

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

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue			
Other Income	18	3.06	51.26
Total income		3.06	51.26
Expenses			
Finance costs	19	28.17	71.33
Other expenses	20	6.08	1.64
Total expenses		34.24	72.97
Exceptional Gain/ loss		(142.33)	-
Profit / (loss) before exceptional and tax			
Profit / (loss) before tax		(173.51)	(21.71)
Tax expense			
Current tax		-	-
Deferred tax		-	-
		0.00	0.00
Profit/(loss) for the period		(173.51)	(21.71)
Other Comprehensive Income			
A i)Items that will not be reclassified to profit and loss		-	-
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		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
		-	-
Total Comprehensive Income for the period		(173.51)	(21.71)
Loss per equity share:			
Basic (in INR)	21	(347.02)	(43.43)
Diluted (in INR)	21	(347.02)	(43.43)

The accompanying notes forms an integral part of the financial statements

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

For Mahesh Aggarwal & Associates

Chartered Accountants

Mahesh Aggarwal

Partner

M No. 85013

Regn No. 006092N

Place : Gurgaon

Date : 24-May-2018

For and on behalf of the Board of Directors

Sd/-
Sunil Kumar
Director
(DIN : 07708068)

Sd/-
Vikas Guliani
Director
(DIN : 06873154)

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED
Statement of cash flows for the year ended March 31, 2018
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash flow from / (used in) operating activities		
Net loss before tax	(173.51)	(21.71)
Adjustment for		
Interest income		
Interest expense	7.24	71.33
Unrealised foreign exchange fluctuation loss	-	(13.75)
Amount written off	142.33	-
Interest income	(3.06)	(37.50)
Operating loss before working capital changes	(27.00)	(1.63)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	399.37	2.00
Non current assets		
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	135.74	2.91
Other current liability	(2.91)	3.53
Other financial liability	0.55	
Cash generated from / (used in) from operations	505.75	6.81
Current taxes paid (net of refunds)	(0.30)	(3.75)
Net cash generated from / (used in) operating activities	505.44	3.07
B Cash flow from / (used in) investing activities		
Interest received	3.06	3.79
Net cash generated from / (used in) investing activities	3.06	3.79
C Cash flow from / (used in) financing activities		
Proceeds from long term borrowings	(0.00)	6.20
Interest paid	(260.27)	(14.31)
Repayment of long term borrowings		
Proceeds/(Repayments) from short term borrowings from affiliates (net)	(248.10)	0.63
Net cash generated from / (used in) financing activities	(508.38)	(7.48)
Net increase in cash and cash equivalents (A+B+C)	0.13	(0.62)
Cash and cash equivalents at the beginning of the year	1.13	1.74
Cash and cash equivalents at the end of the period	1.26	1.13
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 in current accounts	1.25	1.12
	1.26	1.13

Note: Changes in liabilities on account of financing activities

Opening Balance	1,324.12	1,381.93
Add/Less: Changes from financing cash flows	(508.38)	(7.48)
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	(553.62)	(50.33)
Closing Balance	262.12	1,324.12

The accompanying notes form an integral part of the financial statements
This is the statement of cash flows referred to in our report of even date

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

Mahesh Agarwal
Partner
M No. 85013

Place : Gurgaon
Date : 24-May-2018

For and on behalf of the Board of Directors

Sd/-
Sunil Kumar
Director
(DIN : 07708068)

Sd/-
Vikas Guliani
Director
(DIN : 06873154)

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED
Statement of Changes in Equity for the period ended March 31, 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	10	50,000	5.00
Changes in equity share capital		-	-
Balance as at March 31, 2018	10	50,000	5.00

B Other Equity

	Notes	Deemed equity	Equity component of compound financial instruments	Reserves and Surplus- Retained earnings	Total
As at April 1, 2017		-	109.62	(145.04)	(35.42)
Change during the year					-
Under Corporate Debt Restructuring Scheme					-
Under Employee Stock Option Plan scheme					-
Addition during the year		697.20			697.20
Add: Loss for the year	11		-	(173.51)	(173.51)
As at March 31, 2018		697.20	109.62	(318.55)	488.26

