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# ...emPOWERing the nation

## A2Z INFRA ENGINEERING LTD.

23rd Annual Report 2023-24

# Across The Pages



**Caution Regarding Forward Looking Statements**

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# Empowering the Nation

Amid a stabilizing global economy, the economic sentiments have been optimistic with caution. Though lower than Calendar Year 2022 (FY22), the world economic output grew by 3.2% for CY23 and remain stable at an estimated 3.2% growth rate for CY24 as per IMF estimates. Indian economy remained one of the fastest growing large economy, globally, in CY23 and Financial Year 2023-24 (FY24). The global economic growth itself was by Emerging Markets & Developing Economies (EMDEs) anchored by India and China from Asia.

India's home numbers are looking promising with 8.2% GDP growth during for FY24, as per NSO estimates. The country is witnessing positive momentum driven by increased government spending on infrastructure, increased GST collection, heightened commercial activity in the private sector.

FY24 was a year of walking the strategic path of strengthening our financial position and improving our operational efficiencies. As we continued on our task to become financially agile and operationally optimized, we made improvements that will further encourage and fuel our future course. During FY24, we have made amicable settlement arrangements with three of our major lenders. An increasingly de-leveraged balance sheet will pave way for rather agile and sustainable future project execution capabilities. Our focus within A2Z Group has been on Facility Management and Municipal Waste Management business verticals and shall continue to be so. In the EPC vertical, we focused on executing existing projects and pursued only the projects that present suitable financial terms. During the year, while we continued be cautious on the quality of projects we scout for, the execution of exiting projects remained a focus area. The execution focus brought us a 11.2% growth in consolidated turnover which reached Rs. 38,849.80 Lakh during FY24. The major contributors to the revenue were Engineering Services (ES) and Facility Management Services (FMS) businesses.

As we witness a strong performance by Indian Economy and a stable world economy, the opportunities for infrastructure segment are turning immense. Being contributor to the infrastructure industry, we are optimistic about the future outlook for our businesses. We are committed to our mission of 'empowering the nation'.

# From the Management's Desk

**Dear Shareholders,**

It is my honour to address you all and share your Company's Annual Report for the Financial Year 2023-24.

The macro environment for business has been cautiously optimistic during the period under review. The global economy was stable with 3.2% growth in the calendar year 2023 over 2022. Though the growth rate was lower than 3.5% of 2022 but it is projected to remain stable at 3.2% during 2024. The global economy has stayed resilient in the midst of geo-political conflicts between Russia and Ukraine besides the continued war conflict in the Middle-East or West-Asia. The cumulative of Emerging Markets & Developing Economies post a healthy growth rate of 4.3% in 2023 against 4.0% in 2022. While the Euro area remained subdued, the U.S. economy continued to grow. One most positive aspect of macro environment has been the strong performance by Indian economy. Indian economy grew by 8.2% growth during Financial Year 2023-24 (FY24) compared to FY23 while Gross Value Added (GVA) at 2011-12 prices increased by 7.2%. This balanced character of progress on the demand as well as supply side gave the right impetus for the economy. The industrial segment of the Indian Economy made a strong come back in terms of manufacturing GVA which rebounded from a negative number in FY23 to a 9.9% growth. The much heightened construction activity in the infrastructure sector and highest ever tax collection by the Government have added a major push to economic growth.

With many positives to the India growth story, India is expected to become third-largest economy across the globe by 2030. The various policies and campaigns of the Government are helping many major industries also to grow. The prominent government schemes like 'Swachh Bharat Abhiyaan', 'National Infrastructure Pipeline'; infrastructure development for '5G Network' rollout; the setting of up a 'Sixth Generation (6G) Innovation Group' by Department of Telecommunications (DoT); Digital India programme; 24% allocation of total government investments to renewable energy; and 12% investment allocation to Railways, these all augur well for sectors we operate in.

Financial Year 2023-24 (FY24) has been another year in the strategic phase in your Company's journey to consolidate and streamline its businesses. Our objectives have been to strengthen the financial health; ensure viability in projects we pick; complete the on-going projects; improve debt position; and rationalize the business structure. During FY24, we are working further on this strategy and took important decisions and significant steps.

The year FY24 also witnessed some strong decisions to rationalize our business structure and optimize our costs further to have sound financial health for long-term sustainability. During FY24, your Company posted consolidated turnover of INR 38,849.80 lakhs as against INR 34,944.16 lakhs in the previous financial year – a growth of 11.2%. This growth in consolidated revenues was primarily contributed by Engineering Services (ES) and Facility Management Services (FMS). While the ES revenues grew by 23.9% from INR 6,941 lakhs in FY23 to INR 8,600 lakhs in FY24, the FMS business grew by 23.2% from INR 17,863 lakhs in FY23 to INR 22,011 lakhs in FY24. Our Municipal Solid Waste Management (MSW) business posted revenues of INR 8,238 lakhs with a 0.2% growth over the previous year. The contribution to consolidated revenues was 56.7% from FMS business, 22.1% from ES business and 21.2% from MSW business.

During FY24, we continued on our strategic agenda of reducing our debt though amicable One Time Settlement (OTS) with our lenders. During the year under review, we have concluded full Cash OTS with our three major Lenders, thereby, significantly reducing our debts. The debt reduction will pave way for the future growth of the Company with least possible finance cost and with less leveraged balance sheet for future business opportunities.

Going forward, your Company will focus on the strong mainstays of its business i.e. FMS business and MSW business besides exploring profitable and viable projects in ES business. The Company will continue to strengthen its balance sheet gearing for future growth. Our on-going efforts, with our lenders for amicable settlements, will continue and all endeavours will be towards faster resolution. Our project execution capabilities and trust of our customers will keep our focus on executing and completing all on-going projects. With advent of new age technologies like AI, Big Data, Analytics and Machine Learning etc, our endeavours will be integrate these technologies to a larger extent in our business.

I would like to express my sincere gratitude to the Board for its continued guidance and support. I would like to place on record my heartfelt gratitude to all our stakeholders including our investors, employees, vendor partners, lenders and customers for their continued trust and support to implement our long-term strategic agenda for growth & sustainability.

**Amit Mittal**

Managing Director cum CEO

# Corporate Information

## BOARD OF DIRECTORS

**Ms. Atima Khanna**
Non-Executive Independent Director (Chairperson)

**Mr. Amit Mittal**
Managing Director & CEO

**Ms. Ritu Goyal**
Non-Executive Independent Director

**Mr. Parmatma Singh Rathor**
Non-Executive Independent Director

**Ms. Dipali Mittal**
Non-Executive Non-Independent Director

**Mr. Arun Gaur**
Non-Executive Non-Independent Director

**Mr. Manoj Tiwari**
Non-Executive Non-Independent Director

**CHIEF FINANCIAL OFFICER**
Mr. Lalit Kumar

**COMPANY SECRETARY CUM COMPLIANCE OFFICER**
Mr. Atul K. Agarwal

## STATUTORY AUDITORS
MRKS and Associates, Chartered Accountants

## REGISTRAR & SHARE TRANSFER AGENT

**M/s. Alankit Assignments Ltd.**
Alankit House, 4E/2, Jhandewalan Extension,
New Delhi – 110 055
Ph.:+91 11 42541234, 23541234
Fax: +91 11 23552001

## REGISTERED OFFICE
O-116, 1st Floor, DLF Shopping Mall,
Arjun Marg, DLF Phase I,
Gurugram-122002, Haryana (India)

## CORPORATE OFFICE
Ground Floor, Plot No. 58,
Sector - 44, Gurugram-122003
Haryana (India)
Website: www.a2zgroup.co.in

## BANKERS
1. DBS Bank Ltd.
2. ICICI Bank Ltd.
3. IDBI Bank Ltd.
4. Indian Bank Ltd. (Erstwhile Allahabad Bank Ltd.)
5. IndusInd Bank Ltd.
6. Kotak Mahindra Bank Ltd.
7. Union Bank of India

# Board's Report

**To,**
**The Members of**
**A2Z Infra Engineering Ltd.**

Your Directors take pleasure in presenting the 23rd Annual Report together with the annual audited financial statements for the year ended March 31, 2024.

## 1. Financial summary or highlights/Performance of the Company

The highlights of financial results on Standalone and Consolidated basis for the financial year ended on March 31, 2024 are as follows:

**(INR in Lakh)**

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | **2023-24** | **2022-23** | **2023-24** | **2022-23** |
| **Income** | | | | |
| Revenue from Operations | 8,599.77 | 6,958.65 | 38,848.80 | 34,944.16 |
| EBIDTA | (3,547.48) | (16.28) | (1,659.88) | 3,402.79 |
| Finance Cost | 277.95 | 700.77 | 622.54 | 1,329.49 |
| Depreciation and amortization expenses | 116.14 | 482.90 | 518.39 | 883.24 |
| **Profit/(Loss) before Exceptional Items and tax** | **(3,941.57)** | **(1,199.95)** | **(2,800.81)** | **1,190.06** |
| Exceptional Items | 3,085.61 | (5,312.58) | 5,763.24 | (12,204.13) |
| Share of profit/(loss) from associate | - | - | (3,421.85) | 396.16 |
| **Total Tax Expense** | **15.31** | **2,641.61** | **277.06** | **1,987.57** |
| **Profit/Loss for the year** | **(871.27)** | **(9,154.14)** | **(736.48)** | **(12,605.48)** |
| **Other Comprehensive Income (net of tax)** | **(25.31)** | **(7.21)** | **(127.43)** | **96.16** |
| **Total Comprehensive income for the year** | **(896.58)** | **(9,161.35)** | **(863.91)** | **(12,509.32)** |

**Note**: The above figures are extracted from the standalone and consolidated annual financial statements of the Company as per Indian Accounting Standards (Ind AS).

**Operations Review**

***Standalone:***

During the year under review, the Turnover of the Company has shown an increase as compared to that of the previous year by 23.58%. The Company has achieved a Turnover of INR 8,599.77 Lakh as against INR 6,958.65 Lakh in the previous year. The net loss of the Company has been reduced from INR 9,154.14 Lakh in the previous year to INR 871.27 Lakh in the current year.

The Net Worth of the Company has decreased to INR 837.10 Lakh as at the end of the current year from INR 1,656.62 Lakh as at the end of the previous year representing decrease in Net Worth by 49.47%.

The Debt Equity ratio of the Company has changed to 20.69 as at the end of the current year as compared to 15.81 as at the end of the previous year.

***Consolidated:***

The consolidated Turnover of the Company for the current financial year is INR 38,848.80 Lakh as against INR 34,944.16 Lakh in the previous year representing increase in Turnover by 11.17%. On a consolidated basis, the net loss of the Company has been reduced form INR 12,605.48 Lakh in the previous year to INR 736.48 Lakh in the current year.

The consolidated Net Worth of the Company has decreased to INR 3,217.95 Lakh as at the end of the current year from INR 3,805.01 Lakh as at the end of previous year representing decrease in Net Worth by 15.43%.

The consolidated Debt Equity ratio of the Company has changed to 6.15 as at the end of the current year compared to 8.23 as at the end of previous year.

## 2. Consolidated Financial Statements

The Audited Consolidated Financial Statements of your Company as on March 31, 2024, have been prepared in accordance with the relevant Indian Accounting Standards (Ind AS) issued by Accounting Standards Board (ASB) and Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and applicable provisions of the Companies Act, 2013.

In accordance with Section 129(3) of the Companies Act, 2013 and schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements of the Company, including the financial details of all the subsidiaries and associates companies of the Company, forms a part of this Annual Report.

3. **Corporate Governance**

Good governance practices are the norm at our Company. The Company is committed to focusing on long term value creation and protecting stakeholders' interests by applying proper care, skill and diligence to business decisions. Company has adopted and evolved various practices of governance conforming to highest ethical and responsible standards of business.

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 ("hereinafter referred to as SEBI Listing Regulations") forms part of the Annual Report. A certificate from Secretarial Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the SEBI Listing Regulations is annexed as "Annexure - III" and forms part of the report on Corporate Governance.

4. **Operational highlights**

The key highlights of the Company's various businesses are as follows:

**Power Transmission & Distribution**:

Your Company is an experienced company in Engineering & Urban Infrastructure Services sector. As part of the services, the Company provides integrated design, testing, installation, construction and commissioning services on a turn-key basis to its clients. The Company's projects include rural electrification, railway overhead electrification, reduction of AT&C losses, feeder renovation, underground cabling, feeder segregation, installing High Voltage Distribution System ("HVDS") and Low Voltage Distribution System ("LVDS") distribution lines and transmission lines. The Company has strong capabilities to build, operate and maintain:

- Substations & Switchyards up to 765 kV.
- Transmission lines up to 765 kV.
- 11 / 33 kV distribution lines comprising of Feeder Renovation Projects, Tube Well Connection, Segregation of Domestic and Agriculture load, Augmentation of Lines, Providing Laying of HT & LT Aerial Bunched Cables and Offering BPL Connections along with New connection & replacement of old meter works.

The Company has its overseas presence in Nepal, Uganda and Tanzania.

The Company has also completed projects in various states of India including Jammu & Kashmir, Rajasthan, Orissa, Bihar, Arunachal Pradesh, Jharkhand, Kerala, Chhattisgarh, Haryana, Uttar Pradesh and Himachal Pradesh.

**Telecom Infrastructure EPC**

Telecom Infrastructure Projects is the main business activity of the Company. Major offerings by Company in Telecom Infrastructure EPC are supplying, laying and maintaining of Optical Fibre Cables (OFC) networks. EPC services offered by the Company under this segment include:

- Optical Fiber Cable NLD / Access Networking Construction & Maintenance
- Network Integration
- Telecom Infrastructure Operation & Maintenance Services
- Material Planning & Project Management
- Engineering Construction & Infrastructure Services

Your Company is successfully executing orders for construction of Telecom Network Backbone on Turnkey basis in the untapped toughest terrains of the country like the remote border areas of the Eastern and North Eastern States of India, which will help in building a dedicated optical Network for the defence forces of India, to connect their remote border posts to the mainland.

Further, Company has tied up with Telesonic Network Ltd. (an Airtel group company) for work to be carried out on continuing basis at various circles including obtaining permission from applicable authority for HDD/Open Trench/Moiling/First level restoration/Duct Pulling up to 4 number/DIT/All Fiber Blowing & Pulling/Splicing/Manhole and Hand hole Supply and installation/ODF and OTB installation/AT Testing and sign off/Handover to O&M Team and such other work as may be specified/required from time to time.

The Company combine a proven track record and professional skills woven together with a culture of trust.

**Going Concern**

The Auditors of Company has modified its opinion on the financial statements as on March 31, 2024 that they are unable to comments on the ability of the Company to continue as a going concern. As on March 31, 2024, Company has accumulated losses amounting to INR 1,07,546.89 Lakhs and is presently facing acute liquidity problems on account of delayed realization of trade receivables. Also, certain lenders have filed applications with the Debt Recovery Tribunal (DRT) for recovery of their dues. Further, two parties have also filed applications with the NCLT for recovery of their dues. The said outstandings are disputed in nature, and Company is pursuing the same before the NCLT, hence, at present said matters are sub-judice.

The Company has been in discussions with the lenders regarding settlement of their outstanding borrowing/ dues. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Company is in discussions, is uncertain in the absence of any confirmations from such customers. As per the Auditors, the Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. Further, the Branch auditor of the Company's Tanzania Branch has also reported a material uncertainty related to going concern section in their auditor's report on the financial statements of the branch for the year ended 31st March 2024.

However, the Board of Directors is evaluating various options and has entered into one-time settlement agreements with various lenders for settlement of their outstanding with Company and is in further negotiation on the terms of settlement with the remaining lenders for settlement of their existing debt obligations. Further, the Board of Directors is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized in the upcoming year. The Board of Directors believes that the Company will be able to settle its remaining debts in due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the financial statements and accordingly, these have been prepared on a going concern basis.

**5. Dividend**

Due to losses incurred by the Company, the Board of Directors does not recommend any dividend for the financial year ended March 31, 2024.

**6. Transfer to Reserves**

The Company has not transferred any amount to reserves during the year under review.

**7. Share Capital**

**Authorised Share Capital:**

During the year under review, the Authorised Share Capital of the Company is INR 24,000 Lakh divided into 2400.00 Lakh equity shares of INR 10/- (Indian Rupees Ten only) each.

**Paid up Share Capital:**

The Company has not issued any shares during the year, the paid up share capital of the Company stood INR 176,11,98,580/- (Indian Rupees One Hundred Seventy Six Crore Eleven Lakh Ninety Eight Thousand Five Hundred Eighty Only) divided into 17,61,19,858 (Seventeen Crore Sixty One Lakh Nineteen Thousand Eight Hundred Fifty Eight) Equity Shares of INR 10/- each as at March 31, 2024.

**8. Subsidiaries and Associate Companies**

As on March 31, 2024, the Company had 11 (Eleven) direct and step down subsidiary Companies and 17 (Seventeen) Associate Companies. Further, the Company has entered into Joint Venture agreements with unincorporated JV's for bidding of tenders & contracts the details of which is given in the note no. 34 & 35 to the standalone and note no. 35 & 36 to the consolidated financial statements. Also, the Company is a member of an association of person (AOP) in which Company is having 60% share in profits.

As per sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements and performance of the Company's subsidiaries and associate companies for the year ended March 31, 2024, is included as per the prescribed format in this Annual Report. The Financial Statements of these subsidiaries are uploaded on the website of the Company in compliance with Section 136 of the Companies Act, 2013. The Financial Statements of these subsidiaries and the other related detailed information will be made available to any Member of the Company seeking such information at any point of time and are also available for inspection by any Member at the Registered Office of the Company on all working days except Saturday and Sunday during business hours up to the date of the Annual General Meeting.

During FY 2023-24, there has been no major change in the nature of business of the subsidiaries.

During the year under review, to consolidated the operations and to take steps for the non-operational companies, Management has discussed and has taken steps for closure of the said Company(ies). Accordingly, A2Z Waste Management (Ahmedabad) Ltd. ("Ahmedabad"), associate of the Company has has been striked off w.e.f. June 11, 2024. Further, Magic Genie Services Ltd.("Magic Genie"), Subsidiary of the Company has been striked off w.e.f. June 26, 2024.

In terms of the Regulation 46(2)(h) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy for determining material subsidiaries is placed on the website of the Company –

http://media.a2zgroup.co.in/pdf/Policy_on_material_subsidiary_13.02.2021.pdf

Report on the performance and financial position of each of the subsidiaries and associates has been provided in **Form AOC-1** and forms part of the Annual Report as **Annexure A**.

**9. Directors and Key Managerial Personnel**

**1. Appointment/Re-appointment & Cessation of Directors/KMP's**

**Appointment/Re-appointment:**

**During the year under review:**

i) Ms. Ritu Goyal was appointed as "Additional Director (Non-Executive Independent Director)" of the Company w.e.f. August 11, 2023 and regularized as "Non-Executive Independent Director" in the Annual General Meeting held on September 29, 2023 for the financial year 2022-23.

ii) Mr. Parmatma Singh Rathor was appointed as "Additional Director (Non-Executive Independent Director)" of the Company w.e.f. August 11, 2023 and regularized as "Non-Executive Independent Director" in the Annual General Meeting held on September 29, 2023 for the financial year 2022-23.

**Retirement/Cessation**:

**During the year under review:**

i) Mr. Surender Kumar Tuteja who was appointed under the category of " "Non-Executive Independent Director" effective from July 25, 2008, has resigned from his position w.e.f. August 18, 2023 due to his other preoccupations and commitments and there is no other material reason for his resignation other than as specified above.

The Board has placed on record their appreciation for the valuable contributions and the tremendous work ethics and professionalism exhibited by him during his tenure of service with the Company.

**2. Retire by Rotation**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Manoj Tiwari (DIN: 03597274), Director liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

**3. Key Managerial Personnel**

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Companies Act, 2013 read with the rules framed thereunder, the Key Managerial Personnel's (KMP's) of the Company as on date of this report; are:

1. Mr. Amit Mittal, Managing Director cum CEO

2. Mr. Lalit Kumar, Chief Financial Officer

3. Mr. Atul Kumar Agarwal, Company Secretary

In compliance with sub-regulation (3) of Regulation 36 of SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings, brief resume, expertise and other details of Director(s) proposed to be re-appointed are given in the Notice convening the ensuing Annual General Meeting.

