

A2Z WASTE MANAGEMENT (MERRUT) LIMITED
Balance sheet as at March 31, 2018
(Unless otherwise stated, all amounts are in INR lacs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	3	234.97	439.19
Capital work in progress	3	345.32	1,284.23
Financial assets			
Investments	4	27.93	25.02
Loans	5	-	-
Other financial assets	6	0.50	0.50
Non-current tax assets (net)	7	115.02	103.47
Other non-current assets	8	32.69	33.69
		756.43	1,886.10
Current assets			
Financial assets			
Trade receivables	9	531.77	531.77
Cash and cash equivalents	10	64.05	46.69
Other bank balances	11	350.00	350.00
Loans	5	1,432.93	1,471.72
Other financial assets	6	588.15	592.41
		2,966.90	2,992.59
		3,723.33	4,878.69
Equity and liabilities			
Equity			
Equity share capital	12	5.00	5.00
Other equity	13	(261.68)	(1,356.13)
		(256.68)	(1,351.13)
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	14	583.99	519.65
Provisions	15	0.60	0.38
Other non-current liabilities	16	390.11	415.23
		974.70	935.26
Current liabilities			
Financial Liabilities			
Borrowings	17	774.32	570.76
Trade payables	18	49.80	39.25
Other financial liabilities	19	2,120.90	4,631.03
Other current liabilities	16	60.21	53.50
Provisions	15	0.07	0.02
		3,005.30	5,294.56
		3,723.33	4,878.69

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Mahesh Aggarwal & Associates

Chartered Accountants
Regn No. 006092N

Mahesh Aggarwal
Partner
M No. 085013

Place : Gurugram
Date : 25-May-2018

For and on behalf of the board of directors

Sd/-
Vikas Guliani
Director
(DIN: 06873154)

Sd/-
Manoj Tiwari
Director
(DIN: 03597274)

Sd/-
Rajesh Singh Chahar
Company Secretary

Sd/-
Rajeev Singh
Chief Financial officer

A2Z WASTE MANAGEMENT (MERRUT) LIMITED
Statement of profit and loss for the year ended March 31, 2018
(Unless otherwise stated, all amounts are in INR lacs)

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue			
Other Income	20	176.36	307.09
Total income		176.36	307.09
Expenses			
Changes in inventories of Finished goods, Stock -in- trade and Work- in- progress	21	-	-
Employee benefit expenses	22	15.78	17.76
Finance costs	23	331.42	399.83
Depreciation and amortisation expense	24	147.38	167.46
Other expenses	25	65.31	16.80
Total expenses		559.89	601.85
Loss before tax		(383.53)	(294.76)
Exceptional Items (net)		(942.25)	
Tax expense			
Current tax		-	-
Deferred tax		-	-
		-	-
Loss for the period		(1,325.78)	(294.76)
Other Comprehensive Income			
A i) Items that will not be reclassified to profit and loss			
(a) Remeasurement of defined benefit obligation		-0.01	0.03
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
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		-	-
		-0.01	0.03
Total Comprehensive Income for the period		(1,325.80)	(294.73)
Loss per equity share			
Basic (in INR)	26	(2,651.60)	(589.46)
Diluted (in INR)	26	(2,651.60)	(589.46)

See accompanying notes forming part of the financial statements

In terms of our report attached.

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Regn No. 006092N

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Rajesh Singh Chahar

Company Secretary

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Chief Financial officer

A2Z WASTE MANAGEMENT (MERRUT) LIMITED
Cash flow statements for the year ended March 31, 2018
(Unless otherwise stated, all amounts are in INR lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash flow from operating activities		
Net Loss before tax	(1,325.78)	(294.77)
Adjustment for:		
Interest expense	331.29	399.59
Depreciation and amortisation expense	147.38	167.46
Loss on sale of fixed assets	45.01	-
Unreliaed foreign exchange fluatuation loss	-	(46.70)
Exceptional item	942.25	-
Subsidy amortised	-39.38	(44.74)
Interest income	-136.32	(215.55)
Impact of recognising employee share based options at fair value of the option	-	9.07
Amortisation of Long term borrowings (Long Current)	-	(1.33)
Impact on account of actuarial valuation	-0.01	0.03
Operating profit/(loss) before working capital changes	(35.57)	(26.93)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	0.00	907.17
Other financial assets	(0.00)	(1.00)
Other assets	1.00	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	11.29	6.39
Other liabilities	20.97	28.29
Other financial liabilities	10.01	-
Long term provisions	0.27	0.07
	7.97	913.98
Current taxes paid (net of refunds)	(11.55)	24.88
Net cash generated from operating activities	(3.58)	938.87
B Cash flow from investing activities		
Purchase of Investment in Subsidiaries	(0.00)	(1,130.00)
Interest income on Fixed Deposits	176.46	-
Proceeds from sale of assets	11.83	483.39
Net cash from / (used in) investing activities	188.29	(646.61)
C Cash flow from financing activities		
Proceeds/(Repayment) from/of Long term Borrowings	0.00	57.25
Proceeds/(Repayment) from/of Short Borrowings	203.56	(230.37)
Interest paid	-370.91	(101.01)
Net cash used in from financing activities	(167.35)	(274.13)
Net decrease in cash and cash equivalents (A+B+C)	17.36	18.13
Cash and cash equivalents at the beginning of the year	46.69	28.56
Cash and cash equivalents at the end of the year	64.05	46.69
Components of cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
Cash on hand	0.00	0.00
Balances with banks	64.05	46.69
- in current account	64.05	46.69

