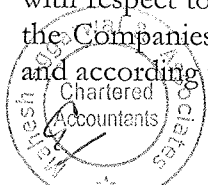
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due 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 Ind AS financial statements.

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, 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 Ind AS financial statements 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 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 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure II"; and
  - 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:



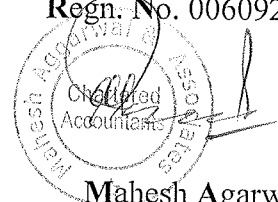
**Mahesh Aggarwal & Associates**

Chartered Accountants  
602, Rohit House, 3, Tolstoy Marg,  
Connaught Place, New Delhi-110001.

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- i. the Company does not have any pending litigations which would impact its Ind AS 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.
  - iv. The company has provided requisite disclosure in its Ind AS financial statements as to holding as well as dealing in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company to the Ind AS financial statements.

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



**Mahesh Aggarwal**  
Partner  
M. No. 85013

Place: Gurgaon  
Dated: 26.05.2017

**Mahesh Aggarwal & Associates**

Chartered Accountants

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Re: [A2Z Waste Management (Merrut) 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) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable
- (iii) The Company has granted loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 189 of the Act. and with respect to the same:
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loan has been granted are not prejudicial to the interest of the company.
  - (b) The principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion receipt of the principal amount is regular; and
  - (c) There is no overdue amount in respect of loans granted to such companies, firms and other parties.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.



**Mahesh Aggarwal & Associates**

Chartered Accountants

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- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, , service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, have not been regularly deposited by the company with the appropriate authorities and there has been significant delays in large number of cases. According to the information and explanations given to us, undisputed amounts payable in respect thereof which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Nature of statute	Nature of dues	Amount(Rs.)	Period to which the amount relates
Income tax act	TDS	4142252	November 13-september16
Sales Tax Act	Sales Tax	202890	July 12- February 14

- (b) According to the information and explanations given to us, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has defaulted in repayment of dues to bank/financial institutions as detailed below:

Name of the bank	Bank Branch Address	Principal Amount (Rs)	Delay in days
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	2306437	914
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	883
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	853
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	4085417	822
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	791
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	763
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	4085317	732
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	702
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	671
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	5315417	641
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	610
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	579
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	5315417	549
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	518
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	488
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	5315417	457
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	426
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	385417	397



**Mahesh Aggarwal & Associates**

Chartered Accountants

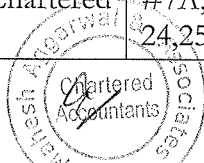
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Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	5315409	366
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	4930000	275
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	4930000	183
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	4930000	91
Allahabad Bank	Green Park Extension, H -12, New Delhi – 110016	4930000	1
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24, 25 & 25A, Gurgaon – 122002	697917	1371
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	13964497	1340
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	1309
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	1279
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	15622819	1248
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	1218
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697197	1187
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	15622819	1156
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	1128
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	1097
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	15622819	1067
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	1036
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	1006
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	15622819	975
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	944
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	914
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	15622819	883
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	853
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	822
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	15622819	791



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Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	763
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	732
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Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	641
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	15622819	610
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	579
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	697917	549
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	15622819	518
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	14924903	426
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	14924903	336
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	14924903	244
Standard Chartered	#7A, DLF Building, 3rd Floor, DLF Cyber City, Sector - 24,25 & 25A, Gurgaon – 122002	14924903	152

Company has defaulted in payment of interest amounting to rs/- 63478632 upto 31/03/2017 .As the account become NPA so company unable to obtain actual amount of interest form the bank and the figure of interest is arrived at on the basis of their own calculation.

- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.



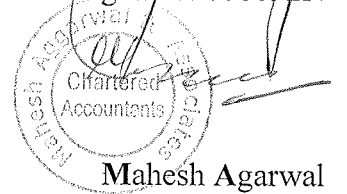
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- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS 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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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



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

Place: Gurgaon  
Dated: 26.05.2017



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 Waste Management (Merrut) Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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



## **Mahesh Aggarwal & Associates**

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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

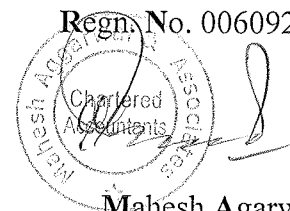
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**Mahesh Aggarwal**  
Partner  
M. No. 85013

Place: Gurgaon  
Dated: 26.05.2017

# A2Z WASTE MANAGEMENT (MEERUT) LIMITED

Balance Sheet as at March 31, 2017

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

	Note No.	March 31, 2017	Balance as at March 31, 2016	April 1, 2015
<b>ASSETS:</b>				
<b>Non-Current Assets:</b>				
Property, Plant and Equipment	3	439.18	610.03	784.14
Capital work-in-progress	3	1,284.23	1,280.85	1,277.31
		1,723.41	1,890.88	2,061.45
<b>Financial Assets:</b>				
Investments	4	25.02	-	-
Other Financial Assets	5	0.50	0.50	0.50
		25.52	0.50	0.50
Non-Current Tax Assets (Net)	6	103.47	128.35	129.82
Other Non-Current Assets	7	33.69	32.69	32.69
		1,886.09	2,052.42	2,224.46
<b>Current Assets:</b>				
<b>Financial Assets:</b>				
Trade Receivables	8	531.77	531.77	531.77
Cash and Cash Equivalents	9	46.69	28.56	14.44
Other bank balances	10	350.00	350.00	350.00
Loans	11	1,478.96	2,653.87	2,465.42
Other Financial Assets	5	585.17	585.27	585.32
		2,992.59	4,149.48	3,946.95
		4,878.68	6,201.90	6,171.41
<b>EQUITY AND LIABILITIES:</b>				
<b>Equity:</b>				
Equity Share Capital	12	5.00	5.00	5.00
Other Equity	13	(1,356.13)	35.84	408.55
		(1,351.13)	40.84	413.55
<b>Non-Current Liabilities:</b>				
<b>Financial Liabilities:</b>				
Borrowings	14	519.65	560.01	1,128.62
		519.65	560.01	1,128.62
Provisions	15	0.38	0.33	0.24
Other Non-Current Liabilities	16	415.24	445.70	476.95
		935.27	1,006.04	1,605.81
<b>Current Liabilities:</b>				
<b>Financial Liabilities:</b>				
Borrowings	17	570.76	801.13	852.00
Trade Payables	18	39.25	32.86	27.49
Other Financial Liabilities	19	4,631.02	4,277.19	3,233.93
		5,241.03	5,111.18	4,113.42
Other Current Liabilities	16	53.50	43.83	38.61
Provisions	15	0.02	0.01	0.02
		5,294.55	5,155.02	4,152.05
		4,878.68	6,201.90	6,171.41

Significant Accounting Policies

Notes to the Financial Statements

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As per our report of even date

For Mahesh Aggarwal & Associates

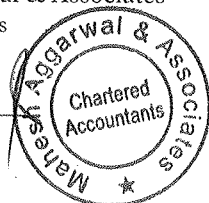
Chartered Accountants

Regn No. 006092N

Mahesh Aggarwal

Partner

M.No. 85013



Place: Gurgaon

Date: 26-May-2017

For and on behalf of the Board of Directors

*Manoj Tiwari*

Manoj Tiwari

Director

Din No. 03597274

*Rajesh Singh Chahar*

Rajesh Singh Chahar

Company Secretary

*Vikas Guliani*

Vikas Guliani

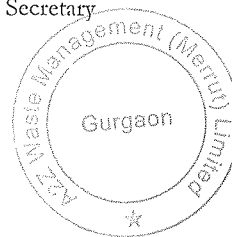
Director

Din No. 06873154

*Rajeev Singh*

Rajeev Singh

Chief Financial Officer



# A2Z WASTE MANAGEMENT (MEERUT) LIMITED

## Statement of Profit and Loss for the year ended March 31, 2017

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

	Note No.	For the Year ended March 31	
		2017	2016
<b>Revenue:</b>			
Other Income	20	307.09	317.92
Total Revenue		307.09	317.92
<b>Expenses:</b>			
Employee Benefits Expense	21	17.76	19.30
Finance Costs	22	399.83	376.94
Depreciation, Amortisation and Impairment expenses	23	167.46	170.57
Other Expenses	24	16.80	135.51
Total Expenses		601.86	702.33
<b>Profit for the year</b>		(294.77)	(384.41)
<b>Other Comprehensive Income:</b>			
A i) Items that will not be reclassified to profit and loss			
a) Remeasurement of defined benefit obligations		0.03	0.02
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
a) Remeasurement of defined benefit obligations		-	-
B i) Items that will be reclassified to profit or loss		-	-
ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		0.03	0.02
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income)</b>		(294.74)	(384.39)
<b>(Loss)/earnings per equity share :</b>	25		
Basic		(0.01)	(0.01)
Diluted		(0.01)	(0.01)
<b>Significant Accounting Policies</b>	2		
<b>Notes to the Financial Statements</b>	1 to 34		