**10. Policy on Directors' appointment and Remuneration**

As on March 31, 2024, the Board consists of Seven members, One(1) is Executive Director-Managing director Cum CEO, three (3) are Non-Executive and Non-Independent Directors one of whom is the Woman director and other three (3) are Non-Executive Independent Directors two of whom are Women Independent Directors.

In terms of the provisions of Section 178(3) of the Act and Para A of Part D under Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, KMP and Senior Management and their remuneration. The policy covers the criteria for making payments to the NEDs.

The Remuneration Policy of the Company can be accessed via following link.-

http://media.a2zgroup.co.in/pdf/Remuneration_Policy_13.02.2021.pdf

**11. Declaration by Independent Director(s)**

The Company has received necessary declaration from each of the Independent Directors under section 149(7) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 that they meet the criteria of independence as laid down in section 149(6) of the Companies act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. Further, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

The Company has also received from them, declaration of compliance of Rule 6(1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the Indian Institute of Corporate Affairs, Manesar, for inclusion/ renewal of name in the data bank of Independent Directors. With regard to integrity, expertise and experience (including the proficiency) of the Independent Directors, the Board of Directors have taken on record the declarations and confirmations submitted by the Independent Directors and is of the opinion that they are persons of integrity and possess relevant expertise and experience and their continued association as Director will be of immense benefit and in the best interest of the Company. With regard to proficiency of the Independent Directors, ascertained from the online proficiency self-assessment test conducted by the Institute, as notified under Section 150(1) of the Act, the Board of Directors have taken on record the information submitted by Independent Directors that they have complied with the applicable laws.

**12. Annual evaluation of Board Performance and Performance of its Committees and Individual Directors**

Annual evaluation of the performance of the Board, its Committees and individual directors has been made pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The performance of the Board was evaluated by the members of the Board on the basis of the guidance note and criteria laid down such as the Board composition and structure, effectiveness of board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders,competence and experience of Board to conduct its affairs effectively, operations are in line with strategy, integrity of financial information and the robustness of financial and other controls, effectiveness of risk management processes, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the guidance note and criteria laid down such as the composition of committees, effectiveness of committee meetings, committees are appropriate with the right mix of knowledge and skills, effectiveness and advantage of the Committee, independence of the Committees, etc.

The Board and the Nomination & Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, willingness to devote time and effort to understand the company and its business by the directors, competency to take the responsibility and having adequate qualification, experience and knowledge, quality and value of their contributions at board meetings, effectiveness of Leadership quality of the Chairperson etc.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairperson was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors were also discussed.

**13. Number of meetings of the Board of Directors**

During the year, Five (5) meetings of the members of Board and one meeting of Independent Directors were held, the details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, were adhered to while considering the time gap between two consecutive meetings.

**14. Meetings of the Audit Committee**

During the year under review, the Audit Committee met 4 (Four) times. The details of the meetings, composition and terms of the reference of the Committee are given in the Corporate Governance Report which forms a part of this Annual Report.

**15. Change in the nature of business**

There has been no change in the nature of business during the year under review.

**16. Material Changes and Commitments**

There were no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year of the Company and the date of this report.

**17. Updates on One Time Settlement (OTS) with the Lender(s)**

During the year under review, due to stressed cash flows, Company was not able to pay the balance amount to some Lenders with whom Company has entered into one time settlement arrangement and hence, Company has entered into revised Settlement agreement(s) with them and also have done Settlement Arrangement with some other Lenders as mentioned below:

1. Company has entered into Settlement Arrangement on October 27, 2023 with Kotak Mahindra Bank Ltd., to settle all its outstanding dues through full cash One Time Settlement (OTS) for a deferred Consideration of INR 1,500 Lakh against the total fund based outstanding amount of INR 9,381 Lakh.
2. Company has entered into revised Settlement Arrangement on November 15, 2023 with Edelweiss Asset Reconstruction Co. Ltd. acting in its capacity as trustee of EARC Trust SC 217 for the Loan assigned by ICICI Bank Ltd., to settle all its outstanding dues through full cash One Time Settlement (OTS) for a deferred Consideration of INR 1,100 Lakh against the outstanding amount of INR 3,525 Lakh.
3. Company has entered into Settlement Arrangement on March 20, 2024 with Axis Bank Ltd., to settle all its outstanding dues through full cash One Time Settlement (OTS) for a deferred Consideration of INR 1,700 Lakh against the total fund based outstanding amount of INR 10,270 Lakh.
4. After the Year under review, Company has entered into Settlement Arrangement on May 28, 2024 with Union Bank of India, to settle all its outstanding dues through full cash One Time Settlement (OTS) for a deferred Consideration of INR 900 Lakh against the total outstanding amount of INR 2,618 Lakh.

Your Company is working assiduously to reduce the debt burden and in line with this strategy the Company has entered into One Time Settlement Agreements (OTS) with various Lenders, wherein it had settled the outstanding borrowings by upfront payments and deferred installments. During the year under review, Company has done OTS with Kotak Mahindra Bank Ltd., Edelweiss Asset Reconstruction Company Limited as representative of EARC trust SC 217 for the Loan assigned by ICICI Bank, Axis Bank Ltd. and after the year under review, Company has done OTS with Union Bank of India. Company is also in discussion with the remaining Lenders for finding a prudent resolution of their respective fund/non-fund based exposure to the Company by doing one time settlement with them.

**18. Deposits**

During the year under review, the Company has not accepted any deposits within the meaning of Sections 2(31) and 73 of the Companies Act, 2013, and the Rules framed thereunder and any re-enactments thereof and consequently, there was no amount of principal or interest was outstanding towards the Public deposit as on the date of Financial Statements.

**19. Significant and Material Orders passed by the Regulators or Courts or Tribunals**

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operations.

**20. Internal Financial Controls and systems**

Your Company has in place adequate financial control system and framework in place to ensure:

- The orderly and efficient conduct of its business;
- Safeguarding of its assets;
- The prevention and detection of frauds and errors;
- The accuracy and completeness of the accounting records; and
- The timely preparation of reliable financial information.

The Company's Books of Accounts are maintained in tally and transactions are executed through tally (ERP) setups to ensure correctness/ effectiveness of all transactions, integrity and reliability of reporting. Significant observations including recommendations for improvement of the business processes are reviewed by the Management before reporting to the Audit Committee. The Audit Committee reviews the Internal Audit reports and the status of implementation of the agreed action plan. This system of internal control facilitates effective compliance of Section 138 of Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The internal auditors of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Board regularly reviews the effectiveness of controls and takes necessary corrective actions where weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls. Based on this evaluation, there is nothing that has come to the attention of the Directors to indicate any material break down in the functioning of these controls, procedures or systems during the year.

The Statutory Auditors have given their disclaimer of opinion on the financial reporting in their Report on the effectiveness of the Company's internal financial controls with reference to the Company's ability to continue as a going concern, accrual of interest expenditure in accordance with Ind AS 23 and reconciliation of the same with the lenders, estimating the investment and other dues recoverable in an associate company. Your Directors re-iterate their clarifications on the same as above mentioned elsewhere in the Report.

**21. Secretarial Standards**

The Company is in Compliances with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

**22. Auditors**

**Statutory Auditors and Auditors' Report**

M/s MRKS and Associates ("MRKS") (Firm Registration No. 023711N), Chartered Accountants, were appointed as auditors of the Company for a period of five consecutive years from the conclusion of the 20th Annual General Meeting (AGM) to the conclusion of the 25th Annual General Meeting of the Company.

The auditor's report presented by M/s MRKS and Associates, Auditors on the accounts of the company for the financial year ended March 31, 2024 is self-explanatory and requires no comments and the Management replies to the audit observations are as under:

**Explanation to Para 3.a. of Auditor's report on Standalone Financials of A2Z Infra Engineering Ltd. and Para 3.a. of Auditor's report on Consolidated Financials of A2Z Infra Engineering Ltd., its subsidiaries and associates of A2Z Infra Engineering Ltd.**

Based upon management analysis and assumptions, the management is evaluating various options and has entered into one-time settlement agreements with various lenders (as described in note 22.1 of the financial statements), including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the standalone financial statements and accordingly, these have been prepared on a going concern basis. Refer Note 31 of standalone financial statements and Note 51 of consolidated financial statements for details.

**Explanation to Para 3.b. of Auditor's report on standalone Financials of A2Z Infra Engineering Ltd., & Para 3.b. of Auditor's report on Consolidated Financials of A2Z Infra Engineering Ltd. its subsidiaries, joint ventures and associates of A2Z Infra Engineering Ltd.**

Based upon management analysis and assumptions, management is confident that no additional liability on account of borrowing settlement shall devolve on the Company in addition to the carrying value of such liability as at March 31, 2024. The Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these financial statements. Hence, directors believe that there is no material financial impact on the said disclaimer of opinion. Refer Note 22.1 of standalone financial statements and Note 50 of consolidated financial statements for details.

**Explanation to Para 3.c. of Auditor's report on Standalone Financials of A2Z Infra Engineering Ltd., & Para 3.c. of Auditor's report on Consolidated Financials of A2Z Infra Engineering Ltd. its subsidiaries, joint ventures and associates of A2Z Infra Engineering Ltd.**

Based upon management analysis and assumptions, the recoverable amount from the underlying investments/ assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are fair and appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable. Hence, directors believe that there is no material financial impact on the said disclaimer of opinion. Refer Note 5.2 of standalone financial statements and Note 6.2 of consolidated financial statements for details.

**Branch Auditors**

In terms of Section 143(8) of the Companies Act, 2013 read with Rule 12 of the Companies (Audit and Auditors) Rules, 2014, the audit of the accounts of the branch offices of the Company located outside India is required to be conducted by the person(s) or firm(s) qualified to act as Branch Auditors in accordance with laws of that country. The Board of Directors seeks approval of the Members to authorize the Board of Directors based on the recommendation of Audit Committee to appoint Auditors for the branch office(s) of the Company and also to fix their remuneration. The Board of Directors recommends to the Members to pass the resolution, as stated in Item No. 3 of the Notice, convening the ensuing Annual General Meeting.

**Secretarial Auditor**

In terms of the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. DR Associates, Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the company and its material unlisted Subsidiary Company(ies), namely M/s A2Z Infraservices Ltd., M/s Ecogreen Envirotech Solutions Limited and M/s Mansi Bijlee & Rice Mills Ltd., for the Financial year 2023-24.The Secretarial Audit Report of the Company together with its material unlisted subsidiary(ies) is given as **Annexure B** (Form MR-3) which forms part of this report.

The said Secretarial Audit Reports do not contain any qualification, reservation or adverse remark made by the secretarial auditors

**Cost Auditors**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records in respect of road and construction activity need to be audited. In Compliance to the above, the Board of Directors upon the recommendation of the Audit Committee had appointed M/s SKG & Co. (Firm Registration No. 000418), as the Cost Auditors of the Company for the Financial Year ended March 31, 2025.

In accordance with the above provisions, the remuneration payable to the cost auditors for the financial year ended March 31, 2025 should be ratified by the Members. Accordingly, the Board of Directors recommends to the Members to pass the resolution, as stated in Item No. 4 of the Notice convening the forthcoming Annual General Meeting.

Further, the Cost Auditors' Report as given by M/s SKG & Co. (Firm Registration No. 000418) for financial year 2023-24 do not contain any qualifications, reservations, adverse remarks or disclaimer which call for any explanation/comment from the Board of Directors.

**23. Corporate Social Responsibility (CSR)**

As the Company has incurred losses and is not fulfilling the criteria as specified in Section 135 of the Companies Act, 2013 in the preceding financial year i.e. F.Y. 2022-23. Hence, the provisions of Section 135 are not applicable on the Company for the F.Y. 2023-24 and it was not required to spend any amount towards CSR activities during the financial year.

The CSR Policy of the Company approved by the Board is placed on the website of the Company and may be accessed via following link.-

http://media.a2zgroup.co.in/pdf/CSR_Policy_A2Z_22.pdf

**24. Investor Education and Protection Fund**

During the year under review, no unclaimed dividend is pending to be transferred to IEPF.

Further, during the year under review, the Company had transferred the 105 unclaimed shares which were lying in A2Z Maintenance & Engineering Services Ltd.-unclaimed suspense account to the Investor Education and Protection Fund (IEPF) pursuant to the provisions of Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

**25. Vigil Mechanism / Whistle Blower Policy**

The Board has pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, framed "Vigil Mechanism (Whistle Blower) Policy" ("the Policy")' to deal with instances of fraud and mismanagement, if any. This Policy has been formulated to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns from time to time. The said policy is placed on the website of the Company and may be accessed at a link:-

http://media.a2zgroup.co.in/pdf/VIGIL_(WHISTLE%20BLOWER)_POLICY_13.02.2021.pdf

This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and directors who avail the vigil mechanism and also provide direct access to the Chairperson of the Audit Committee in appropriate or exceptional circumstances.

**26. Particulars of Loans, Guarantees or Investments under Section 186**

Being an infrastructure Company, Section 186 is not applicable on the Company and particulars of loans, guarantees, investments form part of the notes to the Financial Statements provided in this Annual Report. All the loans, guarantees and investments made are in compliance with the provisions of the Companies Act, 2013 and the same are disclosed in the Financial Statements.

**27. Related Party Transactions**

With reference to Section 134 (3) (h) of the Act, all contracts and arrangements with related party under Section 188 (1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. A statement giving details of all Related Party Transactions are placed before the Audit Committee on a quarterly basis for its review.

During the year under review, Company had not entered into any contract or arrangement with the related parties which could be considered 'material' (i.e. transactions entered into individually or taken together with previous transactions during the financial year, exceeding rupees one thousand crore or ten percent of the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower) according to the policy of the Company on the materiality of Related Party Transactions. Accordingly, there are no transactions that are required to be reported in Form-AOC 2. However, you may refer to Related Party transactions in Note No. 35 of the standalone financial statements.

The Policy on materiality of related party transactions as also dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link:

http://media.a2zgroup.co.in/pdf/A2Z-%20Policy%20on%20Materiality%20of%20and%20Dealing%20with%20Related%20Party%20Transactions_01.04.2022.pdf

**28. Employee Stock Option Plan**

The Nomination & Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the A2Z Employees Stock Option Plan 2013 (ESOP 2013), A2Z Employees Stock Option Plan 2014 (ESOP 2014) and A2Z Employees Stock Option Plan 2018 (ESOP 2018) of the Company in accordance with the applicable SEBI Guidelines.

The applicable disclosures as stipulated under Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with regard to ESOP 2013, ESOP 2014 and ESOP 2018, including ESOP re-granted under the above specified scheme(s), if any, are available on the website of the Company at www.a2zgroup.co.in.

The certificates from the Secretarial Auditor of the Company stating that the Schemes have been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolution passed by the members will be available for inspection in electronic mode during the meeting to any person having right to attend the meeting and same may be accessed by sending an e-mail to **investor.relations@a2zemail.com**.

**29. Annual Return**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2024 is available on the Company's website at a2zgroup.co.in under the Investors Section.

**30. Prevention of Sexual Harassment at Workplace**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, your Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

During the year under review, there were no complaints pertaining to sexual harassment.

**31. Disclosure on Cost Records**

Pursuant to provisions of Section 134 of the Act read with Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014, it is confirmed that maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act, is required by the Company and accordingly such accounts and records are made and maintained

**32. Particulars of Employees and Related Disclosures**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure C**.

**33. Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo**

Due to various reasons beyond the control of the Company as mentioned herein above, the power plants of the Company are not operational. Further, there is no any other manufacturing plant owned by the Company.

Hence, most of the Information required to be provided under Section 134(3) (m) of the Act read with the Companies (Accounts) Rules, 2014, are Nil/Not applicable during the year under review. The information, as applicable, are given hereunder:

**Conservation of Energy**: Your Company requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

Further, during the year there are no foreign exchange earnings and outgo.

**34. Disclosure requirements**

a. As per Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, management discussion and analysis are attached, which form part of this report.

b. Details of the familiarization program of the independent directors are available on the website of the Company

http://media.a2zgroup.co.in/pdf/AIEL_Familiarization%20Programme%20for%20Independent%20Directors_2023-24.pdf

c. In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Chief Executive officer and the Chief Financial officer furnished a certificate to the Board of Directors in the prescribed format for the year under review and taken on record by the Board.

**35. Listing**

The Equity Shares of the Company continue to remain listed on BSE Limited and National Stock Exchange of India Limited (NSE). The stipulated listing fees for FY 2024-25 have been paid to both the Stock Exchanges.

**36. Risk Management Policy**

Risk management forms an integral part of the business planning and review cycle. The Company's Risk Management Policy is designed to provide reasonable assurance that objectives are met by integrating management control into the daily operations, by ensuring compliance with legal requirements and by safeguarding the integrity of the Company's financial reporting and its related disclosures.

The Company has a mechanism in place to inform Board members about risk assessment, minimization procedures and periodical review thereof. The Board of Directors and Audit Committee of Board of Directors of the Company inter alia reviews Enterprise Risk Management functions of the Company and ensures appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

**37. Directors' Responsibility Statement**

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

a. In the preparation of the annual accounts for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed and no material departures have been made from the same;

b. we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2024 and of the profit and loss of the company for that period;

c. we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. we have prepared the annual accounts on a going concern basis; and

e. we have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f. we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**38. Fraud Reporting**

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of directors during the year under review.

**39. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.**

**Details of proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) are as follows:**

| S. No. | Case Title | Stage/Status | Tribunal | Remarks |
|---|---|---|---|---|
| **1.** | IDBI Bank Limited Vs. A2Z Infra Engineering Ltd | Case has been disposed off | NCLT Chandigarh | Case has been disposed off |
| **2.** | E & M Electrical Solutions Pvt. Ltd. Vs. A2Z Infra Engineering Ltd. | Reserved for Orders | NCLT Chandigarh | Reserved for Orders |
| **3.** | Jaiprakash Associates Vs. A2Z Infra Engineering Ltd. | Not appeared yet before NCLT | NCLT Chandigarh | Not appeared yet before NCLT |
| **4.** | Industrial Forging Industries Private Limited Vs. A2Z Infra Engineering Ltd. | Case has been disposed off | NCLT Chandigarh | Case has been disposed off |
| **5.** | Dinesh Kumar Gupta Liquidator Vs M/S A2Z Infra Engineering Limited | Next date of hearing is September 13, 2024 | NCLT Delhi | Notice received by the Company |
| **6.** | State Bank of India Vs. M/S A2Z Infra Engineering Limited | Case has been disposed off | NCLT Chandigarh | Case has been disposed off |

**40. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.**
Not Applicable

**41. General**

Your Directors state that no disclosure or reporting is required in respect of the following items (as there were no transactions/instances on the below mentioned items) during the year under review:

1. No Voluntary revision of Financial Statements or Board's Report.

2. No director who is in receipt of any commission from the Company and who is a Managing Director or Whole-time Director of the Company has received any remuneration or commission from any Holding Company or Subsidiary Company of the Company.

   i. Mr. Amit Mittal was appointed as Whole-Time Director in Ecogreen Envirotech Solutions Limited ("Ecogreen"), subsidiary of the Company with effect from November 01, 2021 and he is in receipt of remuneration of INR 78.96 Lakh from Ecogreen during the year under review.

**42. Acknowledgement**

Your Directors place on record their gratitude to the Central Government, State Government Departments, Organizations and Agencies in India and Governments of various countries where the Company has its operations for their continued support and co-operation. The Directors are also thankful to all valuable stakeholders viz., customers, vendors, suppliers, banks, financial institutions, joint venture partners and other business associates for their continued co-operation and excellent support provided to the Company during the year. The Directors acknowledge the unstinted commitment and valuable contribution of all employees of the Company.

The Directors also appreciate and value the trust reposed in them by Members of the Company. Your Directors also thank and appreciate all the Bankers of the Company for their support extended by them to the Company in difficult times and for accepting the settlement process for settling the debt amount in an amicable manner.