*** Note: Changes in liabilities on account of financing activities**

Sd/-		
Opening Balance	5,760.69	4,645.97
Add/Less: Changes from financing cash flows	(167.35)	(274.13)
Add/Less: Changes arising due to obtaining merger in common control	-	-
Add/Less: Effect of changes in foreign exchange rate	-	-
Add/Less: Changes in Fair value	-	-
Add/Less: Other changes	(2,064.34)	1,388.85
Closing Balance	3,529.00	5,760.69

See accompanying notes forming part of the financial statements
In terms of our report attached.

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

Mahesh Aggarwal
Partner
M No. 085013

Place : Gurugram
Date : 25-May-2018

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Rajeev Singh
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A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Statement of changes in equity for the year ended March 31, 2018

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

	Notes	Number of shares	Amount
A			
Equity share capital			
Authorised share capital			
-Equity Shares of INR 10 each		50,000	5.00
Issued, subscribed and fully paid up			
(a) Equity Shares of INR 10 each			
Balance as at March 31, 2017	12	50,000	5.00
Changes in equity share capital		-	-
Balance as at March 31, 2018	12	50,000	5.00

	Notes	ESOP Reserve	Deemed Equity	Equity Component of Preference shares	'Reserves and Surplus- Retained earnings	Total
B						
Other Equity						
As at April 1, 2017	13	23.27	-	1,183.66	(2,563.06)	(1,379.40)
Transactions with owners		23.27	-	1,183.66	(2,563.06)	(1,379.40)
Add: Profit for the year		-	-	-	(1,325.80)	(1,325.80)
Add [Less]: Other Comprehensive income		-	-	-	-	-
Total Comprehensive Income		23.27	-	1,183.66	(3,888.86)	(2,705.20)
Additions during the year		4.05	2416.19	-	-	2443.51
Transfer from [to] Reserve		-	-	-	-	-
As at March 31, 2018		27.32	2,416.19	1,183.66	(3,888.86)	(261.68)

See accompanying notes forming part of the financial statements

In terms of our report attached.

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Chartered Accountants
Regn No. 006092N

Mahesh Aggarwal
Partner
M No. 085013

Place : Gurugram
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A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part of the financial statements

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

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 preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.□

The financial statements are presented in INR and all values are rounded to the nearest lacs , except when otherwise indicated.

2.2 Foreign Currency Transactions:

The Company's financial statements are presented in INR lacs, 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.

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.

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

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part of the financial statements

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

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.

2.5 Borrowing Costs

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

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying 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

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part of the financial statements

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

- 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.

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part of the financial statements

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

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.

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.

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part of the financial statements

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

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.

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.

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part of the financial statements

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

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:

- a. Raw Materials, Packing Material and Stores & Spare Parts: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in-first-out basis.
- b. Finished Goods and Work-in-Progress: Cost includes cost of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first-in-first-out basis.
- c. Stock-in-Trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in-first-out basis.

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. 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.

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part of the financial statements

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

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. Re-measurements are not reclassified to profit or loss in subsequent periods.

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).

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part of the financial statements

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

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.

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.

2.19 Standards, not yet effective and have not been adopted early by the Company

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115) alongwith changes in few other standards due to implementation of Ind AS 115

There is one new standard notified by MCA for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts.

The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- i. Identification of the contracts with the customer
- ii. Identification of the performance obligations in the contract
- iii. Determination of the transaction price
- iv. Allocation of transaction price to the performance obligations in the contract
- v. Recognition of revenue when performance obligation is satisfied.

The effective date of the new standard is 1st April 2018 as notified by the MCA. The management is yet to assess the impact of this new standard on the Company's financial statements.