As per our report of even date

For Mahesh Aggarwal & Associates

Chartered Accountants

Regn. No. 006092N

Mahesh Aggarwal

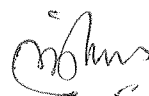
Partner

M.No. 85013

Place: Gurgaon

Date: 26-May-2017

For and on behalf of the Board of Directors



Manoj Tiwari

Director

Din No. 03597274

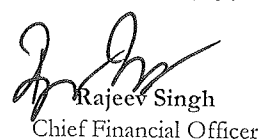
  
Rajesh Singh Chahar  
Company Secretary

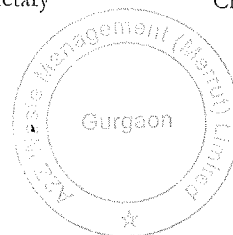


Vikas Guliani

Director

Din No. 06873154

  
Rajeev Singh  
Chief Financial Officer



**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

Statement of Changes in Equity  
for the year ended 31st March 2017

		Balance as at		
	Notes	Share Capital	Other Components of Equity	Total
As at April 1, 2016		5.00	35.84	40.84
Transactions with owners		5.00	35.84	40.84
Add: Profit for the year	13	-	(1,392.01)	(1,392.01)
Add [Less]: Other Comprehensive income	13	-	0.03	0.03
<b>Total Comprehensive Income</b>		-	(1,391.98)	(1,391.98)
Transfer from [to] Reserve				-
As at March 31, 2017		5.00	(1,356.13)	(1,351.13)

As at April 1, 2015		5.00	408.55	413.55
Transactions with owners		5.00	408.55	413.55
Add: Profit for the year	13	-	(372.72)	(372.72)
Add [Less]: Other Comprehensive income	13	-	0.02	0.02
<b>Total Comprehensive Income</b>		-	(372.70)	(372.70)
Transfer from [to] Reserve		-	-	-
As at March 31, 2016		5.00	35.84	40.84

As per our report of even date

For **Mahesh Aggarwal & Associates**

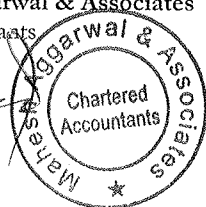
Chartered Accountants

Regn No. 006092N

**Mahesh Aggarwal**

Partner

M.No. 85013



Place: Gurgaon

Date: 26-May-2017

For and on behalf of the Board of Directors

*Manoj Tiwari*

**Manoj Tiwari**

Director

Din No. 03597274

*Rajesh Singh Chahar*  
**Rajesh Singh Chahar**  
Company Secretary

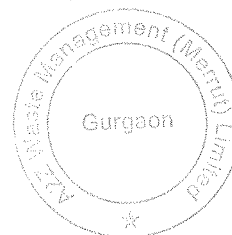
*Vikas Guliani*

**Vikas Guliani**

Director

Din No. 06873154

*Rajeev Singh*  
**Rajeev Singh**  
Chief Financial Officer



**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**

Cash flow statement for the year ended March 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Cash flow from operating activities</b>		
Net Loss before tax	(294.77)	(384.41)
Adjustment for:		
Depreciation and amortisation expense	167.46	170.57
Interest expense	399.59	376.94
Unrealised foreign exchange fluctuation loss	(46.70)	116.94
Subsidy amortised	(44.74)	(45.56)
Interest income	(215.55)	(272.36)
<b>Ind AS</b>		
Amortization of Long term borrowings (Non Current)	(1.33)	-
Impact of recognising employee share based options at fair value of the option	9.07	11.69
Impact on account of actuarial valuation	0.03	0.02
<b>Operating profit/(loss) before working capital changes</b>	<b>(26.93)</b>	<b>(26.17)</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Short term loans and advances	907.17	0.04
Long term loans and advances	(1.00)	-
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payable	6.39	5.37
Other current liability	28.29	17.66
Short term provision	0.01	(0.01)
Long term provision	0.06	0.08
	<b>913.98</b>	<b>(3.02)</b>
Current taxes paid (net of refunds)	24.88	1.47
<b>Net cash generated from operating activities</b>	<b>938.87</b>	<b>(1.55)</b>
<b>B Cash flow from investing activities</b>		
Purchase of investment in subsidiaries	(1,130.00)	-
Interest received	483.39	83.91
<b>Net cash from / (used in) investing activities</b>	<b>(646.61)</b>	<b>83.91</b>
<b>C Cash flow from financing activities</b>		
Repayment of long term borrowings	57.25	53.99
Proceeds from short term borrowings (net)	(230.37)	(50.88)
Interest paid	(101.01)	(71.35)
<b>Net cash used in from financing activities</b>	<b>(274.13)</b>	<b>(68.24)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>18.13</b>	<b>14.12</b>
Cash and cash equivalents at the beginning of the year	28.56	14.44
<b>Cash and cash equivalents at the end of the year</b>	<b>46.69</b>	<b>28.56</b>
<b>Components of cash and cash equivalents</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Cash on hand	0.00	0.00
Balances with banks		
- in current account	46.68	28.56
	<b>46.69</b>	<b>28.56</b>

**Note:**

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

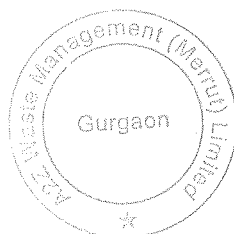
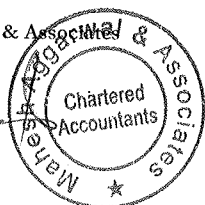
**Summary of Significant Accounting Policies**

1&amp;2

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

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

*Mahesh Aggarwal*  
Partner  
M.No. 85013



For and on behalf of Board of Directors

*Manoj Tiwari*  
Manoj Tiwari  
Director  
Din No. 03597274

*Vikas Guliani*  
Vikas Guliani  
Director  
Din No. 06873154

*Rajesh Singh Chahar*  
Rajesh Singh Chahar  
Company Secretary

*Rajeev Singh*  
Rajeev Singh  
Chief Financial Officer

Place : Gurgaon  
Date: 26-May-2017

**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**Note 1 : Nature of operations**

A2Z Waste Management (Merrut) Limited ('A2Z' or 'the Company' or 'SPV') is the subsidiary of A2z Green Waste Management Limited (Formerly A2z Infrastructure Limited). It was incorporated at National Capital Territory of Delhi and Haryana on December 4, 2009 for providing Waste Management Services. The Company's main business primarily would include Door to door collection, intermediate transportation, and Engineering sanitary land fill.

**Note 2 : Significant Accounting Policies**

**2.1 Basis of Accounting:**

The financial statements of the Company have been prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

In 2016 the Company has not applied any new accounting policies or made other retrospective changes that have a material effect on the statement of financial position as at 1 April 2015. Accordingly, the Company is not required to present a third statement of financial position as at that date. However, the Company has elected to provide this additional comparative information together with related notes as permitted by Ind AS 1 'Presentation of Financial Statements'.

**2.2 Foreign Currency Transactions:**

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

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

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

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

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

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

**2.3 Segment Reporting**

**2.3.1 Business segments**

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

**2.4 Revenue**

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

Sales tax/ Value Added Tax [VAT] is not received by the Company on its own account. Rather, it is tax collected on value added to the Goods by the Company on behalf of the government. Accordingly, it is excluded from revenue.

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

**2.4.1 Revenue from Service Contracts :**

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

**2.4.2 Revenue from sale of goods :**

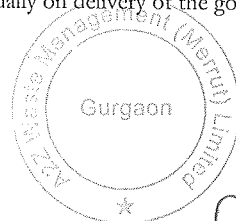
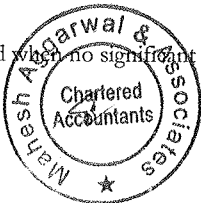
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

**2.4.3 Interest Income:**

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

**2.4.4 Other Income:**

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



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## 2.5 Borrowing Costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings 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 assets 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.

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

## 2.6 Other Intangible Assets

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

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

- Software: 3-5 years

Amortisation has been included within depreciation, amortisation and impairment of nonfinancial assets.

Subsequent expenditures on the maintenance of computer software is expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

## 2.7 Property, plant and equipment

Property, plant and equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of Property, plant and equipment. The following useful lives are applied:

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

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

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

## 2.8 Leased Assets

### 2.8.1 Finance leases

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

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

See Note 2.7 for the depreciation methods and useful lives for assets held under finance leases.

The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

### 2.8.2 Operating leases

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

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

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

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

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



**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

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

**2.10 Financial Instruments**

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

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

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

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

**2.10.2 Classification and Subsequent measurement of financial assets:**

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

- a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and it is not designated as at FVTPL:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are classified as measured at FVTPL. The Bank may designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Bank has not applied fair value designation option for any financial assets.

**2.10.3 Impairment of financial assets:**

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

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g. security deposits
- b. Financial assets that are available for sale.
- c. Trade receivables or any contractual right to receive cash or another financial asset

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point c provided above.