**For and on behalf of Board of Directors**

**Sd/-**
**(Atima Khanna)**
**Chairperson**
**DIN-07145114**

**Date**: 14.08.2024
**Place**: Gurugram

**ANNEXURE-A**

## Form AOC-1
## Salient features of the financial statement of the Subsidiaries/Associate/Joint ventures as per Companies Act, 2013
## Part-A Subsidiaries

| S. No. | Name of the Subsidiary Company | Date Since When Subsidiary was acquired | Reporting Period | Reporting Currency | Share Capital | Reserve & Surplus | Investments | Total Assets | Total Liabilities | Turnover (including other income) | Profit/ (Loss) before Taxation | Provision for Taxation | Profit/ (Loss) after Taxation | Proposed Dividend | Extent of Shareholding (in percentage) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | A2Z Infraservices Limited | April 15, 2008 | 2023-24 | INR | 381.60 | 6,819.83 | 1,303.74 | 15,682.41 | 8,480.99 | 22,107.10 | 1,844.57 | 209.22 | 1,635.35 | - | 93.83% |
| 2 | Magic Genie Services Limited (Under process of Strike off w.e.f 01.03.2024)* | February 10, 2011 | 2023-24 | INR | 8.00 | (8.00) | - | - | - | 1.79 | (0.59) | - | (0.59) | - | 75.00% |
| 3 | A2Z Powercom Limited | April 28, 2008 | 2023-24 | INR | 12.50 | (4.54) | - | 832.77 | 824.81 | 42.96 | (156.08) | 2.71 | (158.79) | - | 100.00% |
| 4 | Mansi Bijlee & Rice Mills Limited | June 10, 2010 | 2023-24 | INR | 5.00 | 966.70 | 3,737.38 | 4,356.01 | 3,384.29 | 88.41 | 11.30 | 0.12 | 11.18 | - | 100.00% |
| 5 | Ecogreen Envirotech Solutions Limited | November 10, 2010 | 2023-24 | INR | 5.00 | 2,098.31 | - | 5,842.23 | 3,738.92 | 7,175.41 | 214.81 | 36.92 | 177.89 | - | 79.47% |
| 6 | A2Z Waste Management (Aligarh) Limited | July 15, 2019 | 2023-24 | INR | 5.00 | (36.94) | - | 1,965.33 | 1,997.27 | 2,372.40 | 155.11 | 12.83 | 142.28 | - | 75.06% |
| 7 | A2Z Waste Managment (Ludhiana) Limited | July 15, 2019 | 2023-24 | INR | 5.00 | (808.93) | 11.05 | 4,930.37 | 5,734.30 | 786.72 | (532.97) | - | (532.97) | - | 65.68% |
| 8 | Magic Genie Smartech Solutions Limited | July 15, 2019 | 2023-24 | INR | 5.00 | (47.77) | - | 86.66 | 129.43 | 244.88 | 1.67 | - | 1.67 | - | 65.68% |
| 9 | Rishikesh Waste Management Limited | April 28, 2008 | 2023-24 | INR | 140.00 | (207.02) | - | 230.55 | 297.57 | 330.42 | (3.65) | - | (3.65) | - | 65.68% |
| 10 | Blackrock Waste Processing Private Limited | November 3, 2021 | 2023-24 | INR | 5.00 | (0.63) | - | 4.91 | 0.54 | - | (0.25) | - | (0.25) | - | 60.00% |
| 11 | Vswach Environment (Aligarh) Private Limited | December 9, 2022 | 2023-24 | INR | 1.00 | (0.37) | - | 0.81 | 0.18 | - | (0.17) | - | (0.17) | - | 93.83% |
| 12 | Vsapients Techno Services Private Limited | February 21, 2023 | 2023-24 | INR | 1.00 | (0.35) | - | 0.82 | 0.18 | - | (0.20) | - | (0.20) | - | 93.83% |
| 13 | A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person) | April 5, 2011 | 2023-24 | INR | - | (1,939.72) | - | 230.00 | 2,169.72 | 1.32 | (391.25) | (0.05) | (391.20) | - | 60.00% |

* During the current year Magic Genie Services Limited (direct subsidiarry) is under the process of strike off w.e.f March 1, 2024.

## Part-B Associates

(INR in Lakhs)

| S. No. | Name of the Associate Company | Latest audited Balance Sheet Date | Shares of Associate or Joint Ventures held by the company at the year end | | | Description of how there is significant influence | Reason why the associate/ joint venture is not consolidated | Networth attributable to shareholding as per latest audited Balance Sheet | Profit or (Loss) for the year | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | No. | Amount of Investment in Associates or Joint Venture | Extent of Holding (in percentage) | | | | Considered in Consolidation | Not Considered in Consolidation |
| 1 | Greeneffect Waste Management Limited (Greeneffect Waste Management Group)* | March 31, 2024 | 9693987 | 969.40 | 42.61 | By virtue of shareholding | NA | (56,608.03) | (3,421.85) | (4,608.77) |
| 2 | A2Z Waste Managment (Nainital) Private Limited | March 31, 2024 | 24000 | 2.40 | 48.00 | By virtue of shareholding | NA | (161.08) | - | (128.13) |
| 3 | A2Z Waste Managment (Jaipur) Limited | March 31, 2024 | 10000 | 1.00 | 20.00 | By virtue of shareholding | NA | (856.37) | - | 25.50 |

* Greeneffect Waste Management Limited together with its Subsidiaries is referred to as Greeneffect Waste Management Group.

**ANNEXURE-A**

**Name of the subsidiary which is yet to commence operations**

1. Mansi Bijlee & Rice Mills Ltd.
2. Blackrock Waste Processing Pvt. Ltd.
3. Vswach Environment (Aligarh) Pvt. Ltd.
4. Vsapients Techno Services Pvt. Ltd.

**Names of associates which are yet to commence operations**

1. A2Z Waste Management (Badaun) Ltd.
2. A2Z Waste Management (Balia) Ltd.
3. A2Z Waste Management (Mirzapur) Ltd.
4. A2Z Waste Management (Sambhal) Ltd.
5. A2Z Waste Management (Jaipur) Ltd.
6. Earth Environment Management Services Pvt. Ltd.

**ANNEXURE-B**

## Form No. MR-3

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

### SECRETARIAL AUDIT REPORT

**For The Financial Year Ended March 31, 2024**

**The Members,**
**A2Z Infra Engineering Limited**
**O-116, 1st Floor, DLF Shopping Mall,**
**Arjun Marg, DLF Phase-I, Gurgaon– 122 002**

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by A2Z Infra Engineering Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulations 74 and 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***Not Applicable to the Company during the financial year under review.***

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; ***Not Applicable to the Company during the financial year under review.***

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; ***Not Applicable to the Company during the financial year under review.***

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; ***Not Applicable to the Company during the financial year under review.***

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***Not Applicable to the Company during the financial year under review.***

   (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(vi) As informed by the management, there was no specific law which is applicable to the Company. We have also examined compliances with the applicable clauses of the Secretarial Standards issued by Institute of Company Secretaries of India.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following matter of emphasis:

**1. Legal Proceedings against the Company**

There are instances of legal cases filed against the Company under the various laws applicable to the Company. These cases are filed before various courts of the Country under various statutes. However, as explained by the management the legal proceedings against the Company is not of material or significant nature which impacts the going concern status and Company's operations in future;

2. **Default in payment of Statutory Dues**

   There are instances of defaults and late payment of statutory dues viz. Provident Fund, ESI, Direct and Indirect taxes with respective authorities, under various statutes.

3. **Late Filing of E-forms**

   The Company has been filing the forms and returns with the Registrar within the prescribed time except at two instances wherein the filing has done with additional fees.

**We report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notices are given to all directors to schedule the Board Meeting, for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.

3. All decisions at Board Meetings and Committee Meetings held during the period under review were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

**For DR Associates**
**Company Secretaries**
**Firm Regn. No.: P2007DE003300**

**Sd/-**

**Suchitta Koley**
**Partner**
**FCS 1647; CP No.: 714**
**UDIN: F001647F000954379**

**Place: New Delhi**
**Date: August 14, 2024**

**Note: This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.**

**'Annexure -1'**

**To,**
**The Members**
**A2Z Infra Engineering Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For DR Associates**
**Company Secretaries**
**Firm Regn. No.: P2007DE003300**

**Sd/-**
**Suchitta Koley**
**Partner**
**FCS 1647; CP No.: 714**
**UDIN: F001647F000954379**

**Place: New Delhi**
**Date: August 14, 2024**

## SECRETARIAL AUDIT REPORT OF A2Z INFRASERVICES LIMITED - MATERIAL UNLISTED SUBSIDIARY

**Form No. MR-3**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended March 31, 2024**

**The Members,**
**A2Z Infraservices Limited**
**O-116, Ist Floor, DLF Shopping Mall,**
**Arjun Marg, DLF PH-I**
**Gurgaon, Haryana**

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by A2Z Infraservices Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; ***Not Applicable to the Company during the financial year under review.***

(iii) Secretarial Standards issued by the Institute of Company Secretaries of India.

(iv) As informed by the management, there was no specific law which is applicable to the Company.

Our report is to be read along with the noting as mentioned here-in-under:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; Our examination was limited to the verification of the procedures on test basis.
6. We have not verified the compliance under various State laws specifically applicable to the Company and relied on the Management Representation Letter.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

**We report that:**

**1.** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**2.** Adequate notices are given to all directors for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.

**3.** Majority decisions are carried through while the dissenting members’ views, if any, are captured and recorded as part of the minutes.

**4.** There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

**For DR Associates**
**Company Secretaries**
**Firm Regn. No.: P2007DE003300**
Sd/-
**Deepak Gupta**
**Partner**
**CP No.: 4629**
**UDIN: F005339F000956511**

**Place: New Delhi**
**Date: August 13, 2024**

## SECRETARIAL AUDIT REPORT OF ECOGREEN ENVIROTECH SOLUTIONS LIMITED - MATERIAL UNLISTED SUBSIDIARY

**Form No. MR-3**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended March 31, 2024**

**The Members,**
**Ecogreen Envirotech Solutions Limited**
**O-116, Ist Floor, DLF Shopping Mall,**
**Arjun Marg, DLF PH-I**
**Gurgaon, Haryana**

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Ecogreen Envirotech Solutions Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; ***Not Applicable to the Company during the financial year under review.***

(iii) Secretarial Standards issued by the Institute of Company Secretaries of India.

(iv) As informed by the management, there was no specific law which is applicable to the Company.

Our report is to be read along with the noting as mentioned here-in-under:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; Our examination was limited to the verification of the procedures on test basis.
6. We have not verified the compliance under various State laws specifically applicable to the Company and relied on the Management Representation Letter.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We report that:**

**1.** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**2.** Adequate notices are given to all directors for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.

**3.** Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**4.** There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

**For DR Associates**
**Company Secretaries**
**Firm Regn. No.: P2007DE003300**

Sd/-
**Deepak Gupta**
**Partner**
**CP No.: 4629**
**UDIN: F005339F000956542**

**Place: New Delhi**
**Date: August 12, 2024**

## SECRETARIAL AUDIT REPORT OF MANSI BIJLEE & RICE MILLS LIMITED - MATERIAL UNLISTED SUBSIDIARY

**Form No. MR-3**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended March 31, 2024**

**The Members,**
**Mansi Bijlee & Rice Mills Limited**
**O-116, Ist Floor, DLF Shopping Mall,**
**Arjun Marg, DLF PH-I**
**Gurgaon, Haryana**

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Mansi Bijlee & Rice Mills Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; ***Not Applicable to the Company during the financial year under review.***

(iii) Secretarial Standards issued by the Institute of Company Secretaries of India.

(iv) As informed by the management, there was no specific law which is applicable to the Company.

Our report is to be read along with the noting as mentioned here-in-under:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; Our examination was limited to the verification of the procedures on test basis.
6. We have not verified the compliance under various State laws specifically applicable to the Company and relied on the Management Representation Letter.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We report that:**

**1.** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**2.** Adequate notices are given to all directors for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.

**3.** Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**4.** There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

**For DR Associates**
**Company Secretaries**
**Firm Regn. No.: P2007DE003300**

Sd/-

**Deepak Gupta**
**Partner**
**CP No.: 4629**
**UDIN: F005339F000956608**

**Place: New Delhi**
**Date: August 13, 2024**

**ANNEXURE-C**

**Particulars of employees**

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 are given below:

**A. The ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year:**

| Name of the directors | Ratio to median remuneration |
|---|---|
| **Non-executive directors** | |
| Ms. Atima Khanna | 0.14 |
| Ms. Ritu Goyal* | 0.06 |
| Mr. Parmatma Singh Rathor* | 0.05 |
| Mr. Surender Kumar Tuteja** | 0.04 |
| Ms. Dipali Mittal | 0.10 |
| Mr. Manoj Tiwari | 0.04 |
| Mr. Arun Gaur | 0.13 |
| **Executive directors** | |
| Mr. Amit Mittal*** | NA |

** Ms. Ritu Goyal and Mr. Parmatma Singh Rathor, appointed as Non-Executive Independent Director w.e.f. August 11, 2023.*
*** Mr. Surender Kumar Tuteja, Non-Executive Independent Director resigned w.e.f. August 18, 2023.*

**** NIl Remuneration has been paid to Mr. Amit Mittal during Financial Year 2023-24.*
Mr. Amit Mittal executive director is getting remuneration from the Subsidiary Company.

**B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:**

| Directors, Chief Executive Officer, Chief Financial Officer & Company Secretary | % increase in remuneration in the financial year |
|---|---|
| Mr. Amit Mittal | NA |
| Ms. Dipali Mittal | NIL |
| Mr. Arun Gaur | NIL |
| Mr. Manoj Tiwari | NIL |
| Ms. Atima Khanna | NIL |
| Ms. Ritu Goyal | NIL |
| Mr. Parmatma Singh Rathor | NIL |
| Mr. Atul Kumar Agarwal* | 12.50% |
| Mr. Lalit Kumar* | 20.00% |

*The Nomination & Remuneration Committee and the Board of Directors of the Company at their meeting duly held on August 11, 2023 has given approval for increasing the remuneration of Mr. Lalit Kumar, Chief Financial Officer and Mr. Atul Kumar Agarwal, Company Secretary cum Compliance Officer of the Company.

**C. The percentage increase in the median remuneration of employees in the financial year: -**

Percentage increase in the median remuneration of employees in the financial year is 113.09%.

**D. The number of permanent employees on the rolls of Company:** 7 (Seven) (as on March 31, 2024)

**E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 59.95% and there are no exceptional circumstances for increase in the managerial remuneration

**F. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per remuneration policy of the Company.

**G.** The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable on the Company. However, in terms of Section 136 of the Companies Act, 2013, the details of employees is open for inspection during the meeting. Any member interested in obtaining a copy of the same can send an e-mail to investor.relations@a2zemail.com.

# Management Discussion & Analysis

## 1. ECONOMIC OVERVIEW

### A. Global Economy Overview

The calendar year 2023 (CY23) witnessed, the global economy achieving greater stability, after a year marked by global uncertainties and volatilities. As per International Monetary Fund (IMF) report, the global economy grew by 3.2% in 2023 (CY23), compared to 3.5% in 2022 (CY22). Despite higher interest rates by central banks across the globe, the households in major developed countries used their pandemic savings, which unexpectedly boosted economic momentum in the region. The global economy remained strong due to robust activity and adaptability to changing financial conditions and inclusive technology.

**World Economic Output (%)**

| | 2023 | 2024P | 2025P |
|---|---|---|---|
| **World Output** | **3.2** | **3.2** | **3.2** |
| **Advanced Economics** | **1.6** | **1.7** | **1.8** |
| United States | 2.5 | 2.7 | 1.9 |
| Euro Area | 0.4 | 0.8 | 1.5 |
| **Emerging Market and Developing Economics** | **4.3** | **4.2** | **4.2** |
| China | 5.2 | 4.6 | 4.1 |
| **India** | **7.8** | **6.8** | **6.5** |

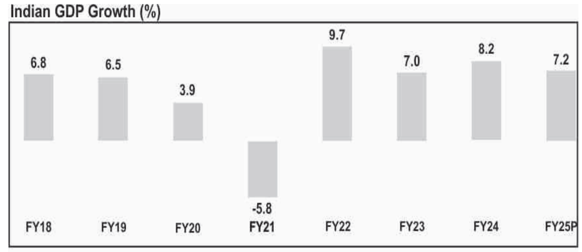
Soucce: IMF Worlf Economic Outlook April 2024

During 2023, majority of major economies surpassed their pre-COVID-19 pandemic levels of real Gross Domestic Product (GDP) levels in 2023. Both Emerging Markets and Developing Economies (EMDEs) and the Advanced Economies (AEs) achieved higher growth in year 2023. EMDEs maintained steady growth, at a growth rate of 4.3% in 2023, which was up from 4.0% in the year 2022. The EMDEs are projected to sustain a growth rate of 4.2% for both the years 2024 as well as 2025. Among the Advanced Economies, the United States experienced continued growth momentum, while the economic activity remained subdued in the Euro area. The rising interest rates and geopolitical conflicts, including the Russia-Ukraine war, the Red Sea crisis, and ongoing tensions between Israel and Palestine, had caused disruptions in supply chains across the globe. Moreover, geopolitical developments and monetary policy changes across countries have led to increased caution among investors, resulting in a moderation of Foreign Direct Investment (FDI) flows. Despite all these, the global economy is expected to have focus on medium-term fiscal consolidation and encourage multilateral cooperation among countries to achieve strong economic growth. The global economy is expected to grow at a similar growth rate of 3.2% in the years 2024 and 2025.

### B. Indian Economy

Indian economy continued its strong performance in FY24. Despite facing various global and external challenges, India's real GDP grew by 8.2% in FY24, achieving an over 7.0% growth for the third consecutive year. The GDP growth was driven by stable consumption demand and stead improvement investment demand. On the supply side, Gross Value Added (GVA) at the 2011-12 prices, increased by 7.2% in FY24, wherein the growth remained broad-based across different sectors. This increase was supported by strong tax growth at both the central and state levels, as well as the rationalisation of subsidy expenditures.

Indian GDP Growth (%)




Source : NSO estimates dated May 31,2024
RBI MPC (Monetary Policy Committee) report dated June 07, 2024

For FY24, the shares of the agriculture, industry, and services sectors in overall Gross Value Added (GVA) at current prices were 17.7%, 27.6%, and 54.7%, respectively. The agriculture sector grew by 1.4% in FY24, down from 4.7% in FY23, due to a challenging Kharif harvest season and a slow start to the Rabi sowing season. On the other hand, the Financial, Real Estate & Professional Services sector expanded by 8.4% in FY24, slightly below the 9.1% growth in FY23. The Public Administration, Defence & Other Services sector grew by 7.8% in FY24, compared to 8.9% growth in the previous year. In the industrial sector, manufacturing GVA growth recovered from a decline in FY23, increasing by a remarkable 9.9% in FY24. The manufacturing sector benefited from reduced input prices and stable domestic demand.

During FY24, the construction activity also posted an increased momentum, registering a growth of 9.9%, driven by infrastructure development and robust demand in both commercial and residential real estate. Goods and Services Tax (GST) collections, along with the issuance of e-way bills, reflecting wholesale and retail trade, exhibited double-digit growth in FY24. In FY24, gross GST revenue reached ₹20.2 trillion, marking an 11.7% increase from the previous year. In the business landscape, the rise of digital platforms and e-commerce has created new opportunities for entrepreneurs and streamlined global trade.

During FY24, Private Final Consumption Expenditure (PFCE) grew by 4.0% in real terms in FY24. Urban demand conditions remained strong, as evident from various urban consumption indicators such as domestic passenger vehicle sales and air passenger traffic. Rural consumption growth picked up pace during the year under review, as evident from increased sales of two-wheelers, three-wheelers, and passenger vehicles reported by the Federation of Automobile Dealers Associations.

Robust foreign exchange reserves have played a crucial role in stabilising the Indian economy, supporting monetary policy, and boosting investor confidence. As of June 7, 2024, India's foreign exchange reserves have increased to USD 656 billion, up from USD 595 billion recorded on June 9, 2023. The gradual reduction in India's fiscal deficit has enhanced the government's financial stability. The fiscal deficit target for FY25 has been set at 5.1%, down from the 5.8% target for FY24.

Recent reforms, combined with the economy's inherent strength, have established a strong foundation for sustained long-term growth. Going forward, it is anticipated that the RBI will continue to maintain tight liquidity conditions while ensuring sufficient liquidity to support credit demand. According to the RBI, Indian GDP is expected to grow by 7.2% in FY25. The anticipated growth trajectory and a reduction in overall inflation suggest that India is on track to become the world's third-largest economy by 2030.

