

AZZ WASTE MANAGEMENT (NAINITAL) PRIVATE 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	39.73	52.54
Non-current tax assets (net)	4	50.85	51.01
		90.58	103.55
CURRENT ASSETS			
Financial assets			
Trade receivables	5	3.83	3.83
Cash and cash equivalents	6	0.07	0.16
Loans	7	570.58	559.50
Other financial assets	8	0.11	0.11
		574.59	563.60
		665.17	667.15
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	5.00	5.00
Other equity			
Reserves and surplus	10	(16.11)	(9.81)
		(11.11)	(4.81)
LIABILITIES			
NON-CURRENT LIABILITIES			
Other non-current liabilities	11	107.08	119.89
		107.08	119.89
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	12	103.24	103.24
Trade payables	13	12.33	10.07
Other financial liabilities	14	428.26	414.85
Other current liabilities	11	25.36	23.91
		569.20	552.07
		665.17	667.15

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 Agarwal

Partner
M No. 085013

Place : Gurugram

Date : 23-May-2018

For and on behalf of the board of directors

Sd/-
Vikas Guliani
Director
(DIN : 06873154)

Sd/-
Sunil Kumar
Director
(DIN : 07708068)

A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE 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	15	25.13	121.46
Total revenue		25.13	121.46
Expenses			
Finance costs	16	14.46	107.13
Depreciation and amortisation expense	17	12.81	12.83
Other expenses	18	2.76	3.73
Total expenses		30.04	123.69
Loss before tax		(4.90)	(2.23)
Tax expense	19		
Current tax		-	-
Deferred tax		-	-
Current tax expenses relating to earlier years		1.39	-
		1.39	-
Profit/(loss) for the period		(6.29)	(2.23)
Total Comprehensive Income for the period		(6.29)	(2.23)
Loss per equity share			
Basic (in INR)	20	(12.58)	(4.46)
Diluted (in INR)	20	(12.58)	(4.46)

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In terms of our report attached.

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A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE LIMITED
Statement of profit and loss 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	(4.90)	(2.23)
Adjustment for:		
Depreciation and amortisation expense	12.81	12.83
Interest expense	14.46	107.13
Subsidy amortised	(12.81)	(12.81)
Interest income	(10.50)	(108.65)
Operating profit/(loss) before working capital changes	(0.94)	(3.73)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	(11.09)	797.06
Other financial assets	-	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	2.26	3.52
Other liability	(11.36)	(1.20)
Other financial liability	26.22	0.09
	5.10	795.74
Current taxes paid (net of refunds)	(1.23)	(9.46)
Net cash generated from operating activities	3.87	786.28
B Cash flow from investing activities		
Interest received	10.50	11.19
Net cash from / (used in) investing activities	10.50	11.19
C Cash flow from financing activities		
Repayment of Current Borrowings	-	(747.23)
Interest paid	(14.46)	(50.43)
Net cash used in from financing activities	(14.46)	(797.66)
Net decrease in cash and cash equivalents (A+B+C)	(0.09)	(0.19)
Cash and cash equivalents at the beginning of the year	0.16	0.35
Cash and cash equivalents at the end of the year	0.07	0.16
Components of cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
Cash on hand	0.01	0.01
Balances with banks	0.06	0.15
- in current account	0.07	0.16

Note: Changes in liabilities on account of financing activities

Opening Balance	528.2	1,206.8
Add/Less: Changes from financing cash flows	(14.5)	(797.7)
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	30.1	110.7
Closing Balance	426.1	516.3

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In terms of our report attached.

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M No. 085013

For and on behalf of the board of directors

Sd/-
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Director
(DIN : 06873154)

Sd/-
Sunil Kumar
Director
(DIN : 07708068)

Place : Gurugram
Date : 23-May-2018

A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31st March 2018
(Unless otherwise stated, all amounts are in INR lacs)

		Notes	Number of shares	Amount
A	Equity share capital			
	Issued, subscribed and fully paid up			
	Equity Shares of INR 10 each			
	Balance as at March 31, 2017	9	50,000	5.00
	Changes in equity share capital		-	
	Balance as at March 31, 2018	9	50,000	5.00
Reserves and Surplus- Retained earnings				
B	As at April 1, 2017	10	(9.81)	(9.81)
	Transactions with owners			
	Add: Profit for the year		(6.29)	(6.29)
	Add [Less]: Other Comprehensive income		-	-
	Total Comprehensive Income		(6.29)	(6.29)
	Transfer from [to] Reserve		-	-
	As at March 31, 2018		(16.11)	(16.11)

In terms of our report attached.