The application of simplified approach require the company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR. ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'other expenses'. The balance sheet presentation for various financial instruments is described below :

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance reducing the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

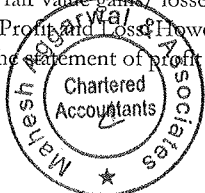
For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

**2.10.4 Classification and subsequent measurement of financial liabilities:**

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

**Financial liabilities at fair value through profit or loss:**

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



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**Loans and borrowings:**

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

**2.10.5 Reclassification of financial instruments:**

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

**2.10.6 Offsetting of financial instruments:**

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

**2.11 Inventories**

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

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

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

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

**2.12 Income Taxes**

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

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

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

**2.13 Cash and Cash Equivalents**

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

**2.14 Equity, reserves and dividend payments**

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

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

Other components of equity include the following:

- Remeasurement of net defined benefit liability - Comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets (see Note 2.15)
- Retained earnings includes all current and prior period retained profits and share-based employee remuneration (see Note 29). All transactions with owners of the parent are recorded separately within equity. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

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

**Post-employment benefit plans**

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

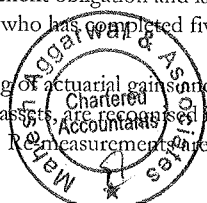
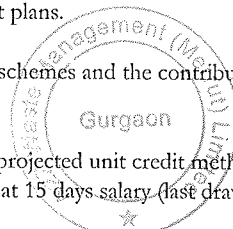
**Defined Contribution Plans :**

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

**Defined Benefit Plans :**

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

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



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**Leave Liability:**

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

**Short-term employee benefits**

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

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

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

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

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

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

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

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

**Recognition of service revenues :**

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

**Recognition of deferred tax assets :**

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

**2.18 Estimation Uncertainty**

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

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

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

**Useful lives of depreciable assets**

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

**Inventories**

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

**Construction contract revenue**

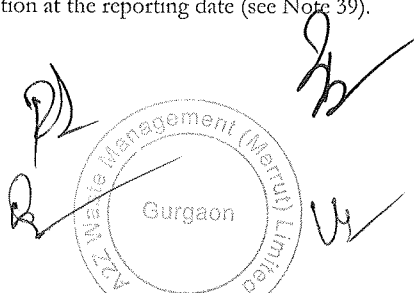
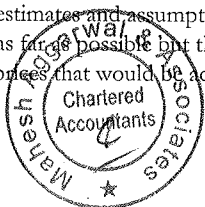
Recognised amounts of construction contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty (see Note 2.4).

**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, 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 (as analysed in Note 29).

**Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 39).



Note 12 : Equity Share Capital

Particulars

Authorized Share Capital  
Equity Shares of Rs. 10 each

Balance as at April 1, 2015	50,000	5.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2016	50,000	5.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	50,000	5.00
Authorized Share Capital	No. of Shares	Amount

0.001% Non participative cumulative redeemable preference shares of Rs 10 each

Balance as at April 1, 2015	1,59,50,000	1,595.00
Changes in preference share capital during the year	-	-
Balance as at 31 March 2016	1,59,50,000	1,595.00
Changes in preference share capital during the year	-	-
Balance as at 31 March 2017	1,59,50,000	1,595.00

Reconciliation of the shares outstanding at the beginning and at the end of the reporting year is given below:

Equity Shares of Amount (Rs) 10/- each, Issued, Subscribed and Fully Paid-up:

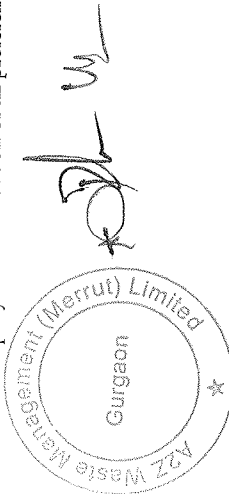
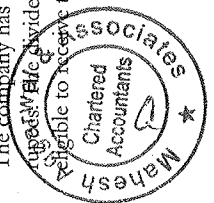
Beginning of the year  
Change during the year  
Total shares authorised as at

Balance as at	March 31, 2017	March 31, 2016	April 1, 2015
50,000	50,000	50,000	50,000
50,000	50,000	50,000	50,000
Balance as at	March 31, 2017	March 31, 2016	April 1, 2015
1,59,50,000	1,59,50,000	1,59,50,000	1,59,50,000
1,59,50,000	1,59,50,000	1,59,50,000	1,59,50,000

Equity Shares of Amount (Rs) 10/- each, Issued, Subscribed and Fully Paid-up:

Beginning of the year  
Change during the year  
Total shares authorised as at

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. 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.



**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
**Unless otherwise stated, all amounts are in INR Lakhs)**

The company has only one class of preference shares having par value of Rs 10/- per share. The maturity period of the shares for redemption is 15 (Fifteen) years from the original date of allotment however Company can redeemed up to 20% of Preference shares issued in each year starting from 10th year onwards. Both the preference share holder and the Company have right to exercise put or call option at any time on or after the expiry of 1 (one) year from the original date of allotment subject to regulatory approvals, if any required. The shares on maturity, or on exercise of the put and call option, as the case may be, will be redeemed at Par. The Preference Shares are non-convertible and cumulative in nature. The rate of dividend is 0.001% per annum.

**Details of shareholders holding more than 5% shares in the Company**

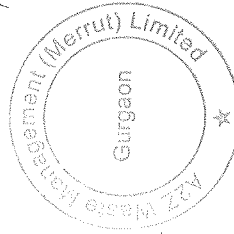
Name of Shareholder	As at March 31, 2017		As at March 31, 2017		As at March 31, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
<b>Equity Shares of Rs. 10 each</b>						
A2z Green Waste Management Limited (formerly known as A2z Infrastructure Limited)	40,000	80%	40,000	80%	40,000	80%
Eco Save Systems (P) Ltd.	5,000	10%	5,000	10%	5,000	10%
Ms. Nabada Onkarlal Jain Jointly with Mr. Lokesh Onkarlal Jain	5,000	10%	5,000	10%	5,000	10%
	50,000	100%	50,000	100%	50,000	100%

**Preference Shares of Rs. 10 each fully paid up**

A2z Green Waste Management Limited (formerly known as A2z Infrastructure Limited)	1,59,50,000	100%	1,59,50,000	100%	1,59,50,000	100%
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Note 13 : Other Components of Equity

Particulars

As at April 1, 2016

Profit for the year  
Total

Impact of Ind AS:

Recognition of employee share based options at fair value of the option

Financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost  
Total

As at March 31, 2017

As at April 1, 2015

Profit for the year

Employee Stock Option Expense

Received during the year against issue of shares

Total

Impact of Ind AS:

Recognition of employee share based options at fair value of the option

Total

As at March 31, 2016

Other Comprehensive Income

Particulars

As at April 1, 2016

Reclassification of net actuarial gain on employee defined benefit obligations to other comprehensive income

As at March 31, 2017

As at April 1, 2015

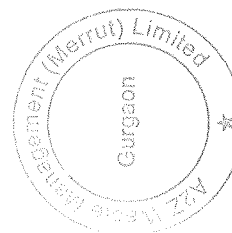
Reclassification of net actuarial gain on employee defined benefit obligations to other comprehensive income

As at March 31, 2016

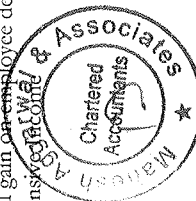
Securities premium account	Retained Earnings	Actuarial Gain/Loss Reserve	Total
1,197.87	(1,162.04)	-	35.82
-	(294.77)	-	(294.77)
-	(294.77)	-	(294.77)
9.07	-	-	9.07
(1,106.31)	-	-	(1,106.31)
(1,097.24)	(294.77)	-	(1,392.01)
100.63	(1,456.81)	-	(1,356.18)
1,183.66	(775.12)	-	408.55
-	(384.41)	-	(384.41)
2.52	(2.52)	-	-
-	-	-	-
2.52	(386.93)	-	(384.41)
11.69	-	-	11.69
14.20	(386.93)	-	(372.72)
1,197.87	(1,162.04)	-	35.82

Securities premium account	Retained Earnings	Actuarial Gain/Loss Reserve	Total
-	-	0.02	0.02
-	-	0.03	0.03
-	-	0.05	0.05
-	-	-	-
-	-	0.02	0.02
-	-	0.02	0.02



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

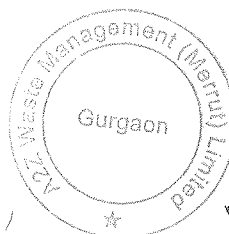
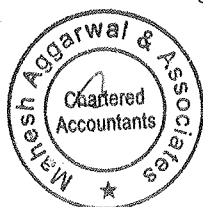
**Note 3 : Property, Plant and Equipment**

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

	Computers	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total	Capital Work In Progress*
<b>Gross Carrying Amount:</b>							
Balance as at April 1, 2016	0.91	232.82	1.55	1,122.70	13.99	1,371.96	1,280.85
Additions	-	-	-	-	-	-	3.38
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2017	0.91	232.82	1.55	1,122.70	13.99	1,371.96	1,284.23
<b>Depreciation and Impairment:</b>							
Balance as at April 1, 2016	0.91	152.45	0.98	595.24	12.35	761.93	-
Depreciation for the year	-	22.25	0.10	147.03	1.47	170.85	-
Impairment for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2017	0.91	174.70	1.08	742.27	13.82	932.78	-
<b>Net Carrying Amount:</b>							
Balance as at March 31, 2017	-	58.12	0.47	380.43	0.17	439.18	1,284.23
<b>Gross Amount:</b>							
Balance as at April 1, 2015	0.91	232.82	1.55	1,122.70	13.99	1,371.96	1,277.31
Additions	-	-	-	-	-	-	3.54
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2016	0.91	232.82	1.55	1,122.70	13.99	1,371.96	1,280.85
<b>Depreciation and Impairment:</b>							
Balance as at April 1, 2015	0.91	129.98	0.88	447.80	8.24	587.82	-
Depreciation for the year	-	22.47	0.10	147.44	4.10	174.11	-
Impairment for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2016	0.91	152.45	0.98	595.24	12.35	761.93	-
<b>Net Carrying Amount:</b>							
Balance as at March 31, 2016	-	80.36	0.56	527.46	1.64	610.03	1,280.85
<b>Net Carrying Amount:</b>							
Balance as at April 1, 2015**	-	102.84	0.66	674.90	5.74	784.14	1,277.31

\* Current year depreciation includes INR 3.38 lakhs (Previous year - INR 3.54 lakhs) which has been carried under capital work in progress

\*\* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.