## 2. Industry overview

### A. Engineering Procurement & Construction (EPC)

A strong and growing infrastructure plays crucial role in sustaining and accelerating growth of an economy. Being fastest growing major economy, India needs to build, upgrade and expand its infrastructure at a pace which can support the country's growth rate that might well be aspirational for economies to follow. Lacks and shortages in infrastructure development often become major logjam in the productivity of an economy. In case of India it will be very critical to overcome all such challenges in infrastructure development to sustain and grow the present Gross Domestic Product (GDP) growth rates and leverage the economy's true potential.

For infrastructure sector to grow and achieve desired growth targets, the Engineering, Procurement and Construction (EPC) plays a crucial role. It becomes more than ideal to generate, develop and deliver critical infrastructure projects at a faster rate with best of the quality standards. The EPC sector plays integral role in infrastructure projects across Roads; Railways & Mass Rapid Transport Systems (MRTS); Telecom; Water & Irrigation; Power (Including Transmission & Distribution); Urban Infrastructure; Real Estate; Mining; and Other Industrial segments. As Indian economy is performing well and consumer demand are growing, the industry is getting benefitted from the increased infrastructure spend by the Government.

As per a report released by Indian Brand Equity foundation research, which has quoted data from Ministry of Road Transport & Highways (MORTH) and National Highway Authority of India (NHAI), there was record spend on highway construction of Rs. 2,07,000 Crores during FY24, a 20% increase over previous year. As per Invest India portal of Government of India, the Construction industry in India is estimated to reach USD 1.4 Trillion by 2025. As per the 'National Infrastructure Pipeline' (NIP), India's investment budget of USD 1.4 Trillion has major allocation as 24% on renewable energy, 18% on roads & highways, 17% on urban infrastructure and 12% on railways. Construction industry contributes 9% to India's GDP and employs more than 59 million people. The construction infrastructure activities are said to have received USD 33.91 Billion of Foreign Direct Investment (FDI) during April 2000 – March 2024 period.

Key trends in construction industry are:

- Heightened infrastructure development
- Projects on PPP Model increasing
- Adoption of Green Building Solutions
- Technology/AI Shaping the Industry

(Source:https://www.ibef.org/industry/roads-india#:~:text=In%20FY24%20approximately%2012%2C300%20kilometres,are%206%2C270%20km%20in%20length).

(Source: https://www.investindia.gov.in/sector/construction

(Source: https://indiainvestmentgrid.gov.in/index.jsp)

**Telecom**

India has world's second largest telecom network with 1,199.28 million telephone subscribers as of March, 2024 as per May 2024 report of IBEF, quoting Telecom Regulatory Authority of India (TRAI) and other important news articles. This is possibly also the result of a rapidly increasing tele-density or telecom penetration, from 18.23% in FY16 to 84.51% in FY24. In the rural areas the tele-density has reached 59.19% as of March 2024. Also, India has second largest internet user base across the globe, as of December 2023, at 935.16 million subscribers. The wireless data usage, per wireless data user has increased many folds from 61.66 MB in March 2014 to 19.47 GB in December, 2023. The total data used as of December 2023 was 50,00,047 GB as per TRAI data quoted in the said report. Launched in October, 2022, India's 5G subscriptions are expected to reach 350 million by 2026 reaching 27% of total mobile subscriptions. To make India 5G-ready, there's a push for fiberisation of telecom towers wherein 36% of total towers are fiberized currently, and there are plans to deploy 12 lakh towers. The rapid increase in subscriber base has pushed the industry to expand and strengthen the telecom infrastructure leading to need of significant investments in the sector. As per this report, India exported mobile phone instruments worth USD 15.6 Billion in FY24 while all electronic goods' exports are estimated to have been worth USD 29.11 Billion.

On the regulatory and policy fronts, the Indian Government allowed 100% FDI through direct route for the Telecommunications Sector, from the erstwhile 49%. Telecom sector in India received Foreign Direct Investments (FDI) worth USD 39.32 billion between April 2000 and March 2024. As per this report, India is taking large strides for building the ambitious 6G technology and infrastructure within India through the partnership of Bharat 6G alliance and European Telecom Industry organization. For further development of 6G technology within the country the Department of Telecommunications (DoT) has set up a sixth generation (6G) innovation group. The Union

Cabinet approved a Rs. 12,195 Crores (USD 1.65 billion) Production Linked Incentive (PLI) scheme for telecom & networking products under the Department of Telecom (DoT). The Union Government's ambitious and highly successful Digital India program has helped the section tremendously by connecting the key crucial sectors like healthcare and retail, thereby boosting consumer spending and ease of spending.

(Source:https://www.ibef.org/industry/indian-telecommunications-industry-analysis-presentation )

(Source:https://www.ibef.org/download/1721634467_Telecommunications_May_2024.pdf)

**B. Facility Management Services (FMS)**

Facility Management, as defined by the International Facility Management Association (IFMA) is combining a physical workplace with an organization's workforce and work, including equipment upkeep, space planning, and portfolio forecasting. These services include leadership & strategy, real estate & property management, project management, quality, human aspects, emergency planning & business continuity, environmental sustainability, and others. With growing urbanization; higher disposable incomes; increasing office spaces; strengthening co-working; heightened sense for better hygiene & cleanliness; and corporate sustainability focus; there is a growth for the FMS industry. With more and more technology intervention and integration, the industry is both growing as well as evolving.

The segment is traditionally broadly divided under two major categories:

**1. Soft Services:** Soft Services include Cleaning, Disinfection, Housekeeping, Sanitation and Janitorial. Other services under this category include Landscaping & Gardening and Pest control services.

**2. Hard Services:** The Hard Services include Green Building Services (energy management, waste management etc.), Mechanical-Electrical-Plumbing (MEP) Maintenance, Heating Ventilation and Air Conditioning (HVAC) Maintenance, Fire Safety Systems, and other services such as Lighting Systems.

With rising infrastructure, growing urbanization and heightened commercial activities over the years, sector has seen development of another two categories namely:

**1. Production Support Services (PSS):** This service includes supplying of workforce to the manufacturing units for support in production activities, handling of material and maintenance of utilities at the facilities.

**2. Hygiene Services:** The services under Hygiene, include providing products and solutions such as sanitizers, air fresheners, washroom hygiene solutions.

**Key Trends in marketplace:**

- **Technology Integration and Augmentation:** The increasing use of new age digital technologies paving way for greater speed, higher accuracy, predictive service delivery, cost efficiency and centralized monitoring. The latest technologies like Artificial Intelligence (AI), Business Intelligence (BI), Internet of Things (IoT) and Big Data etc. are increasingly becoming part of all industries including FMS, thereby augmenting the resource potential and optimization.
- **Integrated Facility Management Services (IFMS):** IFMS provides for multiple services under one solution or from one service provider like cleaning, hygiene, sanitization, HVAC & MEP Maintenance Services etc. IFMS delivers greater value for customers in form of cost efficiency, better turnaround time, ease of operations etc. For service providers IFMS helps in resource optimization, cost optimization and greater share of customer's spending. Another trend of convenience is Facility Management in Mobile App(s).
- **Increasing adoption of Green and Sustainable Building Concept:** With heightened sense of corporate sustainability practices around ESG, reducing carbon footprints and self-sustainability, there is higher demand of structure, consistent and stringent facility management provisions in such buildings. The industry standards like LEED and IBGC are augmenting this trend further.

As per some industry estimates, the global FMS market was estimated at USD 890 Billion in CY2022 and was further expected to reach USD 1,305 Billion by CY2028. As per some other estimates, the Indian FMS market is expected to be valued at Rs. 1,00,386,7 Crores as of FY23 of which about Rs. 39,480 Crores is estimated to be outsourced.

**C. Municipal Solid Waste Management (MSW)**

Growing urbanization, higher disposable incomes, increased consumption and heightened commercial activities are all leading to better lifestyle. This better lifestyle leaves a higher amount of waste to be disposed-off across urban and rural areas. In India, being world's largest populous country, there are growing heaps of waste across cities and towns. This demand for larger, faster, safer, tech-enabled and environmentally & commercially sustainable waste management strategies and practices.

Municipal Solid Waste Management (MSW) is a key segment of municipal upkeep of respective areas. With growing waste generation, MSW is becoming both a challenge to manage as well as opportunity for the industry. The MSW industry has collection, storage, transportation, segregation, processing and disposal as part of entire process. Despite being state matter, this sector has been increasingly becoming outsource oriented segment wherein local governments are engaging with more and more private sector players have expertise, experience and capabilities in MSW.

MSW segment is currently a key growth segment for the Group as the sheer explosion in quantity of solid waste generated makes it imperative for the various corporations to take up professional collection, storage, transportation, segregation, processing, and disposal as a priority. The key factor in growth of this sector is also the increased consciousness towards maintaining cleanliness and sanitation that has come about because of the awareness and promotional initiatives under the Clean India mission. The Central Government has also formulated policies, guidelines, and rules to ensure Waste Management and Handling is done in a safe and environment friendly ways. Given the size and the complexity of the issue, Municipal Corporations are also seen to prefer outsourcing it to private players who can bring in technology and global best practices to deliver better outcomes.

As per India's Central Pollution Control Board's Annual Report 2020-21 on Solid Waste Management), India produced a total of 160,038.9 metric tonnes of solid waste, per day (TPD). Out of this entire solid waste, about 95.4% i.e. 152,749.5 TPD of solid waste was collected, posting healthy collection efficiency. Of the entire collected waste, 79,956.3 TPD, 50% of total waste collected, underwent treatment processes, while 29,427.2 TPD or 18.4 % was subjected to landfill disposal. Further, it is anticipated that urban India will produce 107.01 million tonnes per year (TPY) of solid waste by 2031 and 160.96 million TPY by 2041. As per the report of EPACM, quoting CPCB Annual Report, India had allocated around Rs. 500 – 1000 per tonne for the waste management. Of this amount the 70% was utilised towards collection and a very small portion i.e. 20% was utilised for transportation.

As per EPACM report, the Major challenges amid changing demographics, modernisation and growing urbanization are:

1. Absence of proper collection and segregation at the source
2. Limited availability of land
3. Indiscriminate dumping of electronic waste (e-waste)
4. Financial constraints
5. General lack of awareness

As per International Trade Administration (ITA), U.S.A., the Solid Waste Management market in India is estimated to growth at 7.5% CAGR between 2021 and 2026. As per ITA estimates, India stands among the world's top 10 municipal solid waste (MSW) generating countries

(Source:https://eacpm.gov.in/wp-content/uploads/2024/05/Solid_Waste_management_Updated.pdf)

(Source:https://www.sciencedirect.com/science/article/abs/pii/S0048969724005904 )

(Source:https://www.trade.gov/market-intelligence/india-solid-waste-management)

## 3. Business Segment Review

### Company overview

A2Z Infra Engineering Ltd. is the flagship listed entity of A2Z Group. Established in 2002, A2Z Group started its journey as a Facility Management Services company. Over the more than two decades, the Group has grown into becoming a leading player in the Engineering & Infrastructure Services (EPC) sector with presence across multiple sub-sectors providing EPC services for Infrastructure projects namely Power Transmission & Distribution and Telecom Infrastructure Development.

A2Z Group has a proven track record or successfully delivering critical a difficult Infra EPC projects in and overseas. Backed by a professional leadership across functions and a dedicated and thoroughly skilled team of professionals. Under the Group's Facility Management Services, it provides FMS services like housekeeping, security, hospitality, workforce contracting, maintenance and related services. As a progressive organization over the years, the Group had expanded successfully other synergistic and high growth businesses like Municipal Solid Waste Management (MSW). Under its MSW services business, the Group majorly provides waste Collection & Transportation (C&T) services to the municipal bodies or local governments with a part of services allocated to Waste Processing as well. The Group has been successful in developing synergies between each of the business segments. This has been the Group's endeavour to expand and scale in synergistic or to the extent possible, integrated businesses.

There are Strategic Business Units (SBUs) through which the Group's businesses are conducted. These SBUs include Engineering Services (ES), Facility Management Services (FMS) and Municipal Solid Waste (MSW). Geographically, besides India, the Group has significant presence in the international markets across South Asia and Africa.

### Business segments

#### A. Engineering Services (ES)

The Engineering Services (ES) SBU of the Company undertakes EPC projects for the Telecom and the Power Transmission & Distribution ('T&D') sub-sectors of the infrastructure. Under the Power T&D infrastructure sub-sector projects, the Company offers varied set of services including but not limited to testing, integrated design, construction, installation and erection which is concluded with project commissioning. The Company has strong industry reputation of delivering on-time innovative solutions that are focused conserving energy by minimizing T&D losses. This approach of the Company helps its clients in achieving financial savings and carbon footprint reduction despite higher power consumption. Over the years, the Company has across group entities delivered multitude of projects in this space with operational challenges such as inclement weather and extremities, complex topography, short timelines, and multi-location delivery.

Followers are the major areas of the Power T&D sub-sector wherein the Company holds the right capabilities to deliver successful projects:

- Rural Electrification
- Railway Electrification
- Reduction of AT&C losses
- Feeder Renovation
- Feeder Segregation
- Underground Cabling
- Erection of Distribution lines
- Renewable Energy
- Installation of High Voltage Distribution System "HVDS" and Low Voltage Distribution System "LVDS"
- Construction of Substations and Transmission lines
- Operation and Maintenance of Electrical Utilities
- IT System Integration: ERP, Metering, Network Energy and Project Management

The Company has its overseas presence in Nepal, Uganda and Tanzania.

We have completed projects in various states of India including Jammu & Kashmir, Rajasthan, Orissa, Bihar, Arunachal Pradesh, Jharkhand, Kerala, Chhattisgarh, Haryana, Uttar Pradesh and Himachal Pradesh.

For the Telecom sub-sector, the Company undertakes EPC based development and maintenance projects, primarily for Optical Fibre Cable (OFC) laying & maintenance work. The Company offers turnkey solutions that encompass all services related to OFC network implementations mentioned below:

- Project Management
- Materials Planning
- Technical Site Survey
- Logistics Management
- Network Implementation and Integration
- Supply and Installation of Equipment
- Telecom Infrastructure Operation & Maintenance Services

*Updates:*

- The ES SBU contributed 22.1% or Rs.8,599.77 to the total operating revenues of the Company for FY24 as against 19.9% or Rs.6,940.80 during FY23.
- The Company focuses on selective exploration of profitable, feasible and sustainable projects and committed to completing the existing ones.
- With the rise in Indian economy's performance and heightened infrastructure activity, the Company may consider exploring opportunities in the sectors of 5G telecom network, water distribution network for piped water projects, sewage network, gas distribution networks, Smart Cities and Metro projects.
- The Company is actively exploring Fixed Asset Management projects through Operations & Maintenance (O&M) services in the wake of increasing urbanization, higher commercial activity and expanding infrastructure.

### B. Facility Management Services (FMS)

As the first business stream, the FMS business has remained a mainstay and strength of the Company. The Company offers multiple facility management services under the FMS SBU. The integration of multiple services like under one roof, positions the Company strongly in industry which is progressively increasing the pie of Integrated Facility Management Services. The Company's wide array of services are well positioned to serve a wider set of facilities like corporate offices, malls, railway stations, railway coaches, airports, ports, other commercial establishments, monuments, parks and beaches.

The key services under Company's FMS SBU include following:

**Technical Services:**

- Electro-Mechanical
- HVAC
- Fire Safety
- Civil
- Operation & Maintenance of Equipment

**Business Support:**

- Mailroom
- Reception
- HR
- Help Desk
- Soft Services
- Housekeeping
- Cleaning & Janitorial
- M – Security
- E – Security

**Consulting:**

- Workforce, Energy & Vendor Management Audit
- Project Management
- Turnkey Projects
- Building Operations
- Inventory Control
- Regulatory Compliance
- Utilities Management
- Energy Management
- Service Audits
- Moves & Rearrangements

**Update:**

- The FMS business revenues stood at Rs. 22,011.20 for FY24, compared to Rs. 17,862.76 during FY23.
- FMS business contributed 56.7 % to the total revenues of the Company during FY24.
- During FY24, the Company continued to execute existing contracts of FMS services, as per existing business contracts.
- The SBU will focus on feasible and profitable projects.

### C. Municipal Solid Waste (MSW)

The Company is in the high growth potential business of Municipal Solid Waste Management since 2007. Under MSW SBU, the Company works with the local civic bodies or local governments in observing and maintaining major cities or towns clean and sanitized, majorly in north India. The Company's comprehensive MSW services include collection, transportation, treatment, and disposal of solid waste. Over the recent years, the Company has further narrowed down its focus on Collection and Transportation of municipal solid waste. The Company works under long-term contracts to align with the civic bodies' continued investments towards the Government of India's Clean India (Swachh Bharat) mission. The mandates are won by the SBU not only based on competitive pricing, but also because of the technology used in collection, treatment and disposal through scientific methods.

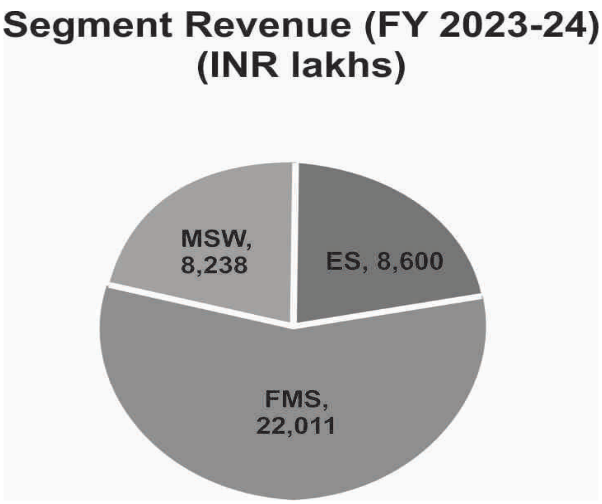
***Update:***

- The Company continued to deliver on the commitments under the existing contracts and is exploring select opportunities of higher profitability and better feasibility.
- During FY24, MSW SBU contributed 21.2% or Rs. 8,237.83 to the total revenue of the Company.
- Some marquee clients of Company in this

business include the civic bodies in the cities and towns of Aligarh, West Delhi, Haldwani, Jaunpur and Rishikesh.

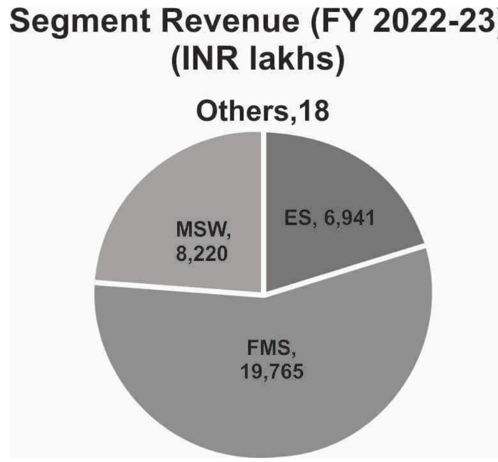
**4. Financial Review**

The consolidated Turnover of the Company for the current financial year is INR 38,848.80 lakhs as against INR 34,944.16 lakhs in the previous financial year. This translates into a growth of 11.2%, which was primarily due to focusing on the Engineering Services (ES) and Facility Management Services (FMS) segment. The ES segment contributed the most to the growth with a increase from INR 6,941 lakhs to INR 8,600 lakhs, a 23.9% increase. The FMS business and the MSW business also registered an increase of 23.2% and 0.2% respectively over the same period.