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part of the financial statements

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

3 Property, plant and equipment

Particulars	Computers	Plant and Equipments	Furniture and Fixtures	Vehicles	Tools and equipment	Office Equipments	Total	Capital Work in progress
Gross Block								
At 1st April 2017	0.91	61.74	1.55	1,122.70	171.08	13.99	1,371.97	1,284.23
Additions	-	-	-	-	-	-	-	3.32
Disposals	-	-	-	197.93	-	-	197.93	942.25
Other adjustments	-	-	-	-	-	-	-	-
At 31 March 2018	0.91	61.74	1.55	924.77	171.08	13.99	1,174.04	345.30
Accumulated Depreciation								
At 1st April 2017	0.91	23.79	1.08	742.27	150.91	13.82	932.78	-
Depreciation for the year	-	4.09	0.10	129.16	17.36	0.00	150.71	-
Disposals	-	-	-	144.42	-	-	144.42	-
At 31 March 2018	0.91	27.88	1.18	727.01	168.27	13.82	939.07	-
Net Carrying Value as at 31 March 2018	-	33.86	0.37	197.76	2.81	0.17	234.97	345.30
Gross Block								
At 1st April 2016	0.91	61.74	1.55	1,122.70	171.08	13.99	1,371.97	1,280.85
Additions	-	-	-	-	-	-	-	3.38
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
At 31 March 2017	0.91	61.74	1.55	1,122.70	171.08	13.99	1,371.97	1,284.23
Accumulated Depreciation								
At 1st April 2016	0.91	19.70	0.98	595.24	132.75	12.35	761.93	-
Depreciation for the year	-	4.10	0.10	147.03	18.15	1.47	170.85	-
Disposals	-	-	-	-	-	-	-	-
At 31 March 2017	0.91	23.80	1.08	742.27	150.90	13.82	932.78	-
Net Carrying Value as at 31 March 2017	-	37.94	0.47	380.43	20.18	0.17	439.19	1,284.23

A2Z WASTE MANAGEMENT (merrut) LIMITED
Notes to the financial statements as on March 31, 2018
(Unless otherwise stated, all amounts are in INR lacs)

Note 3.2: Capital work in progress

Assets under construction comprises of expenditure for the Building and plant in the course of

	As at	As at
	March 31, 2018	March 31, 2017
Buildings under construction	345.32	345.32
Plant equipment's under erection	-	-
Borrowing costs capitalised	-	510.40
Other expenses (directly attributable to construction/erection of assets)		
Employee benefit expense	-	185.11
Depreciation	-	19.83
Other directly attributable expenses (including trial/test run expenses)	-	223.57
Less:- Revenue recognised during trial run period	-	-
Total	345.32	1,284.23

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A2Z WASTE MANAGEMENT (MERRUT) LIMITED
Notes forming part of the financial statements
(Unless otherwise stated, all amounts are in INR Lacs)

	<u>As at</u> <u>March 31, 2018</u>	<u>As at</u> <u>March 31, 2017</u>
4 Investments		
Long Term Investments:		
Carrying amount at amortised costs:		
Trade Investments:		
- Investment in Zero Coupon Debantures	27.93	25.02
Total	<u>27.93</u>	<u>25.02</u>
Fair Value:		
A. Details of Trade Investments:		
(Valued at amortised costs)		
- Investment in Zero Coupon Debantures (Varanasi)	27.93	25.02
	<u>27.93</u>	<u>25.02</u>
Total Non Current Investments		
Aggregate amount of Quoted Investemnets	-	
Aggregate amount of Unquoted Investemnets	27.93	25.02
Aggregate amount of Impairment in view of Investments	-	
	<u>27.93</u>	<u>25.02</u>
5 Loans		
Non-Current		
Unsecured, considered good		
Security deposit	-	-
Current		
Unsecured, considered good		
Loans and advances to group companies	958.75	958.75
Others		
- Interest accrued and due from group company	474.18	512.97
	<u>1,432.93</u>	<u>1,471.72</u>
	<u>1,432.93</u>	<u>1,471.72</u>
6 Other financial asset		
Non-Current		
Bank deposits with more than 12 months maturity	0.50	0.50
	<u>0.50</u>	<u>0.50</u>
Current		
Unsecured, considered good		
Sundry Receivable	-	
Advances recoverable in cash	585.17	585.17
Others	-	
- Interest Accrued on Fixed deposit	2.98	7.24
	<u>588.15</u>	<u>592.41</u>
Sd/-	<u>588.65</u>	<u>592.91</u>
7 Non-current tax assets (net)		
Advance income tax (net of provision)	115.02	103.47
	<u>115.02</u>	<u>103.47</u>

AZZ WASTE MANAGEMENT (MERRUT) LIMITED
Notes forming part of the financial statements

16 Other liabilities	-	-
Non-Current		
Subsidy	276.01	315.39
LER for SWM land leases	114.11	99.84
	390.12	415.23
Current		
Advance from customers	-	-
Statutory dues payable	60.21	53.50
	60.21	53.50