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

Mahesh Agarwal
Partner
M No. 085013

Place : Gurugram
Date : 23-May-2018

For and on behalf of the board of directors

Sd/-
Vikas Guliani
Director
(DIN : 06873154)

Sd/-
Sunil Kumar
Director
(DIN : 07708068)

Note 1: Nature of Operations

The Company was incorporated as 'Maratha Bijlee Private Limited' at National Capital Territory of Delhi and Haryana on June 14, 2010 to generate, distribute, transmit, supply and deal in all manner in electricity & all forms of energy and to generate Power through Conventional and/or non-Conventional source including biomass, nuclear, steam, hydro, tidal, water, wind, solar, hydrocarbon fuel, natural gas, coal or any other fuel in any form, kind or description.

Earlier, the Company had been taken over by M/s Green Waste Management Limited, one of the leading Solid Waste Management Company by acquiring 100% shareholding of the Company (directly or through its nominees) on October 28, 2011 for undertaking the Integrated Solid Waste Management System in the city of Nainital as a Special Purpose Vehicle Company (SPV).

Therefore the name of the Company was changed with the approval of shareholders of the Company in their extra-ordinary general meeting held on November 12, 2011 from 'Maratha Bijlee Private Limited' to 'A2Z Waste Management (Nainital) Private Limited'. In this regard, the Company received fresh Certificate of Incorporation for change in the name of the Company from the Registrar of Companies, NCT of Delhi & Haryana on November 15, 2011.

The Company also changed its Main Objects of Memorandum of Association to reflect the activities of Solid Waste Management in the abovementioned extra-ordinary general meeting. The Company received a certificate for alteration in object clauses of Memorandum of Association of the Company from the Registrar of Companies, NCT of Delhi & Haryana on November 15, 2011.

Now the company is an associate of M/s Green Waste Management Limited and A2z Infra Engineering Limited.

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 (INR 000,000), except when otherwise indicated.

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.

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.

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

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.

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
- 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.

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.

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:

- 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.

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).

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

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 (NAINITAL) PRIVATE LIMITED

Notes forming part of the financial statements

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

3 Property, plant and equipment

Particulars	Computers	Tools and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross Block						
At 1st April 2016	0.67	45.54	0.53	91.81	0.12	138.67
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
At 31 March 2017	0.67	45.54	0.53	91.81	0.12	138.67
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
At 31 March 2018	0.67	45.54	0.53	91.81	0.12	138.67
Accumulated Depreciation						
At 1st April 2016	0.67	40.34	0.53	31.66	0.11	73.31
Depreciation charge for the year	-	1.24	-	11.57	0.01	12.82
Other Adjustments	-	-	-	-	-	-
At 31 March 2017	0.67	41.58	0.53	43.23	0.12	86.13
Depreciation charge for the year	-	1.24	-	11.57	-	12.81
Disposals	-	-	-	-	-	-
At 31 March 2018	0.67	42.82	0.53	54.80	0.12	98.94
Net Book Value						
At 31 March 2017	-	3.96	-	48.58	-	52.54
At 31 March 2018	-	2.72	-	37.01	-	39.73

A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE LIMITED

Notes forming part of the financial statements

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

Note 9: Share capital

	Number	Amount
Authorised		
Equity shares of Rs 10/- each		
Balance as on April 01, 2017	50,000.00	5.00
Changes in equity share capital during the year	-	-
Balance as on March 31, 2018	50,000.00	5.00

Note 9.1: Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period given below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Balance at the beginning of the year	50,000.00	5.00	50,000.00	5.00
Add : Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Balance at the end of the year	50,000.00	5.00	50,000.00	5.00

Note 9.2: 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 9.3: Details of Equity shares held by holding Company and associates

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Equity shares of Rs 10/- each fully paid up				
A2z Infra Engineering Limited	24,000	2.40	24,000	2.40
A2Z Green Waste Management Limited (Associate company)	13,000	1.30	13,000	1.30

Note 9.4: Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	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	13,000	26%	13,000	26%
A2z Infra Engineering Limited	24,000	48%	24,000	48%
Bhumika Transport (Partnership Firm)	13,000	26%	13,000	26%