**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 4 : Investments:**

**Long Term Investments:**

Carrying amount at amortised cost:

Trade Investments:

Investments in Zero Coupon Debenture

**Total**

Fair value:

**A Details of Trade Investments:**

Investment in Instruments [Valued at cost]:

Investment in Zero Coupon Debenture

**Total Non- Current Investments**

Aggregate amount of Quoted Investments

Aggregate amount of Unquoted Investments

Aggregate amount of Impairment in value of Investments

Balance as at		
March 31, 2017	March 31, 2016	April 1, 2015
25.02	-	-
25.02	-	-
1,130.00	-	-
1,130.00	-	-
1,130.00	-	-
1,130.00	-	-
1,130.00	-	-

**Note 5 : Other Financial Assets**

**Balance as at**

Advance recoverable in cash

Considered good

Considered doubtful

Less: Provision for

Advance recoverable in cash

Bank deposits with more than 12 months maturity[\*]

**Total**

March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015	April 1, 2015
Current	Non - Current	Current	Non-Current	Current	Non - Current
585.17	-	585.27	-	585.32	-
-	-	-	-	-	-
-	-	-	-	-	-
585.17	-	585.27	-	585.32	-
-	0.50	-	0.50	-	0.50
585.17	0.50	585.27	0.50	585.32	0.50

**Note 6 : Non-Current Tax Assets (Net)**

Advance payment of Tax [Net of provision]

**Total**

Balance as at		
March 31, 2017	March 31, 2016	April 1, 2015
103.47	128.35	129.82
103.47	128.35	129.82

**Note 7 : Other Assets**  
**[Unsecured, Considered Good unless otherwise stated]**

**Balance as at**

Capital Advances

Considered good

Considered doubtful

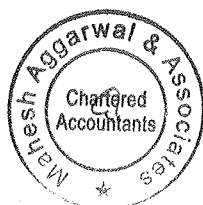
Less: Provision for

Capital Advances

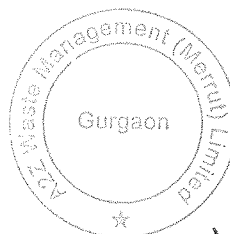
Balances with government authorities - WCT/VAT credit receivable

**Total**

March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015	April 1, 2015
Current	Non - Current	Current	Non-Current	Current	Non - Current
-	20.28	-	19.28	-	19.28
-	-	-	-	-	-
-	-	-	-	-	-
-	20.28	-	19.28	-	19.28
-	13.41	-	13.41	-	13.41
-	33.69	-	32.69	-	32.69



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**Note 8 : Trade Receivables**

**Trade Receivables - Gross (Unsecured):**

Outstanding for a period exceeding six months from the date they are due for payment:

Considered good  
Considered doubtful

**Others :**

Considered good  
Considered doubtful

Less: Allowances for credit losses

**Financial Assets**

Current portion

Non- Current portion

**Total**

Balance as at		
March 31, 2017	March 31, 2016	April 1, 2015
531.77	531.77	531.77
-	-	-
531.77	531.77	531.77
-	-	-
-	-	-
-	-	-
531.77	531.77	531.77
531.77	531.77	531.77
-	-	-
531.77	531.77	531.77

**Note 9 : Cash and Cash Equivalents**

Balances with Banks in Current Account

Cash on Hand

**Total**

Balance as at		
March 31, 2017	March 31, 2016	April 1, 2015
46.68	28.56	14.44
0.00	0.00	0.00
46.69	28.56	14.44

**Note 10 : Other Bank Balances**

Fixed deposit with bank having maturity more than three months less than one year

**Total**

Balance as at		
March 31, 2017	March 31, 2016	April 1, 2015
350.00	350.00	350.00
350.00	350.00	350.00

**Note 11 : Loans**

Loans and advances to related parties

Advances and loans to group companies [\*]

**Others**

Interest accrued on Fixed Deposits

Interest accrued and due from group Company

Less: Provision for doubtful

**Total**

Balance as at					
March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015	April 1, 2015
Current	Non - Current	Current	Non-Current	Current	Non - Current
958.75	-	1,865.82	-	1,865.82	-
-	-	-	-	-	-
7.24	-	2.98	-	3.13	-
512.97	-	785.07	-	596.47	-
1,478.96	-	2,653.87	-	2,465.42	-
-	-	-	-	-	-
1,478.96	-	2,653.87	-	2,465.42	-

[\*] Details of Loans and Advances to Subsidiaries

a A2Z Waste Management (Jaunpur)

b A2Z Waste Management (Mirzapur) Ltd

c A2Z Waste Management (Moradabad) Limited

d A2Z Waste Management (Varanasi) Chavan Rishi

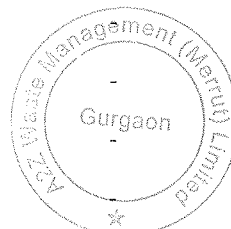
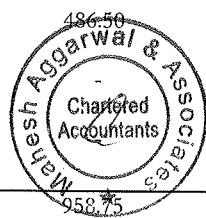
e International Ltd

A2Z Waste Management (Balai)

A2Z Waste Management (Nainital)

0.60	-	10.60	-	10.60	-
20.00	-	20.00	-	20.00	-
446.90	-	446.90	-	446.90	-
4.75	-	740.56	-	740.56	-
486.50	-	530.00	-	530.00	-
-	-	7.79	-	7.79	-
-	-	109.97	-	109.97	-
958.75	-	1,865.82	-	1,865.82	-

All the above loans are repayable on demand and are bearing interest @ 10.75% - 14% p.a.



**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**Note 14 : Non- Current Borrowings**

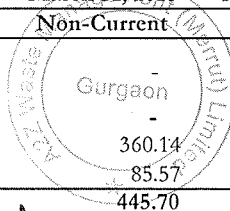
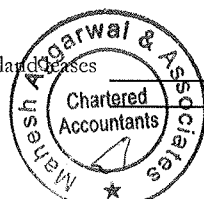
	Current Maturities			Non-current portion		
	Balance as at			Balance as at		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Fair value at Amortised cost:</b>						
Term Loans from Banks [Secured]	-	-	-	-	97.60	294.80
External Commercial Borrowings in Foreign Currency [Secured]	-	-	-	-	-	422.49
Loan from Group Company (Unsecured)	-	-	-	519.65	462.41	411.34
<b>Total</b>	-	-	-	519.65	560.01	1,128.62
<b>Carrying amount:</b>						
Term Loans from Banks	-	-	-	-	97.60	294.80
External Commercial Borrowings	-	-	-	-	-	422.49
Loan from Group Company (Unsecured)	-	-	-	519.65	462.41	411.34
<b>Net amount</b>	-	-	-	519.65	560.01	1,128.62
	Maturity Date	Terms of Repayment	Coupon Rate/ Interest Rate	March 31, 2017	March 31, 2016	April 1, 2015
<b>Secured</b>						
Term Loans from Banks	30-09-2017	repayable in 14 unequal quarterly installments w.e.f. from June, 2014 to September 2017	BR + 1.40%	-	97.60	294.80
External Commercial Borrowings in Foreign Currency	28-10-2016	repayable in 16 quarterly installments of US \$ 225,000 from January 2013 to October 2016	LIBOR + 300 bps	-	-	422.49
<b>Unsecured</b>						
Loan from Group Company	On demand	On demand	10.75% - 14%	519.65	462.41	411.34
<b>Total non - current borrowings</b>				519.65	560.01	1,128.62
Less: Current Maturities of Long				-	-	-
<b>Non- Current Borrowings</b>				519.65	560.01	1,128.62

**Note 15 : Provisions**

	Balance as at					
	March 31, 2017 Current	March 31, 2017 Non - Current	March 31, 2016 Current	March 31, 2016 Non-Current	April 1, 2015 Current	April 1, 2015 Non - Current
<b>Provision for Employee</b>						
Provision for gratuity	0.01	0.38	0.01	0.33	0.01	0.23
Provision for compensated leave absences	0.01	-	-	-	0.01	0.01
<b>Total</b>	0.02	0.38	0.01	0.33	0.02	0.24

**Note 16 : Other Liabilities**

	Balance as at					
	March 31, 2017 Current	March 31, 2017 Non - Current	March 31, 2016 Current	March 31, 2016 Non-Current	April 1, 2015 Current	April 1, 2015 Non - Current
Statutory dues payable	53.50	-	43.83	-	38.61	-
Others	-	-	-	-	-	-
Subsidy	-	315.39	-	360.14	-	405.69
LER for SWM land cesses	-	99.84	-	85.57	-	71.26
<b>Total</b>	53.50	415.24	43.83	445.70	38.61	476.95



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**Note 17 : Current Borrowings**

**Fair value:**

Loan from Group Company (Unsecured)  
**Total**

Balance as at		
March 31, 2017	March 31, 2016	April 1, 2015
570.76	801.13	852.00
<b>570.76</b>	<b>801.13</b>	<b>852.00</b>

**Current Borrowings**

**Unsecured**

Loan from Group Company  
**Total Current Borrowings**

Maturity Date	Terms of Repayment	Coupon Rate/ Interest Rate	March 31, 2017	March 31, 2016	April 1, 2015
On demand	On demand	10.75% - 14%	570.76	801.13	852.00
			<b>570.76</b>	<b>801.13</b>	<b>852.00</b>