*Inter-segment revenue has been netted off from the Others segment revenue

During FY24, the Group's Operating Profit (EBITDA before Other Income) was a loss of INR 5,437 lakhs against the profit of INR 141 lakhs in FY2022-23. The direct costs




related to raw materials and employees were rationalized to improve profitability, and the other expenses increased by 69.0%, thus resulting in a much higher Operating EBITDA loss. Consolidated PBT before Exceptional Items saw an increase in loss by 335.4% from profit of INR 1,190 lakhs to loss of INR 2,801 lakhs. In the current financial year, the Company recorded an Exceptional Gain of INR 5,763 lakhs because gains from One Time Settlements with banks of INR 4,989 lakhs, Loan settled on behalf of associate of INR 3,784 lakhs, liabilities written back of INR 16,819 lakhs and Provision on debtors written back of INR 435 lakhs were offset by the unbilled written-off for INR 7,998 lakhs, Provision on loans and advances from associates and subsidiary for INR 6,790 lakhs, Trade receivable written off for INR 4,332 lakhs and Loans and advances provision for INR 1,144 lakhs. This number for the previous financial year was loss of INR 12,204 lakhs. Hence, the net PBT loss decreased by 95.7% from INR 10,618 lakhs to INR 459 lakhs. The net loss for the year under review was INR 736 lakhs vs. INR 12,605 lakhs in FY2022-23, a change of 94.2%.

**Key Changes in Financial Ratios**

| Parameter | FY 2022-23 | FY 2023-24 | Change | Explanation |
|---|---|---|---|---|
| **Current ratio** | 0.79 | 0.72 | -8.60% | No Major Variance |
| **Debt-equity ratio** | 8.23 | 6.15 | -25.32% | Due to reduction of Borrowing majorly on account of settlement with banks and financial institutions |
| **Debt service coverage ratio** | -2.23 | 0.04 | -101.93% | Due to reduction of Borrowing majorly on account of settlement with banks and financial institutions |
| **Return on equity ratio** | 1.28 | 0.21 | -83.60% | Due to higher loss in previous year majorly on account of provision for investments and impairment of CWIP |
| **Inventory turnover ratio** | 29.33 | 75.35 | 156.88% | Due to reduction of inventory in current year |
| **Trade receivables turnover ratio** | 0.84 | 1.61 | 93.29% | Due to realisation of Trade receivables in the current year |
| **Trade payables turnover ratio** | 0.30 | 0.53 | 76.47% | Due to reduction of Trade payable |
| **Net capital turnover ratio** | -1.86 | -2.32 | 24.30% | No major variance |
| **Net profit ratio** | -0.36 | -0.02 | -94.74% | Due to higher loss in previous year majorly on account of provision for investments and impairment of CWIP |
| **Return on capital employed** | -0.27 | 0.01 | -102.75% | Due to higher loss in previous year majorly on account of provision for investments and impairment of CWIP |
| **Return on Investment (%)** | 1.00 | 1.00 | 0.00% | No Major Variance |

## 5. Business SWOT

| Strengths | Weakness |
|---|---|
| • Diversified business portfolio.<br>• Experience of working with large and renowned clients on challenging projects<br>• Differentiated organizational capabilities across business segments through technology and processes.<br>• Illustrious track record created over 20+ years.<br>• Fungibility of resources across segments.<br>• Sizeable trained and skilled workforce.<br>• Innovation capabilities. | • High levels of debt.<br>• Over-reliance on B2G business.<br>• High working capital and labour intensity of businesses.<br>• Multi-pronged capital investment due to diversified business. |
| **Opportunities** | **Threats** |
| • Increasing demand for Office spaces in view of 'hybrid' working approach and increasing share of Grade A properties leading to greater demand for professional FMS companies.<br>• Heightened sense of cleanliness and hygiene, post pandemic with increased awareness for the same.<br>• Increasing power generation capacity in traditional and renewable sector.<br>• 5G rollout in telecom sector.<br>• Government policies promoting cleanliness, sanitation, and basic amenities like toilets, housing, piped water, Swachh Bharat Abhiyaan and impetus from Digital India.<br>• Private involvement in railways, airports and other government-controlled infrastructure may increase demand for professional FMS players.<br>• Increasing demand and suitability of Integrated Facility Management Services, opening up opportunities for large, diversified FMS services providers. | • Competition gaining inroads in segments of our operation due to increased demand, availability of funds and advent of technology.<br>• Upgrade of existing infrastructure due to stressed balance sheets of Telecom companies.<br>• Repeated failures in nursing SEBs back to financial health may result in stoppage of investments in power generation, transmission, and distribution infrastructure |

## 6. Risks & Concerns

The Company follows a carefully framed risk management framework that covers identification, assessment, and mitigation of risks. The Company's Risk Management frame work encompasses all of the Group's businesses and is integrated into the Group's business strategy, processes, planning, execution, and review activities. The framework focuses on prioritizing risks based on their probability and severity of impact. Following is the brief detail of the key risks faced by the Company's business operations along with respective risk mitigation measures:

### A. Macro-economic Risks

Being part of a connected world and interconnected segments of the economy, the Company faces Macro-economic risks. These risks include the dependence of the Company's business with the country's economic developments and the market demands. The macro-economic developments can also lead to risks related to cost of capital that is directly impacted by the policy interest rates by central banks. Besides, the Government's spending and policies in response to the macro situation can also affect the industry and the Company.

**Risk mitigation:**

In view of the truly macro nature of the macro-economic risks, the Company takes macro approach with micro focus on its mitigation. One of the mitigation measures is to diversify revenue streams and SBUs which will help mitigate the risks associated with one type of business by other business type. The company also strives to geographically diversify its project presence within India and overseas, to hedge against risks arising from local business environment. The Company has also been working on reducing the cost of capital, decreasing its debt through repayment and one-time settlements with banks and other financial institutions. Besides, the Company also works in strategic partnerships wherein the financial or economic risks get shared with the partners.

### B. Customer Concentration Risks

Customer concentration in any one business or any one geography poses risks of financial setbacks in case of any large or few large customers moving away from the Company or due to delays in cash flows. In such cases there are also the risks of other clients or other projects getting impacted due to financial blockades, and absorbing of company's bandwidth in reviving such erring clients or projects.

**Risk mitigation:**

The Company consistently works towards diversifying its customer concentration. The Company also endeavours to diversify its markets geographically, industry-wise service offering-wise. There is a relentless effort to add more number of new clients to the Company's clientele. Another measure is to diversify customer mix between private sector clients and government clients.

**C. Working Capital Risks**

The Company's major business SBU of EPC requires immediate and continuous fund allocation during projects execution. The uninterrupted and cost effective availability of capital funds for project execution is imperative for business operation continuity, especially in the EPC projects. There is risk of project delays, project stalemate due to delays in securing working capital may impact project viability also due to delay or escalation in cost of capital.

**Risk mitigation:**

The Company has been gradually decreasing the share of EPC projects in its overall portfolio while diversifying the project streams. The reduction in EPC project would mean a lesser need of funds for project execution. Besides this, the Company actively works along with leading financial institution to make available the necessary funds or credit lines as and when needed for project execution.

**D. Execution Risks**

The Company operates in complex operating environment for execution of its projects. The major challenges include availability of suitable manpower, raw material procurements, legal & commercial documentation, project level investments, challenging topographical and extreme weathers in some cases.

The Company faces risks on account of deficiency in any of these inputs for the project execution. Any such deficiency can cause delays in project execution leading to cost escalation and penalties.

**Risk mitigation:**

The Company takes multiple measures to mitigate the project execution risks. The Company opts for procuring purchase adequate professional liability insurance cover. The Company puts in place stringent Standard Operating Procedures (SOPs) and Project Manuals besides consistently strengthening its Project Management capabilities. There is acute focus on procuring quality materials and having multiple sources for procuring raw material. There is an effective control system to periodically review and monitor the project progress and to take any corrective measure promptly upon a need arising. The Company may also, from time-to-time consider sharing project execution risks through partnerships.

**E. Talent Risks**

The Company's business is human capital intensive and it requires to attract and retain talented and skilled manpower for the effective discharge or business operations and generate revenues. In case of lacks in hiring or retaining talent, the Company's business operations are likely to get impacted which may further affect the revenue generation and growth besides client servicing issues.

**Risk mitigation**

The Company puts emphasis on establishing capable and professional functional leaders across all critical and important business functions. These functional leaders are entrusted with acquiring and retaining talent in close coordination and supervision of the HR team. The Company's HR team of professionals consistently works towards putting in place the best-in-class people processes, spanning sourcing, retention, career development, training, and employee engagement. The Company's also puts best endeavours to have an effective remuneration and rewards & recognition policies and practices for this objective including engaging external experts.

**7. Human Resources**

The Company is engaged in human capital intensive business wherein an efficient, dedicated and skilled manpower is critical to the success of the Company's business operations. The Company's human capital boasts of balanced mix of managerial, skilled, and unskilled human resources. In order to align this varied mix of human resource pool, with the Company's goals, it is imperative to have effective, diligent and transparent human resource policies. With robust HR practices and balanced HR policies, the Company endeavours to fulfil the professional and personal development goals of its employees and staff. Such inclusive HR policies and practices also pave way for increased productivity leading to desired gains for the Company.

The Company's focus areas in nurturing its human resources include:

a. Providing a healthy, safe, equitable and productive work environment
b. Consistently induct, retain and nurture talent
c. Develop policies for the achievement of professional goals and opportunities to grow for employees
d. Putting in place a performance driven work culture and practices for mutual benefit

e. Have an effective rewards & recognition system to acknowledge and encourage employee performance and satisfaction

f. Have open, effective and multi-modal communication channel with the employees

As at end of FY24, the Group had 5723 employees, including 1325 trained technical employees. The gross recruitment figure in FY24 for the Group was 995 employees.

**8. Corporate Social Responsibility**

As a responsible corporate citizen, the Company always believes in inclusive progress for itself and all its stakeholders including society and environment. The Company's has been putting efforts in reducing its carbon footprint and becoming environmentally sustainable through its business operations. However, in view of the losses incurred by the Company over the recent few years, the Company's direct contribution to activities of social impact has been on a moderate scale. This is also in line with the exemption provided to companies making losses from the mandatory spend of 2% of net profits on CSR, under the provisions of Section 135 of Companies Act 2013. On the other hand, being contributor to the nation's critical infrastructure, the Company's delivery of projects, quality execution and on-time delivery directly or indirectly benefits the society at large.

**9. Internal Control Systems**

The internal control framework adopted by the Company is designed for robustness to ensure business operations are conducted in a compliant and efficient manner across the Group. It incorporates controls that make sure the activities of the Company are in alignment with the stated goals and plans, protect its assets, prevent fraud, and capture and report financial transactions and data in a timely, accurate and complete manner. The Group reviews these policies and procedures periodically and makes changes in line with the business and regulatory requirements, and in line with the global best practices. Stringent and regular internal and statutory audits are conducted by auditors to check compliance. The Audit Committee, on a quarterly and annual basis, reviews such non-compliances, and also the adequacy and effectiveness of the internal controls being exercised. The management team implements the changes mandated by the Audit Committee after such reviews.

**10. Outlook**

The Company has been working on stabilizing its operations, financial positions, cash flows over the recent years. The Company's focus on securing future sustainability has led to lower levels of operations and higher levels of resources and cost optimization and consistently working on debt-reduction. The Company has been focused on executing its existing projects and contracts in line with its market reputation.

Going forward, the Company will majorly be exploring selective business opportunities which are profitable and feasible in the EPC sub-sectors of Telecom and Power T&D besides Facility Management. The Company's focus on executing projects and contracts at hand will continue going forward. The Company's consistent efforts at amicably settling debts from its lending partners will continue in the mutual interest of the Organization as well as lending partners.

In view of strong performance by Indian economy, heightened infrastructure development, growing urbanization, increased power generation and booming office space segment, the Company hopes to garner for greater opportunities for itself. The Government policies that give impetus to power generation, cleanliness, housing, employment and digitalization along with regulatory support for the sectors and sub-sectors of infrastructure and construction industry, is likely to create many opportunities for the Company.

**11. Forward Looking Statements**

Certain Statements in this Management Discussion & Analysis Report pertain to detailing the Company's objectives, projections, estimates, expectations or predictions. These statements may be forward looking statements, in nature or appearance, within the meaning of applicable securities laws and regulations. These statements are usually based on certain assumptions and expectations of future events. The actual results could differ materially from those which are expressed or implied in this document. There are a number of important factors that can affect and/or impact the Company's operations include economic conditions affecting domestic demand supply conditions, finish goods prices, changes in Government Regulations and Tax regime etc. In view of these macro conditions, the Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

# Corporate Governance Report

Corporate Governance is defined as a set of rules, practices and systematic processes that provides highest standards of ethical and responsible conduct of sustainable business covering areas of environmental and social impacts, ethical behavior, corporate strategies, compensation and risk management to create sustained competitive differentiation in the market to maximize the stakeholder value while ensuring fairness, transparency and accountability to every stakeholder viz. customers, employees, investors, lenders, vendor-partners, the government and community at large.

This Report states the compliance status of the Company as per the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as "SEBI Listing Regulations"), for the Financial Year 2023-24 as to be made by the Listed entities in Corporate Governance section of the Annual Report as prescribed under Part C of Schedule V of the said Regulations. This Report herein provides the structure to ensure the stakeholders that Company is committed to good corporate governance and complying with all applicable laws and regulations.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Company is fully committed in practicing sound corporate governance and upholding the highest business standards in conducting business to serve the Company's long-term economic value and delivering sustainable returns to our stakeholders. Being a value-driven organization, the Company has always worked towards building trust with the stakeholders. We, at A2Z, follow principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. These core values are central to the business philosophy of the Company and act as the guiding inspiration for the day-to-day business operations. The Company strives to be a customer-first, quality-obsessed, socially-sensitive corporate entity. The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting the shareholders' interest while maximizing long term corporate values. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

Keeping in view the above philosophy, the Corporate Governance at A2Z is based on the following main principles & practices:

- Proper composition of the Board of Directors, size, varied experience and commitment to discharge their responsibilities;
- Well-developed internal control, systems and processes, risk management and financial reporting;
- Full adherence and compliances of laws, rules and regulations;
- Timely and balanced disclosures of all material information on operational and financial matters to the Stakeholders;
- Clearly defined management performance and accountability;
- Enhanced accuracy and transparency in business operations, performance and financial position.

The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value. The Company has complied with the Corporate Governance requirements of SEBI Listing Regulations and listed below is the status in respect of the same.

## 2. BOARD OF DIRECTORS

The Company believes that an active and well-informed Board is necessary to ensure highest standards of corporate governance. All statutory and other significant and material information are placed before the Board to enable it to discharge its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

Our Company's directors are highly experienced professionals in their respective functional areas and provide directions to the management on operational issues, adoption of systems and best practices in management and oversight of compliance of various legal and other requirements. The members of our Board are from diverse backgrounds with exceptional skills and experience in critical areas like project execution, finance, legal, technology, entrepreneurship and general management.

The Board's Role, functions, responsibilities and accountability are clearly defined. The day-to-day management of the Company is entrusted with the senior management personnel of the Company and is headed by the Managing Director cum CEO of the Company. The Management and Board of the Company continuously and actively supervise the arena of Corporate Strategy, planning, external contracts and other board matters on continual basis. The Senior Management Personnel heading separate divisions are responsible for day to day operations of their respective divisions.

The duties of Board members as a Director have been enumerated in SEBI Listing Regulations, Section 166 of the Companies Act, 2013 ("the Act") and Schedule IV of the Act, the last being Independent Directors specific. There is a clear demarcation of responsibility and authority amongst the Board Members.

- **The Chairperson** is primarily responsible to provide leadership to the Board in achieving goals of the Company in accordance with the charter approved by the Board. As the Chairperson of the Board, she is responsible for all the

Board matters. She is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. She is also responsible for formulating the corporate strategy along with other members of the Board of Directors. Her role, inter alia, includes:

- Provide leadership to the Board & preside over all Board & general meetings.
- Ensure that Board decisions are aligned with Company's strategic policy.
- Oversee and evaluate the overall performance of Board and its members.
- Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- Monitor the core management team.

- **The Managing Director cum CEO of the Company** is responsible for implementation of corporate strategy, planning, external contacts and other management matters which are approved by the Board. He is also responsible for achieving the annual and long term business plans. His role, inter alia, includes:

  - Crafting of vision and business strategies of the Company.
  - Clear understanding and accomplishment of Board set goals.
  - Responsible for overall performance of the Company in terms of revenues & profits and goodwill.
  - Acts as a link between Board and Management.
  - Ensure compliance with statutory provisions under multiple regulatory enactments.

- **Non-Executive Directors (including Independent Directors)** play a critical role in balancing the functioning of the Board by providing independent judgment on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter alia, includes:

  - Impart balance to the board by providing independent judgment.
  - Provide feedback on Company's strategy and performance.
  - Provide effective feedback and recommendations for further improvements.

### 2.1 COMPOSITION AND CATEGORY OF DIRECTORS

The Composition of Board of Directors of the Company is in accordance with the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations. Our Company has an appropriate combination of Executive, Non-Executive and Independent Directors including two Independent Women Directors to maintain independence and efficiency of the Board in its functions of governance and management. As on March 31, 2024, the Company's Board comprised of Seven (7) Directors, with one (1) Executive Director, three (3) Non-Executive Directors including one Woman Director, three (3) Non-Executive and Independent Directors, including two Women Independent Directors. Further, the Chairperson is a Woman Non-Executive Independent Director. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements. The Directors are appointed or re-appointed with the approval of the shareholders and remain in office in accordance with the provisions of the law. The Independent Directors are appointed for a fixed term not exceeding five years in accordance with the provisions of the law.

The Independent Directors neither have any pecuniary relationship or transactions except payment of sitting fees with the company, nor with the promoters, and management, which may affect independence or judgment of the directors in any manner. All the Independent Directors have satisfied the criteria/conditions of independence as laid down in Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013. The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI Listing Regulations and are independent of the management.

Pursuant to Section 164 of the Act, all the Directors have also provided annual declarations that they have not been disqualified to act as Directors. The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Act and SEBI Listing Regulations as amended from time to time:

| S. No. | Name of the Director | Category | No. of other Directorships and Committee memberships / chairmanships as on March 31, 2024 | | | Directorship in other listed entity (Category of Directorship) as on March 31, 2024 |
|---|---|---|---|---|---|---|
| | | | Other Directorships | Committee Memberships | Committee Chairmanships | |
| 1. | Ms. Atima Khanna (DIN: 07145114)** | Chairperson cum Non-Executive & Independent Director | 7 | 7 | 2 | 1. SML Isuzu Ltd. (Non-Executive and Independent Director) |
| 2. | Mr. Amit Mittal (DIN: 00058944) | Executive Non-Independent Director (Managing Director cum CEO) | 5 | 1 | - | NIL |
| 3. | Mr. Arun Gaur (DIN: 08328873 ) | Non- Executive & Non-Independent Director | - | 2 | - | NIL |
| 4. | Ms. Dipali Mittal (DIN: 00872628) | Non- Executive & Non-Independent Director | 2 | 1 | 1 | NIL |
| 5. | Mr. Manoj Tiwari (DIN: 03597274) | Non- Executive & Non-Independent Director | 8 | 1 | - | NIL |
| 6. | Ms. Ritu Goyal (DIN: 05180676)* | Non- Executive & Independent Director | 3 | 3 | 1 | 1. Optiemus Infracom Ltd. (Non-Executive and Independent Director) 2. Skyweb Infotech Ltd. (Non-Executive and Independent Director) |
| 7. | Mr. Parmatma Singh Rathor (DIN: 03346747)* | Non- Executive & Independent Director | - | 1 | - | NIL |

In terms of Regulation 26(1) of SEBI Listing Regulations:

- Foreign companies, high value debt listed entities, private limited companies and companies under Section 8 of the Companies Act, 2013 are excluded for the purpose of considering the limit of directorship.
- The committees considered for the purpose are audit committee and stakeholders' relationship committee.
- None of the Directors was a member of more than 10 committees or Chairperson of more than 5 committees across all listed companies in which he/she is a Director.

Except Mr. Amit Mittal and Ms. Dipali Mittal, who are husband and wife, none of the directors are relative of any other director.

*Mr. Parmatma Singh Rathor and Ms. Ritu Goyal were appointed as Additional Director (Non- Executive & Independent Director) of the Company w.e.f. August 11, 2023. Further, Mr. Parmatma Singh Rathor and Ms. Ritu Goyal regularized on the Board as Non- Executive & Independent Director w.e.f. September 29, 2023.

During the year under review, Mr. Surender Kumar Tuteja, Chairperson and Non-Executive Independent Director, of the Company has resigned from the Board of the Company with effect from August 18, 2023 due to his other preoccupations and commitments.