This is the statement of change in equity referred to in our report of even date

For Mahesh Aggarwal & Associates

Chartered Accountants
Regn. No. 006092N

For and on behalf of the Board of Directors

Mahesh Agarwal
Partner
M.No. 85013

Sd/-
Sunil Kumar
Director
(DIN : 07708068)

Sd/-
Vikas Guliani
Director
(DIN : 06873154)

Place: Gurgaon
Date : 24-May-2018

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED

Summary of Significant accounting policies of the Standalone financial statements for the year ended March 31, 2018

Note 1 : Nature of operations

A2Z Waste Management (Sambhal) Limited ('A2Z' or 'the Company' or 'SPV') is the wholly owned subsidiary of A2Z Green Waste Management Ltd. (Formerly A2Z Infrastructure Limited). It was incorporated at National Capital Territory of Delhi and Haryana on November 10, 2010 for providing Waste Management Services.

The Company's main business primarily would include Door to door collection, intermediate transportation, and Engineering sanitary land fill.

Note 2 : Significant Accounting Policies

2.1 Basis of Accounting:

The financial statements of the Company have been prepared in accordance with 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 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.

2.2.1 Revenue from operation and maintenance services :

Revenue from maintenance contracts and renting of equipments are recognised pro-rata over the period of the contract as and when services are rendered in accordance with the terms of the respective contract.

2.2.2 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. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.

2.2.3 Interest Income:

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

2.2.4 Other Income:

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

2.3 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.

2.4 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 2.7. 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.

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED

Summary of Significant accounting policies of the Standalone financial statements for the year ended March 31, 2018

2.5 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.

2.6 Leased Assets

2.6.1 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.

2.6.2 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.

2.7 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.

2.8 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.

2.8.1 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.

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED

Summary of Significant accounting policies of the Standalone financial statements for the year ended March 31, 2018

2.8.2 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.

2.8.3 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.

2.8.4 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.

2.8.5 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.

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED

Summary of Significant accounting policies of the Standalone financial statements for the year ended March 31, 2018

2.8.6 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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 2.13)
- Retained earnings includes all current and prior period retained profits and share-based employee remuneration (see Note 18). 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.

2.13 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.

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED

Summary of Significant accounting policies of the Standalone financial statements for the year ended March 31, 2018

2.14 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.

2.15 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.

2.16 Significant management judgement in applying accounting policies and estimation uncertainty

Recognition of service and construction contract 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.

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 2.10).

2.17 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 2.7).

Useful lives of depreciable assets

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

Inventories

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

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

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.

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED

Notes forming part of the financial statements

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

Note 3: Property, plant and equipment

	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total	CWIP
Gross Carrying Amount:					
Balance as at April 1, 2017	25.76	0.24	0.32	26.32	874.86
Additions	-	-	-	-	1.85
Disposals	-	-	-	-	142.33
Other adjustments	-	-	-	-	-
Balance as at March 31, 2018	25.76	0.24	0.32	26.32	734.38
Accumulated Depreciation:					
Balance as at April 1, 2017	7.83	0.16	0.32	8.30	-
Depreciation for the year	1.79	0.02	-	1.81	-
Impairment for the year	-	-	-	-	-
Asset write off	-	-	-	-	-
Balance as at March 31, 2018	9.62	0.18	0.32	10.12	734.38
Net Carrying Amount:					
Balance as at March 31, 2018	16.14	0.06	0.00	16.20	734.38
Gross Carrying Amount:					
Balance as at April 1, 2016	25.76	0.24	0.32	26.32	873.05
Additions	-	-	-	-	1.81
Disposals	-	-	-	-	-
Other adjustments	-	-	-	-	-
Balance as at March 31, 2017	25.76	0.24	0.32	26.32	874.86
Accumulated Depreciation:					
Balance as at April 1, 2016	6.04	0.14	0.32	6.50	-
Depreciation for the year	1.79	0.02	-	1.81	-
other adjustment	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at March 31, 2017	7.83	0.16	0.32	8.31	-
Net Carrying Amount:					
Balance as at March 31, 2017	17.93	0.08	-	18.01	874.86

A2Z WASTE MANAGEMENT (SAMBHAL) 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 construction.