**Note 18 : Trade Payables**

**Current :**

Other than acceptances: total outstanding dues of micro and small enterprises  
Other than acceptances: total outstanding dues of creditors other than micro and small  
Other than acceptances: due to subsidiaries

**Total**

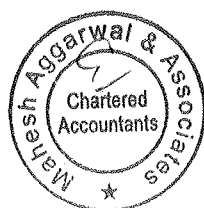
Balance as at		
March 31, 2017	March 31, 2016	April 1, 2015
-	-	-
36.58	30.18	24.82
2.67	2.67	2.67
<b>39.25</b>	<b>32.86</b>	<b>27.49</b>

**Note 19 : Other Financial Liabilities**

Current Maturities of Long Term  
Book overdrafts  
Payable against purchase of fixed assets: Dues to others  
Amount payable to Group  
Interest accrued and due on borrowings from others  
Interest accrued and due on

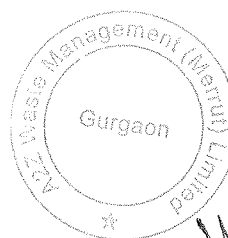
**Total**

Balance as at					
March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015	April 1, 2015
Current	Non - Current	Current	Non-Current	Current	Non - Current
2,887.04	-	2,836.14	-	2,096.59	-
0.04	-	0.68	-	3.40	-
11.59	-	11.59	-	12.39	-
586.42	-	581.44	-	579.79	-
-	-	11.79	-	11.12	-
1,145.93	-	835.56	-	530.64	-
<b>4,631.02</b>	<b>-</b>	<b>4,277.19</b>	<b>-</b>	<b>3,233.93</b>	<b>-</b>



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)  
Note 20 : Other Income

Interest Income:

on fixed deposits
on loan given to Group Companies
on income tax refund
on other loans and advances

Other Non-operating Income

Foreign exchange fluctuation (net)
Subsidy Amortised
Miscellaneous Sale

**Total**

For the Year ended March 31	
2017	2016
24.42	23.14
185.04	244.00
6.09	-
-	5.22
46.70	-
44.74	45.56
0.10	-
<b>307.09</b>	<b>317.92</b>

**Note 21 : Employee Benefits Expense**

Salaries and bonus including directors' remuneration
Pensions – defined contribution plans [*]
Pensions – defined benefit plans
Compensated absences benefits
Share-based payments
Staff welfare expenses

**Total**

For the Year ended March 31	
2017	2016
8.59	7.51
0.00	0.01
0.09	0.12
0.01	(0.02)
9.07	11.69
-	-
<b>17.76</b>	<b>19.30</b>

[\*] The Company's contribution towards the defined contribution plan

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees, as specified under the law. The contributions are paid to the Provident Fund Trust set up by the Company or to the respective Regional Provident Fund Commissioner under the Pension Scheme. The Company is generally liable for annual contribution and any shortfall in the trust fund assets based on the government specified minimum rate of return and recognises such contribution and shortfall, if any, as an expense in the year it is incurred.

**Gratuity**

The Company provides for the gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service of five years are eligible to gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains the target level of funding to be maintained over the period of time based on estimates of expected gratuity payments.

**Defined Contribution Plan**

The Company has also certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basis salary as per regulations. The contribution are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation the expense recognised during the period towards the defined contribution plan is Rs 6,660,395 (Previous year : Rs 6,660,395)

A reconciliation of the Group's defined benefit obligation (DBO) and plan assets 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)**

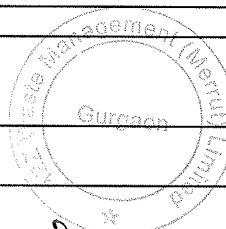
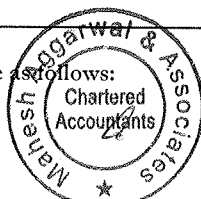
Particulars	As on	
	31-Mar-17	31-Mar-16
Present Value of Obligation	0.39	0.34
Fair Value of Plan Assets	-	-
Surplus / (Deficit)	(0.00)	(0.00)
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	<b>(0.00)</b>	<b>(0.00)</b>

**Expenses Recognized during the period**

Particulars	For the period ending	
	31-Mar-17	31-Mar-16
In Income Statement	0.09	0.12
In Other Comprehensive Income	(0.03)	(0.02)
<b>Total Expenses Recognized during the period</b>	<b>0.06</b>	<b>0.10</b>

**Defined benefit obligation**

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



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**

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

**Changes in the Present Value of Obligation**

Particulars	For the period ending	
	31-Mar-17	31-Mar-16
Present Value of Obligation as at the beginning	0.00	0.24
Current Service Cost	0.06	0.10
Interest Expense or Cost	0.03	0.02
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	0.04	0.01
- experience variance (i.e. Actual experience vs assumptions)	(0.06)	(0.03)
- others	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	-	-
<b>Present Value of Obligation as at the end</b>	<b>0.06</b>	<b>0.34</b>

**Bifurcation of Net Liability**

Particulars	As on	
	31-Mar-17	31-Mar-16
Current Liability (Short term)	0.01	0.01
Non-Current Liability (Long term)	0.38	0.33
<b>Net Liability</b>	<b>0.39</b>	<b>0.34</b>

**Plan assets**

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

**Changes in the Fair Value of Plan Assets**

Particulars	For the period ending	
	31-Mar-17	31-Mar-16
Fair Value of Plan Assets as at the beginning	-	-
Investment Income	-	-
Employer's Contribution	-	-
Employee's Contribution	-	-
Benefits Paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Acquisition Adjustment	-	-
<b>Fair Value of Plan Assets as at the end</b>	<b>-</b>	<b>-</b>

Plan assets do not comprise any of the Group's own financial instruments or any assets used by the Group.

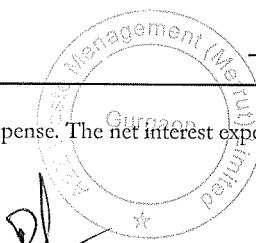
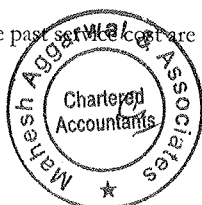
**Change in the Effect of Asset Ceiling**

Particulars	For the period ending	
	31-Mar-17	31-Mar-16
Effect of Asset Ceiling at the beginning	-	-
Interest Expense or Cost (to the extent not recognised in net interest expense)	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Effect of Asset Ceiling at the end</b>	<b>-</b>	<b>-</b>

**Expenses Recognised in the Income Statement**

Particulars	For the period ending	
	31-Mar-17	31-Mar-16
Current Service Cost	0.06	0.10
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	0.03	0.02
<b>Expenses Recognised in the Income Statement</b>	<b>0.09</b>	<b>0.12</b>

The current service cost and the past service cost are included in employee benefits expense. The net interest expense is included in finance costs.



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

Other Comprehensive Income		
Particulars	For the period ending	
	31-Mar-17	31-Mar-16
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	0.04	0.01
- experience variance (i.e. Actual experience vs assumptions)	(0.06)	(0.03)
- others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(0.03)</b>	<b>(0.02)</b>

**Financial Assumptions**

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

Particulars	As on	
	31-Mar-17	31-Mar-16
Discount rate (per annum)	7.97%	7.40%
Salary growth rate (per annum)	5.00%	5.00%

**Demographic Assumptions**

Particulars	As on	
	31-Mar-17	31-Mar-16
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Withdrawal rates, based on service years: (per annum)		
4 and below years	2.00%	2.00%
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**

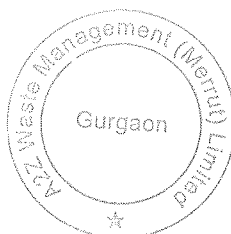
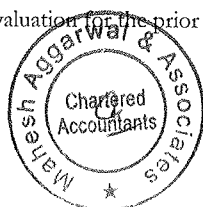
Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period,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

Particulars	31-Mar-17	31-Mar-16
Defined Benefit Obligation (Base)	0.39	0.34

Particulars	31-Mar-17		31-Mar-16	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	0.47	0.33	N/A	N/A
(% change compared to base due to sensitivity)	18.90%	-15.20%	-	-
Salary Growth Rate (- / + 1%)	0.33	0.47	N/A	N/A
(% change compared to base due to sensitivity)	-15.60%	19.20%	-	-
Attrition Rate (- / + 50%)	0.37	0.41	N/A	N/A
(% change compared to base due to sensitivity)	-6.10%	5.30%	-	-
Mortality Rate (- / + 10%)	0.39	0.39	N/A	N/A
(% change compared to base due to sensitivity)	-0.10%	0.10%	-	-

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. For change in assumptions please refer to section 5 above, where assumptions for prior period, if applicable, are given.



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**Maturity Analysis**

There is no change in the method of valuation for the prior period. For change in assumptions please refer to section 5 above, where assumptions for prior period, if applicable, are given.