**Ms. Atima Khanna, Non-Executive & Independent Director of the Company, designated as Chairperson of the Company w.e.f. September 20, 2023.

## 2.2 NUMBER OF BOARD MEETINGS

The Board of Directors oversee the overall functioning of the Company and takes the strategic decisions and define the management policies in the best interest of the Company and its stakeholders and, for this, Members of the Board of Directors of the Company meet frequently, as the occasion(s) arises and as per the statutory requirement in adherence to true letter & spirit of the law. The Board of Directors complies with the provisions of SEBI Listing Regulations and Companies Act, 2013 with regard to the meetings of the Board and Committees thereof. In case of any exigency/ emergency, resolutions are passed by circulation. The Board of Directors met Five (5) times during the financial year 2023-24 i.e. on May 19, 2023, August 11, 2023, September 20, 2023, November 06, 2023 and February 12, 2024. The maximum gap between any two consecutive meetings was less than the period of one hundred twenty days, as stipulated under Regulation 17(2) of the SEBI Listing Regulations and Section 173(1) of The Companies Act, 2013.

**Below mentioned table gives the attendance record of the Directors at the Board Meetings and Last Annual General Meeting:**

| S. No. | Name of the Director | Attendance Particulars during the period April 01, 2023 to March 31, 2024 | | Whether attended last AGM held on September 29, 2023 |
|---|---|---|---|---|
| | | No of Board Meetings held during their tenure | No of Board Meetings Attended | |
| 1. | Ms. Atima Khanna | 5 | 5 | Yes |
| 2. | Mr. Amit Mittal | 5 | 5 | Yes |
| 3. | Ms. Dipali Mittal | 5 | 5 | Yes |
| 4. | Mr. Arun Gaur | 5 | 5 | Yes |
| 5. | Mr. Manoj Tiwari | 5 | 5 | Yes |
| 6. | Mr. Parmatma Singh Rathor | 3 | 3 | No |
| 7. | Ms. Ritu Goyal | 3 | 3 | Yes |
| 8. | Mr. Surender Kumar Tuteja* | 2 | 2 | NA |

*Mr. Surender Kumar Tuteja has resigned from the Board w.e.f. August 18, 2023.

**The details of the shareholding of Directors as on March 31, 2024 are as follow:**

| S. No. | Name of the Director | No. of Shares | Percentage (%) of Holding |
|---|---|---|---|
| 1. | Mr. Amit Mittal | 27350601 | 15.530% |
| 2. | Mr. Manoj Tiwari | 5100 | 0.003% |

Except the equity shares as stated above no other director holds any equity shares of the Company and Company has also not issued any convertible instruments.

**Board Meeting Procedure:**

In order to ensure maximum presence of all Directors in the Board Meeting, dates of the Board Meetings are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda papers along with relevant explanatory notes and supporting documents are circulated within the prescribed time to all Directors.

Apart from any specific matter, the Board periodically reviews routine business items which includes approval of financial results along with Auditors limited review report, Action Taken Report on the decisions taken in previous meetings, operational performance of the Company, minutes of committee meetings, quarterly corporate governance report, statement of investor complaints, shareholding pattern, compliance report on all laws applicable to the Company, annual financial statements and other matters placed before the Board pursuant to Part A of Schedule II of SEBI Listing Regulations.

**Post meeting follow up system**: The Company has an effective post board meeting follow up procedure. Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board. The Board has established procedures to periodically review compliance report pertaining to all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance, if any.

**2.3 Matrix of Skills / Expertise / Competencies of the Board of Directors –**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and the board along with the names of the Directors, who possess such skill/ expertise/competence, are given below:-

**i)** **Business & Industry**: Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.

**ii)** **Behavioural skills**: attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.

**iii)** **Financial Expertise:** Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilisation, Understanding of Financial policies and accounting statement and assessing economic conditions.

**iv)** **Strategy and Planning –** Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

**v)** **Legal, Technical & Professional skills**: attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.

**vi)** **Governance & Compliance:** developing governance framework, serving the best interests of all stakeholders, driving board and management accountability, building long-term effective stakeholder engagements and sustaining corporate ethics and values.

| S. No. | Name of Director | Skills |
|---|---|---|
| 1. | Ms. Atima Khanna | Business & Industry, Behavioural skills, Financial Expertise, Strategy and Planning, Legal, Technical & Professional skills and Governance & Compliance |
| 2. | Mr. Amit Mittal | Business & Industry, Behavioural skills, Financial Expertise, Strategy and Planning, Technical & Professional skills and Governance & Compliance |
| 3. | Mr. Arun Gaur | Business & Industry, Behavioural skills, Legal, Technical & Professional skills and Governance & Compliance |
| 4. | Ms. Dipali Mittal | Business & Industry, Behavioural skills, Strategy and Planning and Technical & Professional skills |
| 5. | Mr. Manoj Tiwari | Business & Industry, Behavioural skills, Strategy and Planning and Technical & Professional skills |
| 6. | Mr. Parmatma Singh Rathor | Business & Industry, Behavioural skills, Financial Expertise, Strategy and Planning and Legal, Technical & Professional skills |
| 7. | Ms. Ritu Goyal | Business & Industry, Behavioural skills, Legal, Technical & Professional skills and Governance & Compliance |

## 3 BOARD COMMITTEES

In compliance with the SEBI Listing Regulations and to focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted various committees with specific terms of reference and scope. The committees operate as empowered agents of the Board as per their charter/terms of reference.

Each Committee is guided by its Charter or Terms of Reference, which provides for the composition, scope, powers and duties and responsibilities. The Committees spend considerable time and provide focused attention to various issues placed before them and their recommendations provide value and support in the quality of the decision-making process of the Board. The recommendations of the Committee(s) are submitted to the Board for its approval. The Board of Directors have confirmed that during the year, all recommendations of the Committee(s) were duly considered and approved by the Board of Directors and none of the recommendation made by any of the Committees has been rejected by the Board. The minutes of the meetings of all Committees are circulated to the Board for discussion/noting/ratification.

### 3.1 Audit Committee

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and actions taken report.

(a) ***Constitution and Terms of Reference***

As on March 31, 2024, the Audit Committee comprises of four (4) Directors, three (3) of them are Non-Executive Independent Directors and one (1) is Non-Executive Non-Independent Director. The Chairperson of the Audit Committee is an Independent Woman Director.

Representatives of the Statutory Auditors are invited to attend meetings of the Committee. The Committee also invites the Managing Director & CEO, Chief Financial Officer, Internal Auditors and Cost Auditors as and when their presence at the meeting of the Committee is considered appropriate.

The terms of reference of the Audit Committee covers matters specified under Part C of Schedule II of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 as amended from time to time. The terms of reference of Audit Committee inter-alia includes following matters:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of payment to auditors for any other services rendered by them;

3. Reviewing with the management the quarterly, half yearly and annual financial statements and auditors' report thereon before submission to the board for approval; This would, inter-alia, include reviewing changes in the accounting policies, if any, major accounting estimates based on exercise of judgment by the Management, disclosure of related party transactions, compliance with legal and other regulatory requirements with respect to the financial statements;
4. Significant adjustments made in the financial statements arising out of audit findings;
5. Reviewing the Management Discussion & Analysis of financial and operational performance and Boards' Report;
6. To oversee and review the functioning of a Vigil Mechanism / Whistle Blower Policy;
7. Approval of Related Party Transactions (RPT) or any subsequent modifications of RPT and review of RPT on quarterly basis;
8. Review Qualifications in the draft audit report and give its comments on the same;
9. Scrutiny of inter-corporate loans and investments;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Discussion with Statutory auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
15. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
16. Reviewing the utilization of loans and/or advances from/investment by the holding Company in the subsidiary;
17. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders;
18. All Other duties, responsibilities as defined under section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

Further, the Audit committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

**Additionally, the Audit Committee shall mandatorily review the following information:**

1. Management discussion and analysis of financial condition and results of operations;
2. Recommend to the Board, the appointment, reappointment and, if required the replacement or removal of the statutory auditors, cost auditors and secretarial auditors considering their independence and effectiveness, and recommend their audit fees;
3. Management letters / letters of internal control weaknesses issued by the auditors, if any;
4. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
5. Internal audit reports relating to internal control weaknesses;
6. The appointment, removal and terms of remuneration of Chief Internal Auditor;
7. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors; and
8. Approval of such other services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.

(b) ***Meeting and Attendance***

During the year under review, the Committee met Four (4) times i.e. on May 19, 2023, August 11, 2023, November 06, 2023 and February 12, 2024.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2024 are given below:

| Member | Designation | Category of Directorship | Number of Meeting attended |
|---|---|---|---|
| Ms. Atima Khanna | Chairperson | Non- Executive & Independent Director | 4 |
| Mr. Arun Gaur | Member | Non- Executive & Non Independent Director | 4 |
| Mr. Parmatma Singh Rathor* | Member | Non- Executive & Independent Director | 2 |
| Ms. Ritu Goyal* | Member | Non- Executive & Independent Director | 2 |
| Mr. Surender Kumar Tuteja** | Member | Non- Executive & Independent Director | 2 |

*Mr. Parmatma Singh Rathor and Ms. Ritu Goyal were appointed as Non-Executive Independent Director of the Company w.e.f. August 11, 2023 and appointed as members of the Audit Committee w.e.f. September 20, 2023.

**Mr. Surender Kumar Tuteja had resigned from the Board of Directors of the Company and its Committees w.e.f. August 18, 2023.

- ❖ Ms. Atima Khanna, Chairperson of the Audit Committee attended the previous Annual General Meeting held on September 29, 2023 for answering the shareholder's queries.
- ❖ Mr. Atul K. Agarwal, Company Secretary cum Compliance Officer acts as the Secretary to the Audit Committee.

**3.2 Nomination & Remuneration Committee**

(a) ***Constitution and Terms of Reference***

As on March 31, 2024, the Nomination & Remuneration Committee comprises of three (3) Directors, two (2) of them are Non-Executive Independent Directors and one (1) is Non-Executive Non-Independent Director. The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

***Terms of Reference:-***

The terms of reference of the Nomination and Remuneration Committee ("NRC") includes the matters stipulated in Point A of Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013 as under:

The brief terms of reference of the Nomination & Remuneration Committee are as under: -

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel (KMP) and other employees;
2. For every appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation prepare a description of role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of Board of Directors;
5. Lay down criteria for Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
6. Recommendation to the Board about appointment, re-appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down.
7. Formulation of the criteria for evaluation of performance of every Director and carry out performance evaluation of Directors and to recommend to the Board on whether to extend or continue the term of appointment of Independent Director.
8. Recommendation to the Board, all remuneration, in whatever form, payable to senior management.
9. Framing the Employees Share Purchase Scheme / Employees Stock Option Scheme and recommending the same to the Board/ shareholders for their approval and implementing/administering the scheme approved

by the shareholders;

10. Suggesting to Board/ shareholders changes in the ESPS/ ESOS;
11. Deciding the terms and conditions of ESPS and ESOS
12. All other duties, responsibilities as defined under section 178 of the Companies Act, 2013 & Regulation 19 read with part D (A) of Schedule II of the SEBI Listing Regulations.

(b) ***Meeting and Attendance***

During the year under review, the committee met Two (2) times i.e. August 11, 2023 and February 12, 2024.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2024 are given below:

| Member | Designation | Category of Directorship | Number of Meeting attended |
|---|---|---|---|
| Ms. Ritu Goyal* | Chairperson | Non-Executive & Independent Director | 1 |
| Ms. Atima Khanna* | Member | Non-Executive & Independent Director | 2 |
| Ms. Dipali Mittal | Member | Non-Executive & Non Independent Director | 2 |
| Mr. Surender Kumar Tuteja** | Member | Non-Executive & Independent Director | 1 |

*Ms. Ritu Goyal was appointed as Non-Executive Independent Director of the Company w.e.f. August 11, 2023 and appointed as Chairperson of the Nomination & Remuneration Committee w.e.f. September 20, 2023 and Ms. Atima Khanna was re-designated as Member of the Committee w.e.f September 20, 2023.

**Mr. Surender Kumar Tuteja had resigned from the Board of Directors of the Company w.e.f. August 18, 2023.

❖ Ms. Ritu Goyal, Chairperson of the Nomination & Remuneration Committee attended the previous Annual General Meeting held on September 29, 2023 for answering the shareholder’s queries.

❖ Mr. Atul K. Agarwal, Company Secretary cum Compliance Officer acts as the Secretary to the Nomination & Remuneration Committee

(c) ***Performance Evaluation Criteria for Independent Directors***

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and as per the guidance note issued by SEBI dated January 5, 2017, the Nomination & Remuneration Committee of the Board had carried out the evaluation of every Director’s Performance based on specified criteria to ensure:

- that the directors demonstrate a willingness to devote time and efforts to understand the company and its business;
- that the Directors uphold ethical standards of honesty and virtue towards the Company;
- that the directors are competent to take the responsibility and having adequate qualification, experience, skills and knowledge;
- that the Board of Directors are actively participating in the Board /Committee meetings;
- that they listen to the qualitative views of others and value of their contributions at board meetings;
- their Contribution to development of strategy and to oversee the effectiveness of their relationships with fellow board members, the company secretary and senior management;
- Integrity and maintaining confidentiality;
- the effectiveness of Leadership quality of the Chairperson;
- that the directors are able to function as an effective team- member;
- that the directors actively takes initiative with respect to various areas; and
- demonstrate integrity, credibility, trustworthiness, an ability to handle conflict constructively, and the willingness to address issues proactively.

Details of the performance evaluation criteria for Independent Directors of the Company is provided in the Boards’ Report forming part of the Annual Report of the Company.

(d) ***Remuneration Policy-***

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve desired results.

Remuneration Policy of your Company is in conformity with the provisions under the Companies Act, 2013 and SEBI Listing Regulations. It is directed towards rewarding performance, based on review of achievements.

The policy ensures that:

- The level and composition is reasonable and sufficient to attract, retain and motivate the employees required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and;
- Remuneration to Directors, Key Managerial Personal and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Remuneration Policy of the Company including the criteria for making payments to the NEDs is placed on the website of the Company at http://media.a2zgroup.co.in/pdf/Remuneration_Policy_13.02.2021.pdf

***Remuneration to Non-Executive Directors***

The Non-Executive Non-Independent and Non-Executive Independent Directors are being paid sitting fee of INR 25,000/- (Rupees Twenty Five Thousand only) for attending each Board and Committee meeting respectively. The details of sitting fees paid for attending the Board and committee meetings held during the year and commission payable for financial year 2023-24 is as under:

***(Amount in INR)***

| S. No. | Name | Sitting Fees paid | Commission payable |
|---|---|---|---|
| 1. | Ms. Atima Khanna | 4,00,000 | NIL |
| 2. | Ms. Dipali Mittal | 2,75,000 | NIL |
| 3. | Mr. Arun Gaur | 3,75,000 | NIL |
| 4. | Mr. Manoj Tiwari | 1,25,000 | NIL |
| 5. | Mr. Parmatma Singh Rathor | 1,50,000 | NIL |
| 6. | Ms. Ritu Goyal | 1,75,000 | NIL |
| 7. | Mr. Surender Kumar Tuteja | 1,25,000 | NIL |
| | **Total** | **16,25,000** | **NIL** |

**Remuneration to Executive Directors-**

Company is in default in payment of its dues to its lenders and as per Schedule V of the Companies Act, 2013; Company can't give remuneration to its executive directors without the approval of its Lenders and Shareholders of the Company. Hence, Company is unable to pay any remuneration to its executive Directors.

Mr. Amit Mittal is a Whole-Time Director in Ecogreen Envirotech Solutions Limited ("Ecogreen"), a material subsidiary of the Company and getting remuneration from Ecogreen.

***(e)*** ***Senior management:*** The senior management of the Company contributing their valuable efforts towards the fulfillment of the objectives and providing the high standards of corporate behavioral skills to ensure the effective management of the company. The senior management of the Company comprises of the following:

| S. No. | Name | Designation | Date of Appointment | Date of Cessation, if any | Skills and Expertise |
|---|---|---|---|---|---|
| 1. | Mr. Guljeet Singh Saroya | President Projects | 01.04.2022 | NA | • Organization of team and Monitor Project Progress.<br>• Leadership and decision making.<br>• Set the benchmarks and evaluate Project Performance. |

| S. No. | Name | Designation | Date of Appointment | Date of Cessation, if any | Skills and Expertise |
|---|---|---|---|---|---|
| **2.** | Mr. Lalit Kumar | Chief Financial Officer | 18.05.2022 | NA | • Financial expertise and leadership.<br>• Well informed to the changes in the regulatory requirements related to finance.<br>• Align with the organization's financial strategy. |
| **3.** | Mr. Atul Kumar Agarwal | Company Secretary cum Compliance Officer | 27.02.2008 | NA | • Link between the company and its Board of Directors, shareholders, government and regulatory authorities.<br>• Good governance practices and Secretarial Compliances as well as informed to changes therein. |

### 3.3 Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in line with the provisions of Part D of Schedule II and Regulation 20 of SEBI Listing Regulations read with section 178 of the Companies Act, 2013.

As on March 31, 2024, the Stakeholders' Relationship Committee comprises of three (3) Directors out of which two (2) Non-Executive Non-Independent Directors and one (1) is Non-Executive Independent Director. During the Financial year 2023-24, the Committee met four (4) times i.e. on May 19, 2023, August 11, 2023, November 06, 2023 and February 12, 2024.

***Terms of Reference:-***

The brief terms of reference of the Stakeholders' Relationship Committee are as under: -

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

**Investor Complaints**

Your Company takes all effective steps to resolve complaints, if any, received from shareholders of the Company. The complaints shall be duly attended by the Company/ Registrar & Transfer Agent and the same shall be resolved within prescribed time.

During the year under review, Company has not received any complaint from its shareholders.

The composition and attendance of the members of the Stakeholders Relationship Committee at the meetings held during the financial year ended March 31, 2024 are given below:

| S. No. | Name of the Director | Designation | Category | No of Meetings Attended |
|---|---|---|---|---|
| 1. | Ms. Dipali Mittal | Chairperson | Non-Executive & Non-Independent Director | 4 |
| 2. | Ms. Atima Khanna | Member | Non-Executive & Independent Director | 4 |
| 3. | Mr. Arun Gaur | Member | Non-Executive & Non-Independent Director | 4 |

❖ Ms. Dipali Mittal, Chairperson of the Stakeholders Relationship Committee attended the previous Annual General Meeting held on September 29, 2023 for answering the shareholder's queries.

❖ **Name and designation of compliance officer:** Mr. Atul K. Agarwal designated as President & Company Secretary. He is also the Nodal Officer of the Company in terms of Investor Education and Protection Fund Rules.

**Details of investor complaints received and redressed during the year 2023-24 are as follows:**

| Opening Balance | No. of Complaints received during the financial year | No. of Complaints resolved satisfaction of Shareholders | Closing Balance |
|---|---|---|---|
| NIL | NIL | NA | NA |

**3.4 Corporate Social Responsibility Committee (CSR Committee)**

Company is not fulfilling the criteria as specified in Section 135 of the Companies Act, 2013 in the preceding financial year i.e. F.Y. 2022-23. Hence, the provisions of Section 135 are not applicable on the Company for the F.Y. 2023-24.

The CSR Policy of the Company as approved by the Board is placed on the website of the Company and may be accessed via following link.

-http://media.a2zgroup.co.in/pdf/CSR_Policy_A2Z_22.pdf

**3.5 Separate Independent Directors' Meetings**

As per the Schedule IV of Companies Act, 2013 & Regulation 25(3) of SEBI Listing Regulations, the Independent Directors, Ms. Atima Khanna, Ms. Ritu Goyal and Mr. Parmatma Singh Rathor duly held their separate meeting on February 12, 2024, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

1. Review the performance of Non-Independent Directors and the Board of Directors as a Whole;
2. Review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Assess the quality, quantity and timelines of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company:

http://media.a2zgroup.co.in/pdf/AIEL_Familiarization%20Programme%20for%20Independent%20Directors_2023-24.pdf

**3.6 Other Committees of the Board of Directors**

In addition to the above referred committees which are constituted pursuant to SEBI Listing Regulations, the Board has duly constituted Finance Committee, to consider various business matters and delegated their powers and responsibilities with respect to specific purposes. Further, risk management committee is not applicable to the Company.