	As at March 31, 2018	As at March 31, 2017
Buildings under construction	467.71	467.71
Plant equipment's under erection	266.67	266.67
Borrowing costs capitalised	-	113.42
Other expenses (directly attributable to construction/erection of assets)	-	
Employee benefit expense	-	8.33
Depreciation	-	9.32
Other directly attributable expenses (including trial/test run expenses)	-	9.41
Less:- Revenue recognised during trial run period	-	-
Total	734.38	874.86

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

	Ind-AS	
	As at	As at
	March 31, 2018	March 31, 2017
4 Other financial asset		
Bank deposits with more than 12 months maturity	0.50	0.50
	0.50	0.50
5 Non-current tax assets (net)		
Advance income tax	18.64	18.33
Less : Provision for taxation		
	18.64	18.33
6 Other non-current assets		
Capital advances	28.50	28.50
Works contract tax recoverable	1.47	1.47
	29.97	29.97
7 Cash and cash equivalents		
Balances with banks - in current accounts	1.25	1.12
Cash on hand	0.01	0.01
	1.26	1.13
8 Short-term Loans		
Unsecured		
Advances and loans to subsidiaries	20.60	267.50
Interest accrued and due on loan given for Group Company	9.19	161.66
	29.79	429.16
9 Other financial assets		
Considered good	52.00	52.00
	52.00	52.00

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED

Notes forming part of the financial statements

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

Note 10: Share capital

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	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 *	3,850,000	385.00	3,850,000	385.00
	3,900,000	390.00	3,900,000	390.00
Issued, subscribed and fully paid up				
Equity shares of Rs 10 each	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00

* Preference shares have been shown under equity and debt as per amortised cost.

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

	As at March 31, 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 3.2: 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 3.3: Detail of shares held by A2Z Infrastructure 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	50,000	5.00	50,000	5.00
Add: Fresh issue	-	-	-	-
Closing balance	50,000	5.00	50,000	5.00

Note 3.4: 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 Infrastructure Limited	50,000	100%	50,000	100%

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

		Ind-AS			
		As at March 31, 2018	As at March 31, 2017		
11 Reserves and surplus					
A. Equity component of preference shares					
Opening		109.61	109.62		
Closing balance		109.61	109.62		
D. Deemed Equity					
Opening balance		-	-		
Addition during the year		697.20	-		
Closing balance		697.20	-		
D. Statement of profit and loss					
Opening balance		-145.04	(123.33)		
Add: Transfer from statement of profit and loss		(173.51)	(21.71)		
Closing balance		(318.55)	(145.04)		
Total Reserves		488.26	35.42		
12 UnSecured					
Unsecured borrowings - from holding company		52.37	46.60		
		52.37	46.60		
<u>Non-Current Borrowings</u>					
	Maturity Date	Terms of repayment	Coupon Rate/Interest rate	31 March,2018	31 March,2017
<u>Unsecured</u>					
Loan from Group Company	On Demand	On Demand	10.75-14%	52.37	46.60
Total Non-Current Borrowings				52.37	46.60
13 Other non-current liabilities					
Subsidy				110.80	110.80
LER for SWM land leases				0.02	0.02
				110.82	110.82
14 Unsecured					
Loan from Holding Company				4.65	252.75
				4.65	252.75
<u>Current Borrowings</u>					
	Maturity Date	Terms of repayment	Coupon Rate/Interest rate	31 March,2018	31 March,2017
<u>Unsecured</u>					
Loan from Group Company	On Demand	On Demand	10.75-14%	4.65	252.75
Total Current Borrowings				4.65	252.75
15 Trade payables					
Other than acceptances: total outstanding dues of micro and small enterprises*				144.31	8.57
Other than acceptances: total outstanding dues of creditors other than micro and small enterprises				2.00	2.00
Other than acceptances: due to subsidiaries				-	-
				146.31	10.57
Total				-	-

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

[*] Details of dues to micro and small enterprises as per MSMED Act, 2006 the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