	1 year	2 to 5 years	6 to 10 years	More than 10 years	Total
<b>31 March 2017.</b>					
Defined Benefit Obligation (pension and gratuity)	0.01	0.06	0.08	1.56	1.71
Post - employment medical benefits	-	-	-	-	-
<b>Total</b>	<b>0.01</b>	<b>0.06</b>	<b>0.08</b>	<b>1.56</b>	<b>1.71</b>
<b>31 March 2016.</b>					
Defined Benefit Obligation (pension and gratuity)	-	-	-	-	-
Post - employment medical benefits	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 22 : Finance Cost**

	For the Year ended March 31	
	2017	2016
Interest expense [*]	399.59	376.94
Other Borrowing Costs		
Bank commission & charges	0.24	-
<b>Total</b>	<b>399.83</b>	<b>376.94</b>
[*] The break up of interest expense into major heads is given below:		
On term loans	235.11	-
On other bank loans	7.73	325.87
On Group Company	156.75	51.07
<b>Total</b>	<b>399.59</b>	<b>376.94</b>

**Note 23 : Depreciation, Amortisation and Impairment expenses**

	For the Year ended March 31	
	2017	2016
Depreciation of property, plant and equipment	167.46	170.57
<b>Total depreciation and amortisation expense</b>	<b>167.46</b>	<b>170.57</b>

**Note 24 : Other Expenses**

	For the Year ended March 31	
	2017	2016
Rent *	14.27	14.31
Legal and Professional	2.05	3.09
Director sitting fees	0.12	0.70
Payment to auditors	-	-
As auditor :	-	-
- Statutory audit fee	0.13	0.13
Foreign Exchange Fluctuation (net)	-	116.94
Fees and subscription / inspection charges	0.23	0.34
<b>Total</b>	<b>16.80</b>	<b>135.51</b>

[\*] The Company has entered into various short-term cancellable lease agreements at a notice period up to three months for leased premises and equipment. Gross rental expenses aggregate to Rs 14,27,454 (Previous year – Rs 14,31,365).

**Note 25 : EPS**

**Earnings per share and dividends**

**Earnings per share**

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Company as the numerator, ie no adjustments to profit were necessary in 2015 or 2016.

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:

**Amounts in thousand shares:**

Weighted average number of shares used in basic earnings per share  
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**

	Balance as on 31 March 2017	Balance as on 31 March 2016
50,000	50,000	
-	-	
<b>50,000</b>	<b>50,000</b>	

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

Profit attributable to Shareholders	INR in Lakhs	(294.74)	(384.39)
Basic and weighted average number of Equity shares outstanding during the year	Numbers	50,000	50,000
Nominal value of equity share	INR	10.00	10.00
Basic & Diluted EPS	INR	(0.01)	(0.01)

## A2Z WASTE MANAGEMENT (MEERUT) LIMITED

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

### 27 Related party disclosures

#### Names of related parties

##### Ultimate Holding company

A2Z Infra Engineering Limited (Formerly A2Z Maintenance & Engineering Services Limited)

##### Holding company

A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)

##### Fellow Subsidiaries

- 1 A2Z Waste Management (Badaun) Limited
- 2 A2Z Waste Management (Moradabad) Limited
- 3 A2Z Waste Management (Varanasi) Limited
- 4 A2Z Waste Management (Aligarh) Limited
- 5 A2Z Waste Management (Balai) Limited
- 6 A2Z Waste Management (Jaunpur) Limited
- 7 A2Z Waste Management (Fatehpur) Limited
- 8 A2Z Waste Management (Ahmedabad) Limited
- 9 A2Z Waste Management (Mirzapur) Limited
- 10 A2Z Waste Management (Ranchi) Limited
- 11 A2Z Waste Management (Sambhal) Limited
- 12 A2Z Waste Management (Ludhiana) Limited
- 13 A2Z Waste Management (Dhanbad) Private Limited
- 14 Green Waste Management Private Limited (strike off w.e.f.23.09.2016)
- 15 A2Z Waste Management (Jaipur) Limited
- 16 A2Z Mayo SNT Waste Management (Nanded) Pvt. Ltd.
- 17 Shree Balaji Pottery Private Limited
- 18 Shree Hari Om Utensils Private Limited
- 19 Earth Environment Management Services Private Limited

#### Subsidiaries of A2Z Infra Engineering Limited (Formerly A2Z Maintenance & Engineering Services Limited)

- 1 A2Z Infraserivies Limited\*
- 2 A2Z Powertech Limited
- 3 A2Z Powercom Limited
- 4 Selligence Technologies Services Private Limited
- 5 Mansi Bijlee & Rice Mills Private Limited
- 6 Star Transformers Limited
- 7 Chavan Rishi International Limited
- 8 Magic Genie Services Limited (Formerly known as A2Z Water Solutions Limited w.e.f 18.05.2015)
- 9 A2Z Waste Management (Nainital) Private Limited
- 10 A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)
- 11 A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)

#### Subsidiary of A2Z Infraserivies Limited

- 1 Ecogreen Envirotech Solutions Limited (Formerly known as A2Z Waste Management (Loni) Limited)
- 2 A2Z Infraserivies Lanka (Pvt.) Ltd. (incorporated w.e.f. 06.01.2017)

#### Subsidiary of Magic Genie Services Limited (Formerly known as A2Z Water Solutions Limited w.e.f 18.05.2015)

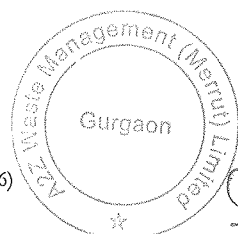
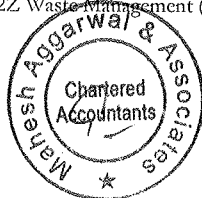
- 1 Magic Genie Smartech Solutions Limited (incorporated w.e.f. 24.06.2016)

#### Associate enterprises of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited)

- 1 A2Z Waste Management (Nainital) Private Limited (formerly Maratha Bijlee Private Limited)
- 2 A2Z Anaerobic Digestion Limited (Formerly A2Z Waste Management (Basti) Limited) (cessed to be associate w.e.f. 01.04.2016)

#### Key Management Personnel (KMP)

- 1 Manoj Tiwari (Director)
- 2 Vikas Guliani (Director)
- 3 Rajeev Singh (Chief Financial Officer)
- 4 Rajesh Singh Chahar (Company Secretary)





# A2Z WASTE MANAGEMENT (MERRUT) LIMITED

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

## Related party transactions

Particulars	For the year ended March 31, 2017			For the year ended March 31, 2016			For the year ended March 31, 2015		
	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Ultimate Holding Company	Holding Company	Fellow Subsidiary
<b>Transactions during the period</b>									
<b>Short term loan given</b>									
- A2Z Waste Management (Moradabad) Limited	-	-	394.18	-	-	-	-	-	-
- A2Z Waste Management (Nainital) Pvt. Limited	-	-	38.75	-	-	-	-	-	-
<b>Short term loan refunded</b>									
- A2Z Waste Management (Balia) Limited	-	-	7.79	-	-	-	-	-	-
- A2Z Waste Management (Jaunpur) Limited	-	-	10.00	-	-	-	-	-	-
- A2Z Waste Management (Nainital) Pvt. Limited	-	-	148.72	-	-	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	-	1,130.00	-	-	-	-	-	-
- Chavan Rishi International Ltd	-	-	43.50	-	-	-	-	-	100.00
<b>Short term borrowings</b>									
- A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited)	-	44.96	-	-	11.13	-	-	21.44	-
- A2Z Waste Management (Dhanbad) Pvt. Limited	-	-	-	-	-	-	-	-	38.19
<b>Short term borrowings repaid</b>									
- A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited)	-	102.97	-	-	62.00	-	-	108.20	-
- A2Z Waste Management (Dhanbad) Pvt. Limited	-	-	172.36	-	-	-	-	-	0.80
<b>Interest expenses on loan taken</b>									
- A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited)	-	81.29	-	-	92.06	-	-	97.39	-
- A2Z Waste Management (Dhanbad) Pvt. Limited	-	-	18.21	-	-	24.13	-	-	21.71
<b>Interest payment on loan</b>									
- A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited)	-	-	-	-	-	-	-	2.35	-
<b>Interest income on short term loan given</b>									
- A2Z Waste Management (Balia) Limited	-	-	0.98	-	-	1.09	-	-	1.09
- A2Z Waste Management (Jaunpur) Limited	-	-	1.14	-	-	1.48	-	-	1.48
- A2Z Waste Management (Moradabad) Limited	-	-	62.57	-	-	62.57	-	-	62.56
- A2Z Waste Management (Mirzapur) Limited	-	-	2.80	-	-	2.80	-	-	2.80
- A2Z Waste Management (Nainital) Pvt. Limited	-	-	11.61	-	-	15.40	-	-	15.40
- A2Z Waste Management (Varanasi) Limited	-	-	52.31	-	-	103.68	-	-	103.68
- Chavan Rishi International Ltd	-	-	52.30	-	-	56.99	-	-	59.54
<b>Purchase of services</b>									
- A2Z Infra Services Limited	-	-	-	-	-	-	-	-	-
<b>Receipt of Interest Income</b>									
- Chavan Rishi International Ltd	-	-	-	-	-	31.00	-	-	-

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

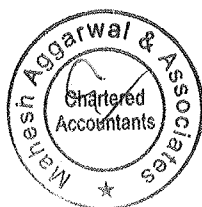
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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

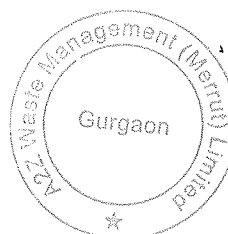
**Note 26 : Non-cash adjustments and changes in working capital**

The following non-cash flow adjustments and adjustments for changes in working capital have been made to profit before tax to arrive at operating cash flow:

Adjustments:	March 31 2017	March 31 2016
Ind AS		
Amortization of Long term borrowings (Non Current)	(1.33)	-
Changes in fair value of preference shares- investment	-	-
Changes in fair value of preference shares- issued	-	-
Impact of recognising employee share based options at fair value of the option	9.07	11.69
FCD put option	-	-
Unwinding of discount on warranty	-	-
Unwinding of discount on security deposits	-	-
Security deposit received	-	-
Expected credit Loss	-	-
Reversal of Prior Period income recognized in IGAAP	-	-
Operating Lease	-	-
Debentures	-	-
EMD	-	-
<b>Total adjustments</b>	<b>7.74</b>	<b>11.69</b>