17 Current Borrowings

Secured		
SCB Loan - OTS Liab	350.00	-
Cash credit facilities	-	-
	350.00	-
Unsecured		
Loan from Group Company (Unsecured)	-	570.76
Loan from Holding Company	424.32	-
	424.32	570.76
	774.32	570.76

	Maturity Date	Coupon Rate / Interest Rate	Terms of Repayment	As at March 31, 2018	As at March 31, 2017
Secured					
Standard Chartered Bank - Cash Credit Facility	On Demand	12.00% - 16.00%	On Demand	-	-
SCB Loan	within 1 year	N/A	within 1 year	350.00	-
Unsecured					
Loan from Fellow subsidiary Companies	On Demand	10.75% - 14.00%	On Demand	-	570.76
Loan from Holding Company	On Demand	10.75% - 14.00%	On Demand	424.32	-
Total current Borrowings				774.32	570.76

18 Trade payables

Acceptances		
Other than acceptances: total outstanding dues of micro and small enterprises *	-	-
Other than acceptances: total outstanding dues of creditors other than micro and small enterprises	48.97	36.58
Other than acceptances: due to subsidiaries	0.83	2.67
	49.80	39.25

Details of dues to micro and small enterprises as per MSMED Act, 2006

- principal amount	-	-
- interest amount	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006

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

19 Other financial liabilities

Current maturities of long-term debt	658.44	2,887.04
Book overdrafts	0.02	0.04
Payable against purchase of fixed assets: Dues to others	11.27	11.59
Amount payable to group company	596.27	586.42
Interest accrued and due on borrowings from others	404.06	-
Interest accrued and due from Group Company	450.34	1,145.94
Director sitting fees payable	0.50	-
	2,120.90	4,631.03

A2Z WASTE MANAGEMENT (MERRUT) LIMITED
Notes to the financial statements
(Unless otherwise stated, all amounts are in INR lacs)

12 Share capital

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Authorised				
Equity shares of Rs 10 each	50,000	5.00	50,000	5.00
0.001% Non participative cumulative redeemable preference shares of Rs 10 each*	15,950,000	1,595.00	15,950,000	1,595.00
	16,000,000	1,600.00	16,000,000	1,600.00
Issued, subscribed and fully paid up				
Equity shares of Rs 10 each fully paid up	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00

*Preference shares has been accounted using amortised cost

Note 12.1: Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs 10 each fully paid up				
Opening balance	50,000	5.00	50,000	5.00
Add: Fresh issue	-	-	-	-
Closing balance	50,000	5.00	50,000	5.00

Note 12.2: Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share and also are entitled to receive dividend after preference shares. The Company declares and pays dividend in Indian Rupees. In the events of liquidation of the Company, the holder of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 12.3: Detail of shares held by A2Z Green Waste Management Limited, the holding Company

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs 10 each fully paid up				
Opening balance	40,000	400,000	40,000	400,000
Add: Fresh issue	-	-	-	-
Closing balance	40,000	400,000	40,000	400,000

Note 12.4: Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of Rs 10 each fully paid up				
A2Z Green Waste Management Limited (Formerly A2z Infrastructure Limited)	40,000	80%	40,000	80%
Eco Save System P Ltd.	5,000	10%	5,000	10%
Bhumika Transport	5,000	10%	5,000	10%
	50,000	100%	50,000	100%

AZZ WASTE MANAGEMENT (MERRUT) LIMITED
Notes forming part of the financial statements
(Unless otherwise stated, all amounts are in INR lacs)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
20 Other income		
Interest income:		
- on fixed deposits	14.99	24.42
- on loan given to subsidiaries	121.33	185.04
- on income tax refund	0.17	6.09
Others:		
Foreign exchange fluctuation (net)	0.50	46.70
Subsidy amortised	39.38	44.74
Miscellaneous income	-	0.10
	176.36	307.09
21 Changes in inventories of Finished goods, Stock -in- trade and Work- in- progress		
Opening inventory of traded goods		
Less: Closing inventory of traded goods		
Decrease in inventory	-	-
22 Employee Benefits Expense		
Salaries and bonus including directors' remuneration	11.47	8.59
Contribution to provident and other funds	0.00	-
Gratuity expense	0.21	0.09
Compensated absences benefits	0.05	0.01
Share-based payments	4.05	9.07
Staff welfare expenses		
	15.78	17.76
23 Finance costs		
Interest:		
-on term loans	195.42	235.11
-on other bank loans	-	7.73
-on group Company	126.70	156.75
-on others	9.17	
Other borrowing costs:		
- Bank commission & charges	0.13	0.24
	331.42	399.83
24 Depreciation		
Depreciation & Amortization Expense	147.38	167.46
	147.38	167.46
25 Other expenses		
Rent (Refer Note below)	14.27	14.27
Legal and professional	4.91	2.05
Director sitting fees	0.50	0.12
Traveling and Conveyance expense	0.35	
Payment to auditors		
- Statutory audit fee	0.13	0.13
Loss on sale of fixed assets	45.01	
Fees and subscription / inspection charges	0.14	0.23
	65.31	16.80