- principal amount

- -

- interest amount

- -

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

- -

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

- -

The amount of interest accrued and remaining unpaid at the end of each accounting year; and

- -

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

- -

All the trade payables are short term. The carrying value of trade

16 Other financial liabilities

Current maturities of long-term debt

- 597.74

Payable against purchase of fixed assets: Dues to others

57.74 57.57

Interest accrued and due on borrowings from others

- 78.68

Interest accrued and due from Group Company

0.66 280.20

Director sting fees

0.38 -

58.78 1014.20

17 Other current liabilities

Statutory dues payable

16.54 19.45

16.54 19.45

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED
Notes forming part of the financial statements

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
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18 Other income

Interest income:

- on fixed deposits	0.03	0.05
- on loan given to subsidiaries	2.88	37.45
Foreign exchange fluctuation (net)	0.15	13.75
Mark to Market Income	-	0.01
	3.06	51.26

19 Finance costs

Interest

-on term loans	20.92	27.05
-on group Company	6.50	40.45
-on others	0.74	3.83
- Bank charges	0.01	0.00
	28.17	71.33

20 Other expenses

Electricity

Rent (Refer note 30.1)	(0.00)	0.00
Legal and professional	5.57	1.37
Director sitting fees	0.37	-
- Statutory audit fee	0.13	0.13
Miscellaneous expenses	0.01	0.14
Asset written off	-	-
	6.08	1.64

21 Earnings per share
a) Computation of profit for computing

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Company as the numerator, ie no adjustments to profit were necessary in 2018 or 2017.

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

Amounts in thousand shares:

	Balance as on 31 March 2018	Balance as on 31 March 2017
Weighted average number of shares used in basic earnings 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 earnings per share	50,000	50,000

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

Profit attributable to Shareholders	INR	(173.51)	(21.71)
Basic and weighted average number of Equity shares outstanding during the year	Numbers	50,000	50,000
Nominal value of equity share	INR	10	10
Basic & Diluted EPS	INR	(347.02)	(43.43)

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED

Notes forming part of the financial statements

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

Note 21: Related party

Note 21.1: Names of related parties

Ultimate Holding Company

A2Z Infra Engineering Limited

Holding company

A2Z Green Waste Management Limited

Fellow Subsidiaries

- 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 (Ranchi) 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)

Subsidiaries 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

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

Note 21.2: 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 year / period						
Short Term Loan Taken						
- A2Z Infrastructure Limited		4.65			1.13	
Short Term Loan Repaid						
- A2Z Infrastructure Limited		252.75			0.50	
Interest expenses on loan taken						
- A2Z Infrastructure Limited		6.50			35.31	
Short term loan refunded						
- A2Z Waste Management (Aligarh) Limited			238.50	-	-	-
- A2Z Waste Management (Varanasi) Limited			8.40	-	-	-
Guarantees given by the Company						
- A2Z Infrastructure Limited						
Interest income on loan given						
- A2Z Waste Management (Varanasi) Limited			2.88			4.06
- A2Z Waste Management (Aligarh) Limited						33.39
Expenses incurred on behalf of Company						
- A2Z Infrastructure Limited		4.10			0.21	
Expenses incurred (includes funds transferred) by Company						
- A2Z Infrastructure Limited					2.03	
Balance outstanding as at the end of the year / period						
Short term loan given						
- A2Z Waste Management (Varanasi) Limited			20.60			29.00
- A2Z Waste Management (Aligarh) Limited			-			238.50
Other current assets (interest accrued)						
- A2Z Waste Management (Varanasi) Limited			9.20			21.00
- A2Z Waste Management (Aligarh) Limited			-			140.66
Short term unsecured borrowings						
- A2Z Infrastructure Limited		4.65			252.75	
Other current liabilities						
- A2Z Infrastructure Limited		4.86			0.76	
- A2Z Infrservices Limited			2.00			2.00
- A2Z Infra Engineering Limited	130.23			130.23		
Other current liabilities (interest accrued)						
- A2Z Infrastructure Limited		0.66			149.21	