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

Particulars	As at March 31, 2018	As at March 31, 2017
4 Non-current tax assets (net)		
Advance income tax (Net of provision)	50.85	51.01
	50.85	51.01
5 Trade receivables (unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Considered good	3.83	3.83
	3.83	3.83
6 Cash and cash equivalents		
Balances with banks - in current accounts	0.06	0.15
Cash on hand	0.01	0.01
	0.07	0.16
7 Short-term Loans		
Unsecured		
Advances and loans to subsidiaries*	75.00	75.00
Advances to other company*	13.00	13.00
Interest accrued and due on loan given for Group Company	482.58	471.50
	570.58	559.50
 *Details of Loans & Advances to group companies are as under		
(a) A2z Waste Management (Varanasi) Limited	75.00	75.00
(b) Devadhar Trading and Consultants Pvt. Ltd.	13.00	13.00
	88.00	88.00
 All the above loans are repayable on demand and are interest bearing @ 10.75% - 14.00% p.a.		
8 Other financial assets		
Unsecured		
Advances recoverable in cash or in kind or for value to be received		
Considered good	0.11	0.11
	0.11	0.11

A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE 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>
10 Other equity		
Retained Earning		
Opening Balance	(9.81)	(7.58)
Transfer from profit and loss account	(6.29)	(2.23)
Closing Balance	<u>(16.10)</u>	<u>(9.81)</u>
11 Other liabilities		
Non-Current		
Subsidy	107.08	119.89
Current		
Statutory dues payable	25.36	23.91
	<u>132.44</u>	<u>143.80</u>
12 Current Borrowings		
Unsecured		
Loan from group Company*	103.24	103.24
	<u>103.24</u>	<u>103.24</u>
*Loan from Group Company carries an interest rate of 14% p.a. and is repayable on demand.		
13 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	12.33	10.07
Other than acceptances: due to subsidiaries	-	-
	<u>12.33</u>	<u>10.07</u>
14 Other financial liabilities		
Current		
Amount payable to group company	1.88	1.80
Interest accrued and due from Group Company	426.06	413.05
Payable to others	0.32	-
	<u>428.26</u>	<u>414.84</u>

	For the year ended March 31, 2018	For the year ended March 31, 2017
15 Other income		
Interest income:		
- on income tax refund	-	0.37
- on loan given to group companies	10.50	108.28
- on loan given to KMP Entity	1.82	
Subsidy Amortised	12.81	12.81
	25.13	121.46
16 Finance costs		
Interest on loan		
- from group Company	14.46	107.13
Other borrowing costs:		
- Bank charges	0.00	0.00
	14.46	107.13
17 Depreciation		
Depreciation & Amortization Expense	12.81	12.83
	12.81	12.83
18 Other expenses		
Rates and tax	0.04	0.02
Legal and professional	0.13	0.14
Director sitting fees	0.32	-
Payment to auditors		
As auditor :		
- Statutory audit fee	0.13	0.12
Miscellaneous expenses	2.14	3.45
	2.76	3.73
19 Tax Expense		
	For the year ended March 31 2018	For the year ended March 31 2017
Current Tax Expense	25.75%	25.75%
Deferred Tax Expense	-	-
Current tax expenses relating to earlier years	1.39	-
Tax Expense	1.39	-

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

Loss before tax	(4.90)	(2.23)
Corporate tax rate as per income tax act, 1961	25.75%	30.9%
Tax on accounting profit	(1.26)	(0.69)
i) Tax effect on non deductible expenses/Non taxable income	(3.30)	
	4.39	
ii) Tax effect on temporary timing differences on which deferred tax not created		
	0.17	0.69
iii) Tax effect on losses of current year on which no deferred tax is created		
iii) Tax expense on earlier year profits	(1.39)	-
Tax Expense	1.39	-

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	2.23	0.57	March 31, 2026
Assessment Year 2018-19	0.66	0.17	March 31, 2027			
Total	0.66	0.17		2.23	0.57	

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

	As at March 31, 2018			As at March 31, 2017		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	-	-	Not Applicable			Not Applicable
Temporary Differences on which deferred tax not created						
Expenses on which TDS not deposited	4.34	1.12	Not Applicable	-	-	Not Applicable
Depreciation	12.72	3.27	Not Applicable	-	-	Not Applicable
	17.06	4.39		-	-	

20 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 2018 & 2017.

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 basis earnings per share is as follows

Particulars	As at	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	(6.29)	(2.23)
Basis and Weighted average number of Equity shares outstanding during the year	Numbers	50,000.00	50,000.00
Nominal Value of equity share	INR	10.00	10.00
Basis & Diluted EPS	INR	(12.58)	(4.46)

A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE LIMITED

Notes forming part of the financial statements

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

Note 21: Related Party Disclosures

The Company's related parties includes its subsidiaries, associates and joint ventures, key management, postemployment benefits plan for the Company's employees and others as described below.