Note: The Company has entered into various short-term cancellable lease agreements at a notice period upto three months for leased premises and equipment. Gross rental expenses aggregate to Rs. 14.27 lacs (Previous Year 14.27 lacs)

26 Earning per share (EPS)

Both Basic and diluted earning per share have been calculated using the profit attributable to shareholders of the Company as the numerator, i.e. no adjustments to profit were necessary in 2017 & 2018.

The reconciliation of the weighted average number of shares for the purpose of diluted earnings per share to the Weighted average number of ordinary shares used in the calculation of the basic earnings per share is as follows

Particulars	As at		
	31 March, 2018	31 March, 2017	
Weighted average number of shares used in basic earning per share	50,000	50,000	
Shares deemed to be issued for no consideration in respect of share-based payments	-	-	
Weighted average number of shares used in diluted earning per share	50,000	50,000	
The numerators and denominators used to calculate the basic and diluted earnings per share are as follows:			
Profit Attributable to shareholders	INR lacs	(1,325.80)	(294.73)
Basis and Weighted average number of Equity shares outstanding during the year	Numbers	50,000	50,000
Nominal Value of equity share	INR	10	10
Basis & Diluted EPS	INR	(2,651.60)	(589.46)

AZZ WASTE MANAGEMENT (merrut) LIMITED
Notes forming part of the financial statements
(Unless otherwise stated, all amounts are in INR Lacs)

27 Tax Expense	For the year ended	
	March 31 2018	March 31 2017
Current Tax Expense	-	-
Deferred Tax Expense	-	-
Tax Expense	-	-

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

	For the year ended	
	March 31 2018	March 31 2017
Loss before tax	(1,325.77)	(294.76)
Corporate tax rate as per income tax act,1961	25.75%	25.75%
Tax on accounting profit	(341.39)	(75.90)
i) Tax effect on non deductible expenses/Non taxable income	11.71	
ii) Tax effect on temporary timing differences on which deferred tax not created	98.12	
iii) Tax effect on losses of current year on which no deferred tax is created	231.55	75.90
Tax Expense	-	-

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

	As at March 31, 2018			As at March 31, 2017		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Tax losses						
Assessment Year 2017-18	-	-	March 31, 2026	294.76	75.90	March 31, 2026
Assessment Year 2018-19	899.22	231.55	March 31, 2027	-	-	
Total	899.22	231.55		294.76	75.90	

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

	As at March 31, 2018			As at March 31, 2017		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	427.07	109.97	Not applicable	427.07	109.97	Not applicable
Temporary Differences on which deferred tax not created	-	-	Not applicable	-	-	Not applicable
Expense on which TDS not Deposited	38.01	9.78	Not applicable			
Provision for Gratuity & Leave Encashment	0.25	0.07	Not applicable			
Expenses disallowed under section 43B	195.42	50.32	Not applicable			
Depreciation	147.38	37.95	Not applicable			
	808.14	208.09		427.07	109.97	

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes to the financial statements

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

28 : Related party

28.1 : Names of related parties

Holding company

A2Z Green Waste Management Limited

Fellow Subsidiaries

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

Subsidiaries of A2Z Infra Engineering Limited

- 1 A2Z Infraservices Limited
- 2 A2Z Powertech Limited
- 3 A2Z Powercom Limited
- 4 Selligence Technologies Services Private Limited
- 5 Mansi Bijlee & Rice Mills Limited
- 6 Chavan Rishi International Limited
- 7 Magic Genie Services Limited
- 8 A2Z Waste Management (Nainital) Private Limited
- 9 A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)
- 10 A2Z Green Waste Management Limited
- 11 Star Transformers Limited (Till 20.06.2017)

Subsidiary of A2Z Infraservices Limited

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

Subsidiary of A2Z Waste Management (Ludhiana) Limited

- 1 Magic Genie Smartech Solutions Limited (w.e.f. 18.12.2017)

Subsidiary of Magic Genie Services Limited

- 1 Magic Genie Smartech Solutions Limited (till 17.12.2017)

Associate enterprise of A2Z Green Waste Management Limited

- 1 A2Z Waste Management (Nainital) Private Limited

Sd/-

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part to the financial statements