**4. SUBSIDIARY COMPANY**

All subsidiaries of the Company are managed by their Boards having rights and obligations in accordance with applicable laws. The Company monitors performance of its subsidiaries, inter-alia, by the following means:

i) The Audit committee reviews financial statements of the subsidiary companies, along with investments made by them, on a quarterly basis.

ii) The Board of directors reviews the Board meeting minutes and statements of all significant transactions and arrangements, if any, of subsidiary companies.

iii) Appointment of an independent Director of the Company on the Board of directors of unlisted material subsidiary.

As on March 31, 2024, Company has three material unlisted Indian subsidiary Company(ies), the details of which are as follows:

| S. No. | Name of Material Subsidiary | Date of Incorporation | Registered Office | Name of Auditor | Date of appointment |
|---|---|---|---|---|---|
| 1. | A2Z Infraservices Limited | 15.04.2008 | O-116, First Floor, DLF Shopping Mall, Arjun Marg, Gurgaon -122002, Haryana | M/s A.B. Sanwalka & Co., Chartered Accountants | Appointed for a period of five years from the financial year 01.04.2023 till 31.03.2028 in the Company's AGM held for the financial year 2022-23. |

| S. No. | Name of Material Subsidiary | Date of Incorporation | Registered Office | Name of Auditor | Date of appointment |
|---|---|---|---|---|---|
| 2. | Ecogreen Envirotech Solutions Limited | 10.11.2010 | O-116, First Floor, DLF Shopping Mall, Arjun Marg, Gurgaon -122002, Haryana | M/s MAAGS & Co. (formerly known as M/s Mahesh Aggarwal & Associates), Chartered Accountants | Appointed for a period of five years from the financial year 01.04.2021 till 31.03.2026 in the Company's AGM held for the financial year 2020-21 |
| 3. | Mansi Bijlee & Rice Mills Limited | 10.06.2010 | O-116, First Floor, DLF Shopping Mall, Arjun Marg, Gurgaon -122002, Haryana | M/s M.P. Gupta & Associates, Chartered Accountants | Appointed for a period of five years from the financial year 01.04.2019 till 31.03.2024 in the Company's AGM held for the financial year 2018-19 |

The policy for determining Material Subsidiary as approved by the Board may be accessed on the Company's website at the link http://media.a2zgroup.co.in/pdf/Policy_on_material_subsidiary_13.02.2021.pdf

## 5. GENERAL BODY MEETINGS

### A. ANNUAL GENERAL MEETING

Location, time and place where last 3 (three) Annual General Meetings were held along with the Special Resolution passed by the members:

| Financial Year ended | Venue | Date | Time | Special Resolution passed in last three Annual General Meetings |
|---|---|---|---|---|
| 2023 | Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") Ground Floor, Plot No. 58, Sector-44, Gurugram-122003, Haryana | Friday, September 29, 2023 | 12:00 P.M. | 1. Re-appointment of Ms. Atima Khanna (DIN: 07145114) as Non-Executive Independent Director of the Company.<br>2. Appointment of Ms. Ritu Goyal (DIN: 05180676) as Non-Executive Independent Director of the Company.<br>3. Appointment of Mr. Parmatma Singh Rathor (DIN: 03346747) as Non-Executive Independent Director of the Company. |
| 2022 | Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") Plot No. B- 38, Institutional Area, Sector- 32 , Gurugram-122001, Haryana | Monday, September 19, 2022 | 12:30 P.M. | No Special Resolution was passed in this meeting. |
| 2021 | Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") Plot No. B- 38, Institutional Area, Sector- 32 , Gurugram-122001, Haryana | Thursday, September 30, 2021 | 11:00 A.M. | No Special Resolution was passed in this meeting. |

### B. POSTAL BALLOT

No Postal ballot conducted during the year.

Whether any resolutions are proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

### 5.1 MEANS OF COMMUNICATION

I. **Website:-** The Company's corporate website www.a2zgroup.co.in depicts comprehensive information about the business activities of the Company. The website contains a separate dedicated section "Investors Relations" where shareholder related information disseminated to the Stock Exchanges are available such as quarterly, half-yearly and annual financial results, annual reports, shareholding pattern, important announcements, official news release and other general information and events about the Company. Financial Statements of Subsidiary Company(ies) are also posted on the Website. Information available also includes credit ratings, the policies framed by the Company under various laws and regulations, contact information of the Nodal Officer and Designated Officials responsible for assisting and handling investor grievances, e-mail address for grievance and redressal and other relevant details.

II. **Financial Results**:- Pursuant to Regulation 33 of SEBI Listing Regulations the quarterly, half yearly and annual financial results of the Company are submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") after approval of the members of the Audit Committee and Board of Directors of the Company. The Quarterly and Annual Financial Results are published in one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated, viz. Business Standard (English & Hindi dailies) and also uploaded on the website of the Company i.e. www.a2zgroup.co.in

III. **Annual Report**:- The Annual Report containing, inter-alia, Audited Annual Standalone Financial Statements, Consolidated Financial Statements, Boards' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management's Discussion and Analysis (MDA) Report forms part of the Annual Report. The Annual Report is also available on the Company's website (www.a2zgroup.co.in).

IV. **Communication to shareholders on email**:- Documents like Notices, Annual Report, etc. are sent to the shareholders at their email address, as registered with their depository participants/Company/RTA. This helped in prompt delivery of documents, reduce paper consumption, save trees and avoid loss of documents in transit.

Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated either with their depositories or by writing to the Company. Format of request letter (Form ISR-1) is available in the 'Investors' Section under 'KYC Updation and Demat' of the Company's website www.a2zgroup.co.in

V. **Designated Exclusive Email ID**: The Company has designated Email Id investor.relations@a2zemail.com exclusively for shareholder / investor grievances redressal.

VI. **SCORES (SEBI complaints redressal system):-** SEBI has commenced processing of Investor complaints in Centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his/her grievance. The Company will upload the action taken on the complaint which can be viewed by the grieved shareholder. The Company and Investor can also seek and provide clarification online to each other.

VII. **The Company also intimates the Stock Exchanges:-** all price sensitive matters or such matters which, in opinion of Board, are material and of relevance to the shareholders, and subsequently issues a Press Release on the matter, wherever necessary.

VIII. **NEAPS (NSE Electronic Application Processing system)**:- NEAPS is web based application designed by NSE for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Financial Results, Media Releases, among other are filed electronically on NEAPS.

IX. **BSE Corporate Compliance & Listing Centre:-** BSE Corporate Compliance Listing Center for submission of various filings by the Listed Companies. It is web based facility which is designed to make corporate filings easy, convenient and environment friendly. The Company regularly files data such as Shareholding Pattern, Corporate Governance Report, etc on the aforesaid portal.

X. **Arbitration Mechanism (ODR Mechanism):-** SEBI has vide Circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023), established a common Online Dispute Resolution Portal ("ODR Portal") which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. This information along with SEBI circular is available on the website of the Company at www.a2zgroup.co.in for the shareholders' information and reference.

## 6. GENERAL SHAREHOLDER INFORMATION

**6.1** The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is L74999HR2002PLC034805.

**6.2 23rd Annual General Meeting**

Date : September 28, 2024
Day : Saturday
Time : 12.00 P.M
Mode: Video Conferencing

**6.3 Financial Calendar**

| | |
|---|---|
| **Financial year** | : April 01 to March 31 |
| **Results for the quarter ending** | : Actual/Tentative Date for approval |
| June 30, 2024 | : On or before August 14, 2024 |
| September 30, 2024 | : On or before November 14, 2024 |
| December 31, 2024 | : On or before February 14, 2025 |
| March 31, 2025 | : Latest by May 30, 2025 |

**6.4 Date of Book Closure**

The Physical Register of members and Share Transfer books of the Company will remain closed from Monday, September 23, 2024 to Saturday, September 28, 2024 (both days inclusive) for the purpose of Annual General Meeting.

**6.5 Dividend Payment date:** Not Applicable**.** Due to losses in the financial year 2023-24, Company does not recommend any dividend for the shareholders.

**6.6 Listing on Stock Exchanges**

The names of Stock Exchanges at which Company's Shares are listed and scrip code is as below:

| Name and Address of the Stock Exchange | Scrip Symbol/ Code | Status of listing fee paid/unpaid |
|---|---|---|
| National Stock Exchange of India Limited<br>Exchange Plaza, Plot no. C/1,G Block, Bandra- Kurla Complex, Bandra (E), Mumbai - 400 051 | A2ZINFRA | Paid |
| BSE Limited Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai - 400 001 | 533292 | Paid |

**6.7 International Securities Identification Numbers (ISIN)**

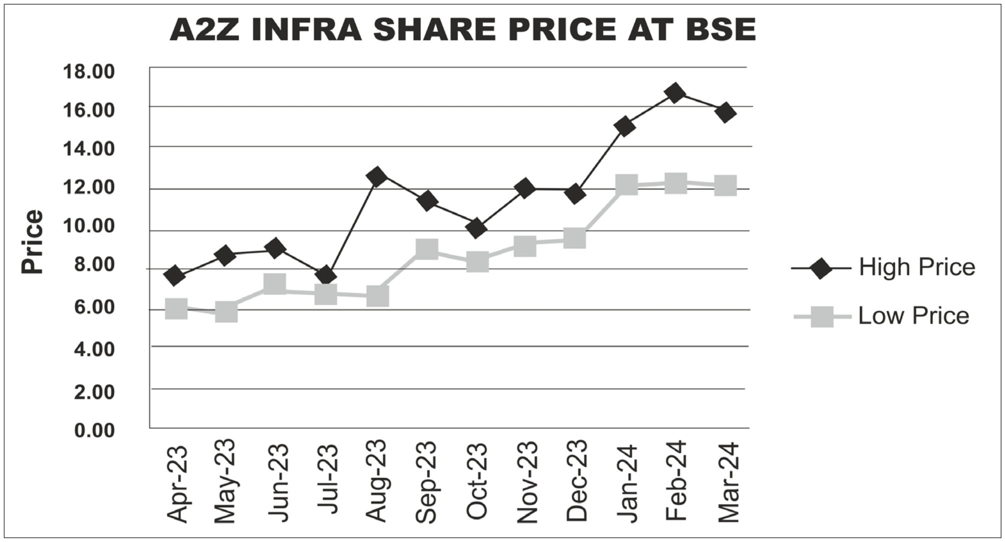
ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized equity shares of the Company. The ISIN number of the shares of Company is **INE619I01012**.

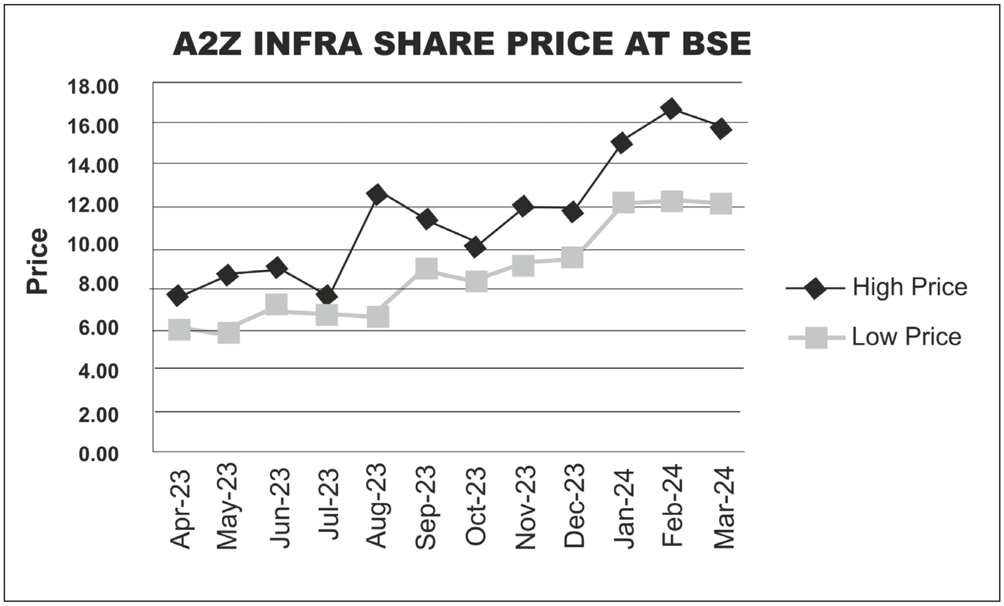
**a. Market Price Data**

The details of monthly highest and lowest closing price of the equity of the Company and its comparison to broad based indices Sensex (BSE) and Nifty (NSE) during financial year 2023-24 are as under:

| BSE Limited | | | | |
|---|---|---|---|---|
| **Month & Year** | **A2Z Stock (in INR)** | | **Sensex** | |
| | **High Price** | **Low Price** | **High** | **Low** |
| Apr-23 | 7.57 | 6.00 | 61209.46 | 58793.08 |
| May-23 | 8.59 | 5.80 | 63036.12 | 61002.17 |
| Jun-23 | 9.00 | 7.15 | 64768.58 | 62359.14 |
| Jul-23 | 7.49 | 6.71 | 67619.17 | 64836.16 |
| Aug-23 | 12.65 | 6.55 | 66658.12 | 64723.63 |
| Sep-23 | 11.37 | 9.00 | 67927.23 | 64818.37 |
| Oct-23 | 9.95 | 8.27 | 66592.16 | 63092.98 |
| Nov-23 | 12.00 | 9.12 | 67069.89 | 63550.46 |
| Dec-23 | 11.68 | 9.57 | 72484.34 | 67149.07 |
| Jan-24 | 15.13 | 12.26 | 73427.59 | 70001.6 |
| Feb-24 | 16.75 | 12.30 | 73413.93 | 70809.84 |
| Mar-24 | 15.77 | 12.19 | 74245.17 | 71674.42 |

| National Stock Exchange of India Limited | | | | |
|---|---|---|---|---|
| | A2Z Stock (in INR) | | Nifty | |
| Month & Year | High Price | Low Price | High | Low |
| Apr-2023 | 7.95 | 6.00 | 18089.15 | 17312.75 |
| May-2023 | 8.60 | 6.20 | 18662.45 | 18042.40 |
| Jun-2023 | 8.95 | 7.10 | 19201.70 | 18464.55 |
| Jul-2023 | 7.40 | 6.65 | 19991.85 | 19234.40 |
| Aug-2023 | 12.45 | 6.70 | 19795.60 | 19223.65 |
| Sep-2023 | 11.40 | 9.10 | 20222.45 | 19255.70 |
| Oct-2023 | 10.10 | 8.25 | 19849.75 | 18837.85 |
| Nov-2023 | 12.00 | 9.30 | 20158.70 | 18973.70 |
| Dec-2023 | 11.70 | 9.55 | 21801.45 | 20183.70 |
| Jan-2024 | 15.15 | 12.25 | 22124.15 | 21137.20 |
| Feb-2024 | 16.70 | 12.35 | 22297.50 | 21530.20 |
| Mar-2024 | 15.80 | 12.30 | 22526.60 | 21710.20 |



**6.8 Registrar and Share Transfer Agents**

The Company has engaged M/s. Alankit Assignments Limited, a SEBI registered Share Transfer Agent, as Registrar and Share Transfer Agent (RTA). Shareholders can send their queries regarding Transmission/ Dematerialisation of shares and any other correspondences relating to the shares of the Company to the Registrar and Share Transfer Agent. Shareholders holding shares in electronic mode should address all correspondences to their respective depository participants.

As required under Regulation 7(3) of the SEBI Listing Regulations, the Company files, on annual basis, certificate issued by RTA and compliance officer of the Company certifying that all activities in relation to share transfer facility are maintained by RTA registered with SEBI i.e. Alankit Assignments Limited

Details RTA is as follow:

**Registrar & Share Transfer Agent**

**M/s Alankit Assignments Limited**
Alankit House, 4E/2, Jhandewalan Extension,
New Delhi – 110 055
Ph.: +91 11 42541234, +91 11 23541234
Fax: +91 11 23552001, +91 11 42541201
Email: rta@alankit.com
Website: www.alankit.com

**6.9 Share Transfer System**

Pursuant to SEBI Regulations, transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Further, SEBI vide its Circular No SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that certain Service Requests including transmission or transposition of securities held in physical form shall be processed by issuing securities in dematerialised form only and physical Share Certificates shall not be issued by the Company to the Securities holder/claimant.All such requests are completed within a statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects.SEBI vide its Master Circular dated May 7, 2024 read with SEBI Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, has made it mandatory for the holders of physical securities to furnish PAN, Choice of Nomination (Optional), Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers to the RTA of the Company in respect of all concerned Folios.

Company has also sent reminder letter(s) along with requisite forms to shareholders holding shares in physical mode requesting them to update/furnish prescribed details. The process along with requisite forms is also made available at www.a2zgroup.co.in.

The Company has obtained the annual certificate from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Regulation 40(9) of the SEBI Listing Regulations. The said certificate has been submitted to the Stock Exchanges. As stipulated by SEBI, a Company Secretary in Practice carried out Reconciliation of Share Capital Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis as per the requirement of Regulation 76A of the SEBI (Depositories and Participants) Regulations, 2018.

**6.10 Distribution of Shareholding**

**By number of shareholder & shares as on March 31, 2024**

| S. No. | Range of Shares | No. of Shareholders | % to Total Shareholders | No. of Shares | % of Shares to total shares |
|---|---|---|---|---|---|
| 1 | 1-500 | 29784 | 69.82 | 4317821 | 2.45 |
| 2 | 501-1000 | 5072 | 11.88 | 4433194 | 2.52 |
| 3 | 1001-2000 | 2848 | 6.68 | 4564589 | 2.59 |
| 4 | 2001-3000 | 1205 | 2.82 | 3158223 | 1.79 |
| 5 | 3001-4000 | 578 | 1.36 | 2123355 | 1.21 |
| 6 | 4001-5000 | 797 | 1.87 | 3856610 | 2.19 |
| 7 | 5001-10000 | 1078 | 2.53 | 8364100 | 4.75 |
| 8 | 10001-20000 | 580 | 1.36 | 8556523 | 4.86 |
| 9 | 20001- and above | 718 | 1.68 | 136745443 | 77.64 |
| **TOTAL** | | **42660** | **100.00** | **176119858** | **100.00** |

**(a) By category of shareholders as on March 31, 2024**

| Sr. No | Category of Shareholder | Total number of shares | % of Holding |
|---|---|---|---|
| I | **Shareholding of Promoter and Promoter Group** | | |
| | Promoter | 27350601 | 15.53 |
| | Promoter Group | 22210382 | 12.61 |
| | **Total Shareholding of Promoter & Promoter Group** | **49560983** | **28.14** |
| II | **Public shareholding** | | |
| | **(A) Institutions** | | |
| | Foreign Portfolio Investors Category I | 638000 | 0.36 |
| | Foreign Portfolio Investors Category II | 2208361 | 1.25 |
| | NBFCs registered with RBI | 180000 | 0.10 |
| | **(B) Non-institutions** | | |
| | Resident Individuals | 102013643 | 57.93 |
| | Directors and their relatives (excluding independent directors and nominee directors) | 37100 | 0.02 |
| | Key Managerial Personnel | 5045 | 0.01 |
| | Non Resident Indian | 4454165 | 2.53 |
| | Bodies Corporate | 10375314 | 5.89 |
| | Trust | 45016 | 0.03 |
| | Clearing Member | 464914 | 0.26 |
| | Resident (HUF) | 6124774 | 3.47 |
| | IEPF | 12543 | 0.01 |
| | Total Public Shareholding (A+B) | 126558875 | 71.86 |
| | **GRAND TOTAL (I+II)** | **176119858** | **100.00** |

### 6.11 Dematerialization of Shares and Liquidity

**(a) Dematerialization of Shares**

Your Company's equity shares are compulsorily traded in dematerialised form by all categories of investors. Equity Shares of the Company representing 99.99% of the Company's Share Capital are dematerialized as on March 31, 2024. Equity shares of your Company are available for trading on the depository systems of both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**Details of Shares in Dematerialized and Physical Form (As on March 31, 2024)**

| Particulars of Shares | Equity Shares of INR 10/- each | | Shareholders | |
|---|---|---|---|---|
| Dematerialised | Number | % of Total Shares | Number | % of Total Shareholders |
| NSDL | 109536596 | 62.19 | 16629 | 38.98 |
| CDSL | 66578445 | 37.80 | 26018 | 60.99 |
| **Sub total** | **176115041** | **99.99** | **42647** | **99.97** |
| Physical form | 4817 | 0.01 | 13 | 0.03 |
| **Total** | **176119858** | **100.00** | **42660** | **100.00** |

**(b) Outstanding GDR/ADR or Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

As on March 31, 2024, there are no outstanding GDR/ADR/Warrants or any convertible instruments.