Holding Company

A2Z Infra Engineering Limited

Associate company

A2Z Green Waste Management Limited

Fellow Subsidiaries of A2Z Green Waste Management Limited

- 1 A2Z Waste Management (Aligarh) Limited
- 2 A2Z Waste Management (Merrut) Limited
- 3 A2Z Waste Management (Moradabad) Limited
- 4 A2Z Waste Management (Varanasi) 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 (Balua) 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 A2Z Waste Management (Ranchi) Limited
- 18 Shree Hari Om Utensils Private Limited
- 19 Earth Environment Management Services Private Limited

Subsidiaries of A2Z Infra Engineering Limited

- 1 A2Z Infraserivices 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 Maintenance & Engineering Services Limited and Satya Builders (Association of person)
- 9 A2Z Green Waste Management Limited
- 10 Star Transformers Limited (Till 20.06.2017)

Subsidiaries of A2Z Infraserivices Limited

- 1 Ecogreen Envirotech Solutions Limited (Formerly known as A2Z Waste Management (Loni) Limited)
- 2 A2Z Infraserivices 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)

A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE LIMITED

Notes forming part of the financial statements

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

Note 21.1: Related party transactions

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Holding Company	Enterprise having significant influence	Holding Company	Enterprise having significant influence
Transactions during the year / period				
Short term loan refunded				
- A2Z Green Waste Management Limited	-	-	-	797.06
Short term borrowings				
- A2Z Waste Management (Meerut) Limited	-	-	-	38.75
Short term borrowings refunded				
- A2Z Waste Management (Ranchi) Limited	-	-	-	637.26
- A2Z Waste Management (Meerut) Limited	-	-	-	148.72
Interest expenses on loan taken				
- A2Z Waste Management (Ranchi) Limited	-	14.45	-	95.52
- A2Z Waste Management (Meerut) Limited	-	-	-	11.61
Interest income on short term loan given				
- A2Z Green Waste Management Limited	-	-	-	95.96
- A2Z Waste Management (Varanasi) Limited	-	10.50	-	10.50
- Devdhar Trading & Consultant Pvt. Limited	-	1.82	-	1.82
Expenses incurred on behalf of Company				
- A2Z Green Waste Management Limited	-	0.09	-	0.09
Balance outstanding as at the end of the year / period				
Short term borrowings				
- A2Z Waste Management (Ranchi) Limited	-	105.00	-	103.24
Short term loans and advances given				
- A2Z Waste Management (Varanasi) Limited	-	75.00	-	75.00
- Devdhar Trading & Consultant Pvt. Limited	-	13.00	-	13.00
Other current liability				
- A2Z Green Waste Management Limited	-	1.88	-	1.80
Other current assets (interest accrued)				
- A2Z Green Waste Management Limited	-	424.94	-	424.94
- A2Z Waste Management (Varanasi) Limited	-	54.09	-	44.64
- Devdhar Trading & Consultant Pvt. Limited	-	3.55	-	1.92
Other current liability (interest accrued)				
- A2Z Waste Management (Ranchi) Limited	-	375.89	-	362.88
- A2Z Waste Management (Meerut) Limited	-	50.17	-	50.17

Note: In the Opinion of the management, the transactions reported herein are on arm's length basis.

A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE LIMITED

Notes forming part of the financial statements

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

Note 22 : Financial risk management**(i) 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						
Trade Receivables	-	-	3.83	-	-	3.83
Loans	-	-	570.58	-	-	559.50
Cash and Cash equivalents	-	-	0.07	-	-	0.16
Advance recoverable in cash	-	-	0.11	-	-	0.11
Total Financial Assets	-	-	574.59	-	-	563.60
Financial Liabilities						
Borrowings	-	-	103.24	-	-	103.24
Trade payables	-	-	12.33	-	-	10.07
Other Financial Liabilities	-	-	428.26	-	-	414.85
Total Financial Liabilities	-	-	543.83	-	-	528.16

(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	Exposur	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	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 (NAINITAL) PRIVATE LIMITED**Notes forming part of the financial statements**

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

	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	3.83	3.83

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	103.24	-	-	-	103.24
Trade payables	12.33	-	-	-	12.33
Other Financial Liabilities	428.26	-	-	-	428.26
Total	543.83	-	-	-	543.83

March 31, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	103.24	-	-	-	103.24
Trade payables	10.07	-	-	-	10.07
Other Financial Liabilities	414.85	-	-	-	414.85
Total	528.16	-	-	-	528.16

(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.