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

28.2 : Related party transactions

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Ultimate Holding Company	Holding Company	Fellow Subsidiary
Transactions during the period						
Short term loan given						
- A2Z Waste Management (Varanasi) Limited				-	-	394
- A2Z Waste Management (Nainital) Pvt.Limited				-	-	39
Short term loan refunded				-	-	-
- A2Z Waste Management (Balai) Limited				-	-	8
- A2Z Waste Management (Jaunpur) Limited				-	-	10
- A2Z Waste Management (Nainital) Pvt.Limited				-	-	149
- A2Z Waste Management (Ranchi) Limited				-	-	-
- A2Z Waste Management (Varanasi) Limited				-	-	1,130
- A2Z Infrservices Limited				-	-	-
- Chavan Rishi International Ltd				-	-	44
Short term borrowings				-	-	-
- A2Z Green Waste Management Limited)	-	8.15	-	-	45	-
- A2Z Waste Management (Dhanbad) Pvt Limited	-	-	-	-	-	-
Short term borrowings repaid	-	-	-	-	-	-
- A2Z Green Waste Management Limited)	-	154.59	-	-	103	-
- A2Z Waste Management (Dhanbad) Pvt Limited	-	-	-	-	-	172
Interest expenses on loan taken	-	-	-	-	-	-
- A2Z Green Waste Management Limited)	-	126.70	-	-	81	-
- A2Z Waste Management (Dhanbad) Pvt Limited	-	-	-	-	-	18
Interest payment on loan	-	-	-	-	0	-
- A2Z Green Waste Management Limited)	-	-	-	-	-	-
Interest income on short term loan given	-	-	-	-	-	-
- A2Z Waste Management (Balai) Limited	-	-	-	-	-	1.00
- A2Z Waste Management (Jaunpur) Limited	-	-	-	-	-	1.00
- A2Z Waste Management (Moradabad) Limited	-	-	62.57	-	-	63.00
- A2Z Waste Management (Mirzapur) Limited	-	-	2.80	-	-	3.00
- A2Z Waste Management (Nainital) Pvt.Limited	-	-	-	-	-	12.00
- A2Z Waste Management (Varanasi) Limited	-	-	3.57	-	-	52.00
- Chavan Rishi International Ltd	-	-	52.30	-	-	52.00
Expenses incurred (includes funds received) on behalf of Company	-	-	-	-	-	-
- A2Z Infra Engineering Limited (Formerly A2Z	-	-	-	-	-	-
- A2Z Green Waste Management Limited)	-	9.85	-	-	6	-
- A2Z Waste Management (Aligarh) Limited	-	-	-	-	-	-

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part to the financial statements

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

Payment against service/expenses	-	-	-	-	-	-
- A2Z Infraserivces Limited	-	-	-	-	-	-
- A2Z Green Waste Management Limited)	-	-	-	-	1	-
A2Z Infra Engineering Limited (Formerly A2Z Maintenance and Engineering Services Limited)	-	-	-	-	-	-
Balance outstanding as at the end of the year	-	-	-	-	-	-
Short term borrowings	-	-	-	-	-	-
- A2Z Green Waste Management Limited)		424.56		-	571	-
Short term loans and advnaces				-	-	-
- A2Z Waste Management (Jaunpur) Limited	-	-	1.00	-	-	1
- A2Z Waste Management (Mirzapur) Limited			20.00	-	-	20
- A2Z Waste Management (Nainital) Pvt.Limited			-	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	-	5.00	-	-	5
- A2Z Waste Management (Moradabad) Limited			447.00	-	-	447
- Chavan Rishi International Ltd			487.00	-	-	487
Other current liabilities						
A2Z Infra Engineering Limited				-	-	-
- A2Z Green Waste Management Limited		596.27		-	586.00	-
Trade payables				-	-	-
- A2Z Infraserivces Limited			2.67	-	-	3.00
- Eco - Save System P Limited				-	-	-
Other current assets (interest accrued)				-	-	-
- A2Z Waste Management (Balai) Limited			0.88	-	-	1.00
- A2Z Waste Management (Fatehpur) Limited			0.73	-	-	1.00
- A2Z Waste Management (Jaunpur) Limited			3.78	-	-	6.00
- A2Z Waste Management (Moradabad) Limited			323.92	-	-	268.00
- A2Z Waste Management (Mirzapur) Limited			12.45	-	-	10.00
- A2Z Waste Management (Ranchi) Limited			0.18	-	-	-
- A2Z Waste Management (Varanasi) Limited			0.90	-	-	-
- Chavan Rishi International Ltd			120.87	-	-	217.00
- A2Z Waste Management (Nainital) Pvt.Limited			10.45	-	-	10.00
Other current liability (interest accrued)				-	-	-
- A2Z Green Waste Management Limited		401.32		-	345.00	-
- A2Z Waste Management (Aligarh) Limited			0.01	-	-	-
- A2Z Waste Management (Badaun) Limited			2.37	-	-	2.00
- A2Z Waste Management (Dhanbad) Pvt Limited			46.54	-	-	47.00
- A2Z Waste Management (Jaunpur) Limited			0.10	-	-	-

A2Z WASTE MANAGEMENT (MERRUT) LIMITED

Notes forming part to the financial statements

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

29 Employee benefits

Defined Contribution Plan

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.