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**Note 28 : Financial risk management**

**(i) Financial Instruments by Category**

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

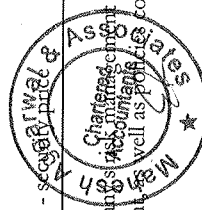
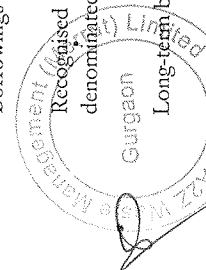
Particulars	31-Mar-17			31-Mar-16			01-Apr-15		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial Assets</b>									
Investments	-	-	-	-	-	-	-	-	-
-Equity Instruments	-	-	-	-	-	-	-	-	-
Trade Receivables	-	1,130.00	531.77	-	-	531.77	-	-	531.77
Loans	-	-	1,478.96	-	-	2,653.87	-	-	2,465.42
Cash and Cash equivalents	-	-	46.69	-	-	28.56	-	-	14.44
Other bank balances	-	-	350.00	-	-	350.00	-	-	350.00
Advance recoverable in cash	-	-	585.17	-	-	585.27	-	-	585.32
Bank deposits	-	-	0.50	-	-	0.50	-	-	0.50
<b>Total Financial Assets</b>	-	<b>1,130.00</b>	<b>2,993.09</b>	-	-	<b>4,149.98</b>	-	-	<b>3,947.45</b>
<b>Financial Liabilities</b>									
Borrowings	-	-	5,709.80	-	-	5,626.06	-	-	5,198.77
Trade payables	-	-	39.25	-	-	32.86	-	-	27.49
Capital creditors	-	-	11.59	-	-	11.59	-	-	12.39
Book overdrafts	0.04	-	-	0.68	-	-	3.40	-	-
<b>Total Financial Liabilities</b>	<b>0.04</b>	-	<b>5,760.64</b>	<b>0.68</b>	-	<b>5,670.50</b>	<b>3.40</b>	-	<b>5,238.64</b>

**(ii) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from		Measurement		Management	
	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost		Ageing analysis		Bank deposits, diversification of asset base, credit limits and collateral.	
Liquidity risk	Borrowings and other liabilities		Rolling cash flow forecasts		Availability 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		Forward contract/hedging	
Market risk - interest rate	Long-term borrowings at variable rates		Sensitivity analysis		Cross currency fix rate swaps	
Market risk - security price	Investments in equity securities		Sensitivity analysis		Portfolio diversification	

The Company's risk management is carried out by a central treasury department (of the company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.



**A. Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

The Company's receivables comprises of trade receivables. During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired, as given below:

	INR		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Not more than 30 days	-	-	-
More than 30 days but not more than 60 days	-	-	-
More than 60 days but not more than 90 days	-	-	-
More than 90 days	531.77	531.77	531.77
	531.77	531.77	531.77

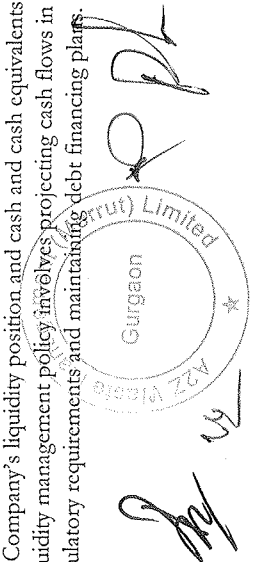
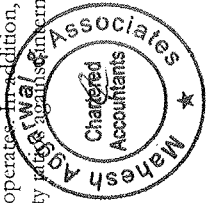
In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. 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 credit risk for cash and cash equivalents, mutual funds, and derivate financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

**B. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity risks against internal and external regulatory requirements and maintaining debt financing plans.

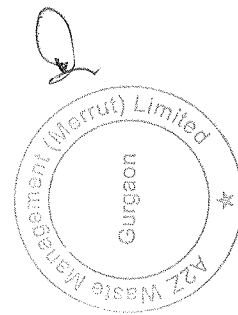
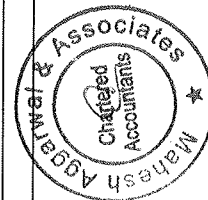


**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings	1,43,94,438.19	-	-	519.65	1,43,94,957.84
Trade payables	39.25	-	-	-	39.25
Capital creditors	11.59	-	-	-	11.59
Security deposits received	-	-	-	-	-
<b>Total</b>	<b>1,43,94,489.03</b>	<b>-</b>	<b>-</b>	<b>519.65</b>	<b>1,43,95,008.68</b>
<b>March 31, 2016</b>	<b>Less than 1 year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>More than 3 years</b>	<b>Total</b>
<b>Non-derivatives</b>					
Borrowings	1,37,75,071.17	105.31	-	462.41	1,37,75,638.89
Trade payables	32.86	-	-	-	32.86
Capital creditors	11.59	-	-	-	11.59
Security deposits received	-	-	-	-	-
<b>Total</b>	<b>1,37,75,115.62</b>	<b>105.31</b>	<b>-</b>	<b>462.41</b>	<b>1,37,75,683.33</b>
<b>April 1, 2015</b>	<b>Less than 1 year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>More than 3 years</b>	<b>Total</b>
<b>Non-derivatives</b>					
Borrowings	1,04,63,059.63	649.00	105.31	411.34	1,04,64,225.28
Trade payables	27.49	-	-	-	27.49
Capital creditors	12.39	-	-	-	12.39
Security deposits received	-	-	-	-	-
<b>Total</b>	<b>1,04,63,099.51</b>	<b>649.00</b>	<b>105.31</b>	<b>411.34</b>	<b>1,04,64,265.15</b>



**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**(a) Interest rate risk**

**(i) Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2017, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits all pay fixed interest rates.

**Interest rate risk exposure**

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

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowing	1,090.41	1,263.54	1,263.34
Fixed rate borrowing	2,887.04	2,933.74	2,813.88
<b>Total borrowings</b>	<b>3,977.45</b>	<b>4,197.27</b>	<b>4,077.22</b>

**Sensitivity**

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

Particulars	March 31, 2017	March 31, 2016
Interest sensitivity*		
Interest rates – increase by ___ basis points (100 bps)		7.53
Interest rates – decrease by ___ basis points (200 bps)		(15.07)
* Holding all other variables constant		(17.46)

**(ii) Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

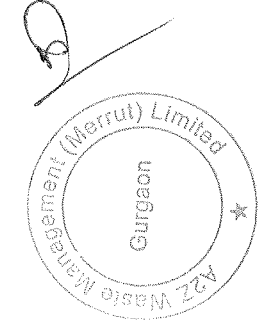
**Interest rate risk exposure**

Below is the overall exposure of the deposits:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Fixed rate deposits	0.50	0.50	0.50
<b>Total deposits</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

The detail of unhedged foreign currency exposure as at balance sheet date are as under:

	As at March 31, 2017		As at March 31, 2016	
	USD	INR	USD	INR
External Commercial Borrowings	31.25	2,026.21	31.25	2,072.90
				31.25
				1,955.96



**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**Note 29 : Capital Management Policies and Procedures**

For the purpose of the Company'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 Company.

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

by pricing products and services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	March 31 2017	March 31 2016	April 1 2015
Borrowings	5,709.80	5,626.06	5,198.77
Preference shares	-	-	-
Trade & other payables	39.25	32.86	27.49
Less: cash and cash equivalents	46.69	28.56	14.44
<b>Net debt</b>	<b>5,702.37</b>	<b>5,630.36</b>	<b>5,211.82</b>
Equity	(1,351.13)	40.84	413.55
<b>Capital and net debt</b>	<b>4,351.23</b>	<b>5,671.20</b>	<b>5,625.36</b>
<b>Gearing ratio</b>	<b>131%</b>	<b>99%</b>	<b>93%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017, 31 March 2016 and 1 April, 2015.

**Note 30 : First Time Adoption of Ind AS**

**First time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 & 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Ind AS optional exemptions**

**1 Deemed cost for property, plant and equipment, investment property and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

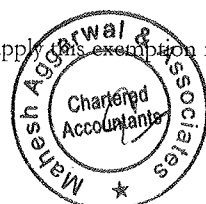
**2 Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

**3 Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**4 Share based payments**

Ind AS 102 Share based payments requires an entity to record the options on their fair value instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date that is 31 March 2015. The Company has elected to apply this exemptions for such vested options.

**5 Joint ventures**

The initial investment in Joint Venture has been measured as the aggregate of the carrying amounts of the assets and liabilities that the Company had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition.

**6 Business combination**

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Company has applied same exemption for investment in associates and joint ventures.

**B Ind AS mandatory exemptions**

**1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- a) Investment in equity instruments carried at FVTPL or FVOCI
- b) Impairment of financial assets based on expected credit loss model.

**2 Classification and measurement of financial assets and liabilities**

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

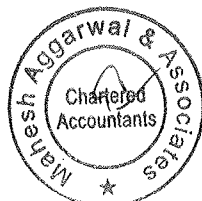
- a) The effects of the retrospective application or retrospective restatement are not determinable;
- b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

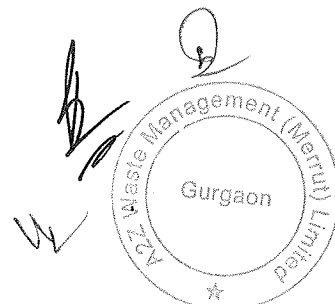
**3 De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.