A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE LIMITED**Notes forming part of the financial statements****(Unless otherwise stated, all amounts are in INR lacs)****Interest rate risk exposure**

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

Particulars	March 31, 2018	April 1, 2018
Variable rate borrowing	-	-
Fixed rate borrowing	103.24	103.24
Total borrowings	103.24	103.24

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)	1.03	1.03
Interest rates – decrease by 100 basis points (100 bps)	-1.03	-1.03

* Holding all other variables constant

(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	-	-
Total deposits	-	-

Note 23 : 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	103.24	103.24
Other Financial Liabilities	428.26	414.85
Trade & other payables	12.33	10.07
Less: cash and cash equivalents	0.07	0.16
Net debt	543.76	528.00
Equity	(11.11)	(4.81)
Capital and net debt	532.65	523.19

Gearing ratio**102.08%****100.92%**

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.

A2Z WASTE MANAGEMENT (NAINITAL) PRIVATE LIMITED**Notes forming part of the financial statements****(Unless otherwise stated, all amounts are in INR lacs)****Note 24 : Post-reporting date events**

No adjusting or significant non-adjusting events have occurred between the 31 March 2018 reporting date and the date of authorisation.

Note 25 : Authorisation of financial statements

The Financial statements for the year ended 31 March 2018 (including comparatives) were approved by the board of directors on 23 May 2018.

Note 26:

During the period ended March 31, 2011, a consortium comprised of A2Z Maintenance & Engineering Services Limited, the parent company of A2Z Infrastructure Limited and M/s Bhumika Transport has been awarded project under a tender floated by Nainital Nagar Palika Parishad inviting proposals for Development of Integrated Solid Waste Management Facilities on Build, Operate and Transfer basis for a concession period of 15 years for the city of Nainital in the state of Uttarakhand on December 14, 2011.

The scope of work of the

Project includes:

- Door-to-door collection of solid waste from household, shops, commercial establishments, industrial units and institutions.
- Providing separate bins, at point of collection for biodegradable/non degradable waste.
- Procurement and operation of equipments, vehicles and tools for door-to-door collection.
- Secondary storage of wastes.
- Waste transfer from primary collection equipments to light motor vehicles.
- Collection of waste from daily sweeping of streets.
- Transportation of wastes to treatment facilities.
- Build, Operate & Maintain workshop for maintenance of vehicle/ equipments
- Procure project vehicles, equipments and other assets required for the execution of the Project in accordance with the specifications provided in Draft Concession Agreement and Project Information Memorandum.
- Construction, Operations and Management of treatment facilities and land fill sites.

It was proposed that the facility be under Jawahar Lal Nehru National Urban Renewal Mission (JNNURM)/UIDSSMT on BOT 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 the Company has been taken over by A2Z Infrastructure Limited, by acquiring 100% shareholding of the Company (directly or through its nominees) on October 28, 2011 for undertaking the Integrated Solid Waste Management System in the city of Nainital as a Special Purpose Vehicle Company (SPV). And further 24,000 shares are issued to A2Z Maintenance & Engineering Services Limited, 13,000 shares to M/s Bhumika Transport and 3,000 shares to A2Z Infrastructure Limited as on 23rd December, 2011.

For the execution of the project, an agreement has been entered into between A2Z Waste Management (Nainital) Pvt. Ltd. and Nainital Nagar Palika Parishad on 14th December, 2011. The Company will be paid a tipping fee as mentioned in the agreement, during the concessioner period.

For the project, it has been proposed to provide the concessionaire with a grant of Rs 80,000,000 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 amount received has been disclosed under the head "Other financial liabilities" under note 14 of the financial statements.

Note 27 : Note on SBN

Details of specified bank notes held and transacted during the period from November 08, 2016 to December, 30, 2016, pursuant to Ministry of Corporate Affairs(MCA) notification G.S.R. 308(E) dated March 30, 2017:

Particulars

Closing Balance As On 08/11/2016
ADD- Permitted Receipts
Less- Permitted Payments
Less- Deposited in Banks
Closing Balance As On 30/12/2016

SBNs	Other Denomin	Total (in Rs.)
-	0.01	0.01
-	-	-
-	-	-
-	-	-
-	0.01	0.01

For Mahesh Aggarwal & Associates

Chartered Accountants
Regn. No. 006092N

Mahesh Agarwal
Partner
M.No. 85013

For and on behalf of the Board of Directors

Sd/-
Vikas Guliani
Director
(DIN : 06873154)

Sd/-
Sunil Kumar
Director
(DIN : 07708068)

Place: Gurgaon**Date :** 23-May-2018