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 0.00 lacs (Previous year : Rs 0.00 lacs)**

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.

A reconciliation of the Company'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:

Particulars	As on	
	31-Mar-18	31-Mar-17
Present Value of Obligation	0.62	0.39
Fair Value of Plan Assets	-	-
Surplus / (Deficit)	(0.62)	(0.39)
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	(0.62)	(0.39)

Expenses Recognized during the period

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
In Income Statement	0.21	0.09
In Other Comprehensive Income	0.01	(0.03)
Total Expenses Recognized during the period	0.23	0.06

A2Z WASTE MANAGEMENT (MERRUT) LIMITED
Notes forming part to the financial statements
(Unless otherwise stated, all amounts are in INR lacs)

Defined benefit obligation

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

Changes in the Present Value of Obligation		
Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Present Value of Obligation as at the beginning	0.39	0.34
Current Service Cost	0.18	0.06
Interest Expense or Cost	0.03	0.03
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(0.04)	0.04
- experience variance (i.e. Actual experience vs assumptions)	0.06	(0.06)
- others	-	-
Benefits Paid	-	-
Present Value of Obligation as at the end	0.62	0.39

Bifurcation of Net Liability		
Particulars	As on	
	31-Mar-18	31-Mar-17
Current Liability (Short term)	0.02	0.01
Non-Current Liability (Long term)	0.60	0.38
Net Liability	0.62	0.39
Sd/-		

Expenses Recognised in the Income Statement		
Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Current Service Cost	0.18	0.06
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	0.03	0.03
Expenses Recognised in the Income Statement	0.21	0.09

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

Other Comprehensive Income		
Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Actuarial (gains) / losses		
- change in demographic assumptions		-
- change in financial assumptions	(0.04)	0.04
- experience variance (i.e. Actual experience vs assumptions)	0.06	(0.06)
Return on plan assets, excluding amount recognised in net interest expense		-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of		-
Components of defined benefit costs recognised in other comprehensive income	0.01	(0.03)

A2Z WASTE MANAGEMENT (MERRUT) LIMITED
Notes forming part to the financial statements
(Unless otherwise stated, all amounts are in INR lacs)

Financial Assumptions

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

Particulars	As on	
	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.80%	7.40%
Salary growth rate (per annum)	5.00%	5.00%

Demographic Assumptions

Particulars	As on	
	31-Mar-18	31-Mar-17
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Attrition/Withdrawal rates (per annum)	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-18	31-Mar-17
Defined Benefit Obligation (Base)	0.62	0.39

Particulars	31-Mar-18		31-Mar-17	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	0.72	0.53	0.47	0.33
(% change compared to base due to sensitivity)	17.80%	-14.50%	18.90%	-15.20%
Salary Growth Rate (- / + 1%)	0.52	0.73	0.33	0.47
(% change compared to base due to sensitivity)	-14.90%	18.10%	-15.60%	19.20%
Attrition Rate (- / + 50%)	0.58	0.65	0.37	0.41
(% change compared to base due to sensitivity)	-5.80%	4.90%	-6.10%	5.30%
Mortality Rate (- / + 10%)	0.61	0.62	0.39	0.39
(% change compared to base due to sensitivity)	-0.10%	0.10%	-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.

A2Z WASTE MANAGEMENT (MERRUT) LIMITED**Notes forming part to the financial statements****(Unless otherwise stated, all amounts are in INR lacs)**

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.

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
31 March 2018.					
Defined Bc	0.02	0.09	0.14	2.40	2.65
Post - emp	-	-	-	-	-
Total	0.02	0.09	0.14	2.40	2.65
31 March 2017.					
Defined Bc	0.00	0.06	0.08	1.56	1.70
Post - emp	-	-	-	-	-
Total	0.00	0.06	0.08	1.56	1.70

A2Z WASTE MANAGEMENT (MERRUT) LIMITED**Notes forming part to the financial statements**

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

29 : Financial risk management**(i) Fair value measurement of financial instruments**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Financial Instruments by Category