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**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
**(Unless otherwise stated, all amounts are in INR Lakhs)**  
**Note 31 : Reconciliation with Indian GAAP [IGAAP]**

	March 31 2017	March 31 2016	April 1 2015
<b>A Reconciliation of equity:</b>			
1 Equity as per IGAAP	373.34	588.96	900.75
2 Add [Less]: Adjustments:	-	-	-
a Impact of Operating Lease	(0.00)	(0.00)	(71.26)
c Impact of recognising employee share based options at fair value of the option	(9.07)	-	-
e Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost	(1,559.78)	(415.95)	(415.95)
Total	(1,568.85)	(415.95)	(487.20)
3 Equity as per Ind AS	(1,195.51)	173.01	413.55

<b>B Reconciliation of Net Profit for the year ended March 31, 2016:</b>		
	March 31 2017	March 31 2016
1 Profit/(Loss) after tax as per Indian GAAP	(215.61)	(311.80)
2 Adjustments	-	-
b Reclassification of net actuarial gain on employee defined benefit obligations	(0.03)	(0.02)
c Impact of recognising employee share based options at fair value of the option	(9.07)	(11.69)
d Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost	(55.78)	(46.59)
f Impact of Operating Lease	(14.27)	(14.31)
4 Profit/(Loss) after tax as per IND AS	(294.77)	(384.41)
a Other Comprehensive Income (net of tax)	0.03	0.02
b Total Comprehensive Income after tax as per IND AS	(294.74)	(384.39)

**Impact of Operating Lease**

- Under IGAAP, the assets used in Processing & Disposal of Solid waste are depreciated over the life of the asset on a straight line basis as per lives provided in Schedule II of Companies Act, 2013. At the end of the contract, these assets are transferred to the MC and no amount is recovered from it on transfer. Hence, Carrying Amount is booked in P&L as loss on transfer of assets.

Lease rentals are recognised at the nominal price as per contract.

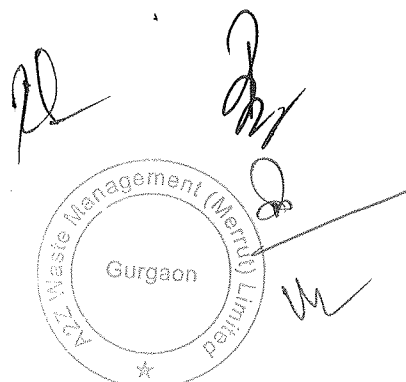
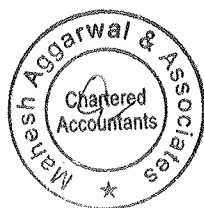
Under Ind AS, for building the Solid Waste Management (SWM) Plant, land is provided by Municipal Corporation(MC) on lease at a nominal price. At the end of the contract, SWM Plant is transferred to the MC and no amount is recovered for the same. So, the estimated value of the assets transferred at the end of the lease term is considered as consideration in kind for the land provided by MC. Such deemed payment in kind, is straight lined over the lease term as operating lease rentals. Further, operating lease rentals till the transition date is transferred to Opening retained earnings.

**Reclassification of net actuarial gain on employee defined benefit obligations to other comprehensive Income**

- Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the 'previous GAAP, these remeasurements were forming part of the profit or

**Impact of recognising employee share based options at fair value of the option**

- Under IGAAP, the employee compensation cost is calculated using the intrinsic value of the stock options measured as the difference between the face value of the underlying equity shares at the grant date and the exercise price. The intrinsic value is considered to be nil, and accordingly there was no accounting implication for stock options given to employees. Under Ind AS, employee compensation cost is calculated using fair value method. The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model. Since, the fair value is greater than zero, the employee compensation cost is booked from the date of option granted over the vesting period. Graded vesting method is required for amortization of cost over vesting period.



## A2Z WASTE MANAGEMENT (MEERUT) LIMITED

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

Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost

### - Borrowings:

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

### - Issue of preference shares

Under IGAAP, preference shares are classified as equity and issue costs charged to income statement in the year of issue. No interest is recognised.. Under Ind AS, redeemable preference shares is be carried at amortized cost using effective interest method.

### - Investment in preference Shares

Under IGAAP, investment in preference shares of subsidiary companies are shown in books under Non-current investments at cost. Under Ind AS, investment in redeemable preference shares is carried at amortized cost using effective interest method.

### - Fully Convertible Debentures

Under IGAAP, Fully Convertible Debentures are classified under Long-term borrowings. Under Ind AS, as the Company has to pay a fixed amount of interest on these debentures and on maturity it will become due for conversion into equity shares. This is considered as a compound instrument (Debt+ Equity). Hence, fair value of interest is recognized as liability and difference between total face value of FCDs and fair value of interest should be recognized as equity in the books of accounts.

### - Others :Deposits

Under IGAAP, the deposits payments have been included in the Assets under Loans & Advances at the amounts orginally paid.

Under Ind AS, the Security deposits (non current) are shown in the books at present value on transition date and the excess portion over the security amount is to be booked as prepaid expense.

### Others:

#### Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' include remeasurements of defined benefit plans corresponding tax impact thereon. The concept of other comprehensive income did non exist under previous GAAP

#### Statement of cash flows:

The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows.

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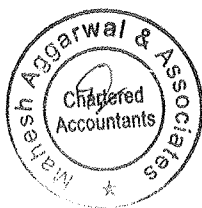
### Note 32 : Post-reporting date events

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

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### Note 33 : Authorisation of financial statements

The Financial statements for the year ended 31 March 2017 (including comparatives) were approved by the board of directors on 26 May, 2017.



**A2Z WASTE MANAGEMENT (MEERUT) LIMITED**  
(Unless otherwise stated, all amounts are in INR Lakhs)

**Note 34 : Other Notes**

**a) Note on SBN:**

During the year, the Company had specified bank notes or other denomination as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017, on the details of specified bank notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN	Other Denomination Notes	Total (in Rs.)
Closing Balance As On 08/11/2016	-	0.00	0.00
ADD- Permitted Receipts	-	-	-
Less- Permitted Payments	-	-	-
Less- Deposited in Banks	-	-	-
Closing Balance As On 30/12/2016	-	0.00	0.00

**b) Contingent Liabilities:**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Preference Dividend	0.08	0.06	0.05
Total	0.08	0.06	0.05

**c) Commitments outstanding:**

Estimated amount of contracts to be executed and not provided for:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Capital commitments	495.64	495.64	498.98
Total	495.64	495.64	498.98

d) During the year ended March 31, 2010, a consortium comprised of A2Z Infra Engineering Limited, the parent company of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), M/s Bhumika Transport and Burps Environmental and Technologies (P) Ltd., Sri Lanka has been awarded a project under a tender floated by C&DS, U. P. Jal Nigam ("UPJN") inviting proposals for Development of Integrated Solid Waste Management Facilities on Develop, Build, Finance, Operate and Transfer basis for a concession period of 30 years for the city of Meerut in the state of UP on November 10, 2009.

The Scope of work under the project includes:

- Door-to-door collection of Municipal Solid Waste (MSW)
- Primary storage of collected door-to-door MSW;
- Secondary collection and transportation of MSW including street sweeping waste & drain silt
- Development, construction and operation & maintenance of the MSW Processing Facility with composting as one of the main processes including segregation
- Development, construction and operation and maintenance of the Landfill Facility
- Collection of the User Charges on behalf of Urban Local body (Meerut) as determined by the ULB - Meerut from time to time etc.

It was proposed that the facility be under Jawahar Lal Nehru National Urban Renewal Mission (JNNURM)/UIDSSMT on BOOT basis in order to achieve the goal of scientific disposal of solid waste. It was also proposed that the project be set up under a Special Purpose Vehicle (SPV). Therefore A2Z Waste Management (Meerut) Private Limited was incorporated as a wholly own subsidiary of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited) for execution of the project on December 4, 2009.

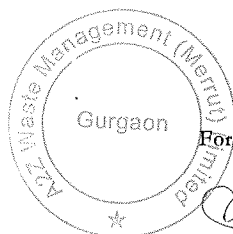
For the execution of the project, a tri-partite agreement has been entered into among A2Z Waste Management (Meerut) Private Limited, Urban Local Body - Meerut and C&DS, U.P. Jal Nigam on 5th April 2010. The Company will be paid a tipping fee as mentioned in the tri-partite agreement, during the concessioner period.

For the project, it has been proposed to provide the concessionaire with a grant of Rs 182.84 Million for the project to the company to meet part of the financial requirement for setting up the facilities. Pending the execution of the work as per signed agreement with the municipal corporation in this regard, the expenses incurred have been disclosed under the head "Property, Plant and Equipment" under note 3, while the amount received from UPJN has been disclosed under the head "Other liabilities" under note 16 of the financial statements.

**Significant Accounting Policies**  
**Notes to the Financial Statements**

As per our report of even date  
For Mahesh Aggarwal & Associates  
Chartered Accountants

Mahesh Aggarwal  
Partner



For and on behalf of the Board of Directors

Manoj Tiwari  
Director

Din No. 03597274

Rajesh Singh Chahar  
Company Secretary

Vikas Guliani  
Director

Din No. 06873154

Rajeev Singh  
Chief Financial Officer

Place: Gurgaon  
Date: 26-May-2017