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

Note 22: Tax Expense

	For the year ended March 31 2018	For the year ended 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	For the year ended March 31 2017
Loss before tax	(173.51)	(21.71)
Corporate tax rate as per income tax act,1961	25.75%	25.75%
Tax on accounting profit	(44.68)	(5.59)
i) Tax effect on non deductible expenses/Non taxable income	1.68	
ii) Tax effect on temporary timing differences on which deferred tax not created	0.06	
iii) Tax effect on losses of current year on which no deferred tax is created	42.95	5.59
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 2015-16	1.69	0.43	March 31, 2024	1.69	0.43	March 31, 2024
Assessment Year 2017-18	-	-	March 31, 2026	21.71	5.59	March 31, 2026
Assessment Year 2018-19	166.78	42.95	March 31, 2027			
Total	168.47	43.38		23.40	6.02	

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			Not applicable			Not applicable
Expenses on which TDS Not Deposited	0.22	0.06		-	-	
	0.22	0.06		-	-	

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

Note 24 : 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 Companded into three Levels of a fair value

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

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

(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						
Loans	-	-	29.79	-	-	429.16
Cash and Cash equivalents	-	-	1.26	-	-	1.13
Other Financial Assets	-	-	52.50	-	-	52.50
Total Financial Assets	-	-	83.55	-	-	482.79
Financial Liabilities						
Borrowings	-	-	57.02	-	-	897.09
Trade payables	-	-	146.31	-	-	10.57
Other financial liabilities	-	-	58.79	-	-	416.46
Total Financial	-	-	262.12	-	-	1,324.12

(ii) Risk Management

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

Risk	Exposure arising from	Measurement	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base,
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing
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
Market risk - security	Investments in equity securities	Sensitivity analysis	Portfolio diversification

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

A. Credit risk

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

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

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

	INR	
	As at	
	31-Mar-18	31-Mar-17
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	-	-

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

March 31, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	4.65	-	-	146.50	151.15
Trade payables	146.31	-	-	-	146.31
Other financial liabilities	58.78	-	-	-	58.78
Total	210	-	-	147	356.25

March 31, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	850.49	-	-	146.50	996.99
Trade payables	10.57	-	-	-	10.57
Other financial liabilities	416.46	-	-	-	416.46
Total	1,277.52	-	-	146.50	1,424.02

Market Risk

(a) Interest rate risk

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	31-Mar-18	31-Mar-17
Variable rate borrowing	-	-
Fixed rate borrowing	57.02	897.09
Total borrowings	57.02	897.09

Sensitivity

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

Particulars	31-Mar-18	31-Mar-17
Interest sensitivity*		
Interest rates – increase by ___ basis points (100 bps)	0.57	8.97
Interest rates – decrease by ___ basis points (100 bps)	-0.57	-8.97

* Holding all other variables constant

A2Z WASTE MANAGEMENT (SAMBHAL) LIMITED**Notes forming part of the financial statements****(Unless otherwise stated, all amounts are in INR Lacs)****Note 25 : 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.

Group	31-Mar-18	31-Mar-17
Borrowings	57.02	897.09
Trade payables	146.31	10.57
Other financial liabilities	58.79	416.46
Less: cash and cash equivalents	1.26	1.13
Net debt	260.86	1,322.99
Equity	493.26	(30.42)
Capital and net debt	754.13	1,292.57
Gearing ratio	0.35	1.02

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.

Note 26 : Other Notes**a) Contingent Liabilities:**

Particulars	31-Mar-18	31-Mar-17
Preference Dividend	0.01	0.01
Total	0.01	0.01

b) Commitments outstanding:

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

Particulars	31-Mar-18	31-Mar-17
Capital commitments	8.54	8.54
Total	8.54	8.54

Note 27 : Authorisation of financial statements

The financial statements for the year ended 31 March 2018 (including comparatives) were approved by the board of directors on 24 May 2018.

For Mahesh Aggarwal & Associates

Chartered Accountants

Regn No. 006092N

Mahesh Aggarwal

Partner

M No. 85013

Place : Gurgaon

Date : 24-May-2018

For and on behalf of the Board of Directors

Sd/-	Sd/-
Manoj Gupta	Sanjeev Sharma
Director	Director
(DIN No.00063460)	(DIN No. 02159764)