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

Particulars	31-Mar-18			31-Mar-17		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial Assets						
Investments			27.93			25.02
Trade receivables	-	-	531.77	-	-	531.77
Cash and cash equivalents	-	-	64.05	-	-	46.69
Other bank balances	-	-	350.00	-	-	350.00
Loans	-	-	1,432.93	-	-	1,471.72
Other financial assets	-	-	588.15	-	-	592.41
Bank Deposits	-	-	0.50	-	-	0.50
Total Financial Assets	-	-	2,995.34	-	-	3,018.11
Financial Liabilities						
Borrowings	-	-	2,016.76	-	-	3,977.49
Trade payables	-	-	49.80	-	-	39.25
Other Financial Liabilities	-	-	1,462.44	-	-	1,743.95
Total Financial Liabilities	-	-	3,529.00	-	-	5,760.69

(iii) 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
Credit risk	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:

A2Z WASTE MANAGEMENT (MERRUT) LIMITED
Notes forming part to the financial statements

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

Sd/-

	INR (lacs)	
	March 31, 2018	March 31, 2017
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

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 ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity Companyings 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, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	1,432.76	-	-	1,595.00	3,027.76
Trade payables	49.80	-	-	-	49.80
Other Financial Liabilities	1,462.46	-	-	-	1,462.46
Total	2,945.02	-	-	1,595.00	4,540.02

March 31, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	3,457.80	-	-	1,595.00	5,052.80
Trade payables	39.25	-	-	-	39.25
Other Financial Liabilities	1,743.99	-	-	-	1,743.99
Total	5,241.04	-	-	1,595.00	6,836.04

(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 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits all pay fixed interest rates.

Interest rate risk exposure

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

Particulars	March 31, 2018	April 1, 2018
Variable rate borrowing	-	-
Fixed rate borrowing	2,016.76	3,977.49
Total borrowings	2,016.76	3,977.49

Sensitivity

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

Particulars	March 31, 2018	March 31, 2017
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	20.17	39.77
Interest rates – decrease by 100 basis points (100 bps)	(20.17)	(39.77)

* Holding all other variables constant

A2Z WASTE MANAGEMENT (MERRUT) LIMITED
Notes forming part to the financial statements
(Unless otherwise stated, all amounts are in INR lacs)

(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, 2018	March 31, 2017
Fixed rate deposits	350.50	350.50
Total deposits	350.50	350.50

30 : 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, 2018	March 31, 2017
Borrowings	2,016.76	3,977.49
Trade Payables	49.80	39.25
Other Financial Liabilities	1,462.44	1,743.95
Less: cash and cash equivalents	64.05	46.69
Net debt	3,464.95	5,714.00
Equity	(256.68)	(1,351.13)
Capital and net debt	3,208.26	4,362.87

Gearing ratio **92.59%** **76.35%**

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 2018 and 31 March 2017.

31 : Post-reporting date events

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

32 : Authorisation of financial statements

The Financial statements for the year ended 31 March 2018 (including comparatives) were approved by the board of directors on 25 May 2018.

33 : Contingent liability and Commitments outstanding:

a) Contingent Liabilities:

Particulars	March 31, 2018	March 31, 2017
Preference Dividend	0.10	0.08
Total	0.10	0.08

b) Commitments outstanding:

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

Particulars	March 31, 2018	March 31, 2017
Capital commitments	495.64	495.64
Total	495.64	495.64

Note 34 : Other Notes

During the year ended March 31, 2010, a consortium comprised of A2Z Infra Engineering Limited, the parent company of A2Z Infrastructure Limited (Formerly a2z Infrastructure Private Limited), M/s Bhumika Transport and Burns 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 merrut in the state of UP on November 10, 2009.

A2Z WASTE MANAGEMENT (MERRUT) LIMITED
Notes forming part to the financial statements
(Unless otherwise stated, all amounts are in INR lacs)

The scope of work of the Project includes:

- (a) Door-to-door collection of Municipal Solid Waste (MSW)
- (b) Primary storage of collected door-to-door MSW;
- (c) Secondary collection and transportation of MSW including street sweeping waste & drain silt
- (d) Development, construction and operation & maintenance of the MSW Processing Facility with composting as one of the main processes including segregation
- (e) Development, construction and operation and maintenance of the Landfill Facility
- (f) Collection of the User Charges on behalf of Urban Local body (merrut) as determined by the ULB - merrut 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 (Merrut) Private Limited was incorporated as a wholly own subsidiary of 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 (Merrut) Private Limited, Urban Local Body - merrut 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 "Capital work in progress" under note 13, while the amount received from UPJN has been disclosed

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Mahesh Aggarwal & Associates

Chartered Accountants
Regn No. 006092N

Mahesh Aggarwal
Partner
M No. 085013

Place : Gurugram
Date : 25-May-2018

For and on behalf of the board of directors

Sd/-
Vikas Guliani
Director
(DIN: 06873154)

Sd/-
Manoj Tiwari
Director
(DIN: 03597274)

Sd/-
Rajesh Singh Chahar
Company Secretary

Sd/-
Rajeev Singh
Chief Financial officer