**(c) Commodity Price Risk or foreign currency risk and hedging activities**:

The Company is not having much exposure to foreign exchange and there is a natural hedging partly available in terms of exports made by the Company.

(d) **Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of SEBI Listing Regulations**: Not Applicable.

**6.12 PLANT LOCATIONS**

**The locations of Company's plants are as mentioned below:**

1. Nakodar, Jalandhar, Punjab
2. Kaineur Road, Morinda, Roopnagar, Ropar, Punjab
3. Village Bodiwalla Pitha, Fazilka, Firozpur, Punjab

**6.13 Address for Correspondence**

The Shareholders may contact Company or Registrar & Transfer Agent on below address:

The Company Secretary
**Mr. Atul Kumar Agarwal**
**Company Secretary cum Compliance Officer**
**A2Z INFRA ENGINEERING LTD.**
Ground Floor, Plot no.-58,
Sector-44, Gurugram-122003, Haryana
Telephone No.: +91 124 4723383
E-mail: complianceofficer@a2zemail.com
**Website:** www.a2zgroup.co.in

**Registrar & Transfer Agents:**
**M/s Alankit Assignments Limited**
Alankit House, 4E/2, Jhandewalan Extension,
New Delhi – 110 055
Ph.: +91 11 42541234, +91 11 23541234
Fax: +91 11 23552001
Email: rta@alankit.com
Website: www.alankit.com

**7. Other Disclosures:**

i. **Materially Significant Related Party Transactions: -** There were no material significant transactions entered by the Company with the related parties and all transactions entered into by the Company with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year, were in the ordinary course of business and arm length basis which have been approved by the audit committee and Board. The policy on materiality of and dealing with related party transactions has been uploaded on the website of Company at:-

http://media.a2zgroup.co.in/pdf/A2Z-PolicyonMaterialityofandDealingwithRelatedPartyTransactions_01.04.2022.pdf

All Related Party Transactions are approved by the Audit Committee prior to the transaction. The Audit Committee has, after obtaining approval of the Board of Directors, laid down the criteria for granting omnibus approval which also forms part of the Policy. Related Party Transactions of repetitive nature are approved by the Audit Committee on omnibus basis at the beginning of financial year. The Audit Committee satisfies itself regarding the need for omnibus approval and that such approval is in the interest of the company and ensures compliance with the requirements of the Act and the SEBI Listing Regulations. All omnibus approvals are reviewed by the Audit Committee on a quarterly basis.

A confirmation as to compliance of Related Party Transactions as per SEBI Listing Regulations is also sent to the Stock Exchanges along with the quarterly compliance report on Corporate Governance. Disclosure of related party transactions on a consolidated basis is also sent to the Stock Exchanges on the date of publication of standalone and consolidated financial results for the half year.

ii. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years i.e. 2021-22, 2022-23 and 2023-24 respectively** No strictures or penalties have been imposed on the Company by the Stock Exchanges or by SEBI or by any other Statutory Authorities on any matters related to capital markets during the last three years.

iii. **Vigil mechanism/ Whistle Blower Policy:** Company has established a system through which directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal. Reporting of instances of leak/ suspected leak of any UPSI is allowed through this vigil mechanism and the Company has made its employees aware of the same. The Company has set up a Direct Touch initiative, under which all directors, employees / business associates have direct access to the Chairperson of the

Audit Committee. The Whistle Blower Policy is available on Company's website at

http://media.a2zgroup.co.in/pdf/VIGIL_(WHISTLE%20BLOWER)_POLICY_13.02.2021.pdf.

The Audit Committee periodically reviews the existence and functioning of the mechanism.

**iv.** The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents and same were also uploaded on the website of the Company at below mentioned links :-

http://media.a2zgroup.co.in/pdf/Policy%20for%20Determination%20of%20Materiality%20of%20Events_11.08.2023.pdf

http://media.a2zgroup.co.in/pdf/A2Z%20INFRA_Policy_on_Preservation_of_Documents_and_Archival_Policy.pdf.

**v.** **Compliance with the Mandatory Requirements of the SEBI Regulations:** The Company has complied with all the mandatory requirements of the Code of Corporate Governance under the SEBI Listing Regulations and also the non-mandatory requirements to the extent applicable on the Company and as stipulated under the SEBI Listing Regulations.

**vi.** **Details of utilization of funds raised through preferential allotment or QIP:** Not Applicable

**vii**. **Certificate on Disqualification of Directors:** A Certificate from DR Associates, Company Secretaries in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors by the Board /Ministry of Corporate Affairs or any such statutory authority is attached as **Annexure-I** of CG Report.

**viii**. **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. -** Details relating to fees paid to the Statutory Auditors are given in **Note 30.1** to the Standalone Financial Statements.

**ix**. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the Financial Year 2023-24**

| No. of cases filed | No. of cases disposed | No. of cases pending |
|---|---|---|
| NIL | NIL | NIL |

**x**. **Detailed reasons of resignation of independent director:** Mr. Surender Kumar Tuteja (DIN: 00594076), Non-Executive Independent Director has resigned from the Board of Directors of the Company with effect from August 18, 2023 due to other preoccupation and commitments. Mr. Surender Kumar Tuteja has confirmed that there is no other material reason for his resignation as an Independent Director of the Company.

**xi**. **Confirmation from Board that independent director fulfills criteria:** The Board has received the declaration from all the independent directors that they meet the criteria of independence as provided in sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations.

**xii.** **Disclosures by Board Members & Senior management:** The Board members and senior management personnel make disclosures to the Board of Directors periodically regarding:

- their dealings in the Company's shares; and
- all material, financial and commercial transactions, if any, where they have personal interest that may have potential conflict with the interests of the Company at large.

**xiii**. **Credit ratings and revisions**: There is no revision in ratings for the bank facilities from the previous financial year as reviewed by the rating committee of Credit Analysis & Research Ltd. (CARE) and the rating recommended by them for the period under review is CARE D.

**xiv**. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

**xv.** **Disclosure of Loans and advances in the nature of Loans**

Neither the Company nor any of its subsidiaries have granted any Loans or advances in the nature of Loans to firms/ companies in which directors are interested in terms of provisions of Section 184 of the Companies Act, 2013.

**xvi.** **CEO/ CFO certification**

In terms of Regulation 17(8) of the SEBI Listing Regulations, the CEO and CFO have certified to the Board of Directors of the Company in their meeting held on May 15, 2024, with regard to the financial statements and other matters specified in the said regulation, for FY 2023-24.

**xvii. Code of Conduct**

The Board has laid down a Code of Business Conduct and Ethics for all Board Members and Officer/Senior Management Personnel of the Company. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work.

The said Code has been communicated to the Directors and Officer/Senior Management Personnel and is also posted on the web-site of the Company viz. www.a2zgroup.co.in.

Declaration from the Managing Director cum Chief Executive Officer, of the Company confirming that the Company has received affirmations from the Board Members and the Senior Management Personnel regarding compliance of Code of Conduct during the Financial Year ended March 31, 2024 is attached as **Annexure-II**.

**Code for practices and procedures for fair disclosure of Unpublished Price Sensitive Information**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors ('the Board') of the Company has adopted the Code for Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring and Reporting of Trading by Insider. The Code aims at preserving and preventing misuse of Unpublished Price Sensitive Information ("UPSI"). All Directors, Promoters and other Designated Persons and their immediate relatives as well as connected persons of the Company are covered under the Code.

All compliances relating to Code of Conduct for Prevention of Insider Trading are being managed through a web-based portal installed by the Company.

**8. Certificate on Corporate Governance**

A Certificate received from DR Associates, Company Secretaries, regarding compliance of Corporate Governance practices by the Company is attached as **Annexure III** to CG Report which is based upon their detailed examination of Corporate Governance practices adopted by the Company.

**Equity Shares in the Suspense Account:**

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI Listing Regulations, the Company reports that total 105 no. of Equity Shares lying in Suspense Account were transferred to IEPF as there was no rightful owner claiming the shares since public issue of the Company. Hence, aggregate no. of outstanding shares in the suspense account lying at the end of the year on March 31, 2024 is NIL.

| Particulars | Number of Shareholders | Number of Equity Shares |
|---|---|---|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2023. | 1 | 105 |
| Shareholders who approached the Company for transfer of shares from suspense account during the year. | 0 | NA |
| Shareholders to whom shares were transferred from the suspense account during the year. | NA | NA |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year on March 31, 2024. | 0 | 0 |

**Annexure – I to CG Report**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**A2Z Infra Engineering Limited**
**O-116, 1st Floor, DLF Shopping Mall,**
**Arjun Marg, Gurgaon – 122002**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **A2Z Infra Engineering Limited** having CIN **L74999HR2002PLC034805** and having registered office at O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, Gurgaon– 122 002, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For DR Associates**
**Company Secretaries**
**Firm Regn. No.: P2007DE003300**

**Place: New Delhi**
**Date: 14th August, 2024**

**Sd/-**
**Suchitta Koley**
**Partner**
**FCS 1647; CP No.: 714**
**UDIN: F001647F000954491**

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**Annexure-II to CG Report**

**Declaration Regarding Compliances by Board Members and Senior Management Personnel with Companies Code of Conduct**

Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2024.

**For A2Z INFRA ENGINEERING LTD**

**Sd/-**
**(Amit Mittal)**
**Managing Director cum Chief Executive Officer**

**Date**: May 15, 2024
**Place:** Gurugram

**Annexure – III to CG Report**

## CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
A2Z Infra Engineering Limited
O-116, 1st Floor, DLF Shopping Mall,
Arjun Marg,
Gurgaon – 122002

We have examined the compliances of conditions of Corporate Governance by A2Z Infra Engineering Limited, for the year ended on 31st March 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to examine the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For DR Associates**
**Company Secretaries**
**Firm Regn. No.: P2007DE003300**

**Place: New Delhi**
**Date: 14th August, 2024**

**Sd/-**
**Suchitta Koley**
**Partner**
**FCS 1647; CP No.: 714**
**UDIN: F001647F000954467**

# Independent Auditor's Report

**To the Members of A2Z Infra Engineering Limited**

**Report on the Audit of the Standalone Financial Statements**

**Disclaimer of Opinion**

1. We were engaged to audit the accompanying standalone financial statements of A2Z Infra Engineering Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches located at Tanzania, Nepal, and Uganda.

2. We do not express an opinion on the accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

**Basis for Disclaimer of Opinion**

3. a. As stated in Note 31 to the accompanying standalone financial statements, the Company has incurred a net loss after tax of Rs. 871.27 lakhs during the year ended 31st March 2024, and as of that date, the Company's accumulated losses amount to Rs. 1,07,546.89 lakhs, which have resulted in substantial erosion of its net worth, and the current liabilities exceed current assets by Rs. 15,546.05 lakhs. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in 31. The Company has also delayed in repayment of borrowings as further detailed in Note 22.1. As confirmed by the management, the Company has been in discussions with the lenders regarding settlement of these borrowings/dues, the resolution for which is yet to be finalised. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Company is in discussions is uncertain in the absence of any confirmations from such customers. Such events and conditions and its possible impact of the associated uncertainties on management's assumptions, and other matters as set forth in the note 31, cast significant doubt on the Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the management's assessment with respect to restructuring of borrowings/dues and availability of funds, we are unable to comment on the ability of the Company to continue as a going concern. Further, as detailed in Note 12, Management indicates that a material uncertainty exists that may cast significant doubt on the Tanzania branch's ability to continue as going concern. Our Audit report on the standalone financial statements for the year ended 31 March 2023 also included a disclaimer of opinion in respect of this matter.

   b. As stated in Note 22.1 to the accompanying standalone financial statement, the Company has borrowings from banks which have been classified as non-performing assets ('NPA borrowings') (referred to as 'the Lenders'). In respect of the aforementioned NPA borrowings, the Company has not recognised interest for the year ended 31 March 2024 aggregating to Rs. 2,983.20 lakhs (accumulated interest as at 31st March 2024 being Rs. 5,279.89 lakhs) payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.

   Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying standalone financials statement. Our Audit report on the standalone financial statements for the year ended 31 March 2023 also included a disclaimer of opinion in respect of this matter.

   c. As stated in Note 5.2 to the accompanying standalone financial statement, the Company's non-current investment Rs. 7,992.84 Lakhs (net of impairment) in its associate Company namely Greeneffect Waste Management Limited ("GWML") and its current financial assets-loan Rs. 84.67 lakhs which include amounts dues from such associate company as on 31 March 2024. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints. Based upon the valuation report of an independent valuer, arbitration awarded in favor of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying standalone financial statement. Our Audit report on the standalone financial statements for the year ended 31 March 2023 also included a disclaimer of opinion in respect of this matter.

**Emphasis of Matter**

4. We draw attention to:

   a. Note 3.1 to the accompanying standalone financial statement, which describes the uncertainties relating to the outcome of the pending various litigations in respect of the three cogeneration power plants of the Company, for which the Company has filled petitions and appeals at various forums. The final outcome of these matters is presently unascertainable. Further, the said note also describes that these three cogeneration power plants fully impaired in its books of accounts during the year ended 31 March 2023. Hence, the management has recorded an impairment INR 35,665.04 lakhs in the present value of the power plant as at March 31, 2024.

   b. Note 40(a) to the accompanying standalone financial statement, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

6. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

8. Our responsibility is to conduct an audit of the accompanying standalone financial statements in accordance with Standards on Auditing specified under section 143(10) of the Act, and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

**Other Matter**

9. We did not audit the financial statements of one branch included in the standalone financial statement of the Company, whose financial statements reflects total assets and net assets of Rs. 527.76 lakhs and Rs. 366.64 lakhs respectively as at 31 March 2024, and total revenues of Rs. Nil, total net loss after tax of Rs. 9.74 lakhs, and total comprehensive loss of Rs. 9.74 lakhs, and cash flows (net) of Rs. Nil for the year then ended, as considered in the standalone financial statements. These financial statements of the aforesaid branches have been audited by their respective branch auditors, whose reports have been furnished to us by the management.

   Further this one branch are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditor under generally accepted auditing standards specified in Annexure 1, as applicable in their respective countries. The Company's management has converted the financial statements of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. This report, in so far as it relates to the balances and affairs of this branch, is based on the audit report of branch auditor, and the conversion adjustments prepared by the management of the Company and audited by us.

   The standalone financial statement includes the financial statement and information of two branches, which has not been audited by branch auditors, and whose financial information reflects total revenues of Rs. 48.25 lakhs, total net loss after tax of Rs. 24.17 lakhs and total comprehensive loss of Rs. 24.17 lakhs for the year ended 31st March 2024, as considered in the standalone financial statement. This report, in so far as it relates to the balances and affairs of this branch, is based solely on such financial statement and information, as certified and provided by the management. According to the information and explanations given to us by the management, their would not be consequential material impact on the financial statements of the Company.

**Report on Other Legal and Regulatory Requirements**

10. Based on our audit, and on the consideration of the reports of the branch auditors as referred to in paragraph 9 above, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

11. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. Further to our comments in Annexure A, as required by section 143(3) of the Act, and on the consideration of the reports of the branch auditors as referred to in paragraph 9 above, we report, to the extent applicable, that:

    a) as described in the Basis for Disclaimer of Opinion section, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. Proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

    c) the reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

    d) the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

    e) due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;

    f) the matters described in Paragraph 3 and 4 in the Basis for Disclaimer of Opinion / Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Company;

    g) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

    h) the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section, read with paragraph 12(b) above;

    i) we were also engaged to audit the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 15 May 2024 as per Annexure B expressed disclaimer of opinion; and

    j) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the branch auditors as referred to in paragraph 9 above,:

        i. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the Company has disclosed fully the impact of pending litigations on its financial position as at 31 March 2024;

        ii. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the Company has made adequate provision as at 31 March 2024, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024; and

        iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared/paid dividend during the year, accordingly compliance u/s 123 of the Act is not applicable to the company.

vi. The reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014 is applicable from 1st April, 2023. Based on our examination, which includes test checks, the company has used the accounting software for maintaining its books of account which has a feature of recording audit trail / edit log facility and the same has been operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered.

For **MRKS & ASSOCIATES**
Chartered Accountants
Firm's Registration No.: 023711N

**Sd/-**
**Saurabh Kuchhal**
Partner
Membership No.: 512362

**UDIN:** 24512362BKFCDQ2511

**Place**: Gurugram
**Date**: 15 May 2024

**Annexure 1**

| S.No | Name | Country of Operations | Name of auditing standard |
|---|---|---|---|
| 1 | A2Z Infra Engineering Limited (Tanzania Branch) | Tanzania | International Standards Auditing |
| 2 | A2Z Infra Engineering Limited (Nepal Branch) | Nepal | Nepal Standards Auditing |
| 3 | A2Z Infra Engineering Limited (Uganda Branch) | Uganda | International Standards Auditing |

**Annexure A to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited, on the standalone financial statements for the year ended 31 March 2024**

**Annexure A**

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) Property, Plant and Equipment have not been physically verified by the management during the year; however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head Property, Plant and Equipment') are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right to use assets) or intangible assets or both during the year ended March 31, 2024.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Further, working capital limit in excess of Rs. 5 crores sanctioned by banks or financial institutions in earlier years had become NPA. Hence no quarterly returns or statements filed by the Company with such banks or financial institutions. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has provided loans, advances in the nature of loans but not provided security or stood guarantee to companies, firms, Limited Liability Partnerships or any other parties as follows:

| Particulars | (INR Lakhs) |
|---|---|
| **Aggregate amount of Loans and Advances provided during the year:** | |
| - Subsidiaries | 17.22 |
| - Joint Ventures | - |
| - Associates | - |
| - Others | - |
| **Balance outstanding as at balance sheet date in respect of above cases:** | |
| - Subsidiaries | 22.47 |
| - Joint Ventures | - |
| - Associates | - |
| - Others | - |

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given and the terms and conditions of the grant of secured and unsecured loans are, prima facie, not prejudicial to the interest of the Company.

(c) The Company has granted loans or provided advances in the nature of loan are payable on demand. During the year the Company has not demanded such loan or advances in the nature of loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) During the year the Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment as follows:

| Particulars | (INR Lakhs) | % of the total |
|---|---|---|
| Aggregate amount of Loans and Advances provided during the year: | | |
| - Promoters | - | - |
| - Related Party as per clause 76 of Section 2 of the Act | 17.22 | 100% |
| - Others | - | - |

(iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans granted, investments made and guarantees and securities provided, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.

(v) The Company has neither accepted any deposits nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

**Statement of arrears of statutory dues outstanding for more than six months**

| Name of the statute | Nature of the dues | Amount (Rs. in lakhs) | Period to which the amount relates | Due Date | Date of Payment |
|---|---|---|---|---|---|
| Central Goods and Services Tax Act, 2017 | Goods and services tax | 26.12 | March 2018 to August 2023 | 20th of subsequent month | Not yet paid |
| Employees Provident Fund and Miscellaneous Provisions Act, 1952 | Employee Provident fund | 6.29 | November 2019 to August 2023 | 15th day of subsequent month | Not paid yet |
| Employee Welfare Fund | Employee welfare fund | 0.63 | June 2020 to August 2023 | 25th day of subsequent month | Not paid yet |

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows Statement of Disputed Dues:

| Name of the statute | Nature of dues | Amount (Rs in lakhs) | Amount paid under Protest (Rs in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Demand made under section 153A and 153B | 2,371.38 | - | Assessment years 2009-10 to 2013-14 | Income Tax Appellate Tribunal, Delhi |
| Central Goods and Services Tax Act, 2017 | Demand made under various sections of CGST Act | 13024.98 | 184.85 | FY 2017-18 to 2021-22 | Pending at various forums |
| The Maharashtra Value Added Tax, 2002 | Value Added Tax | 1,801.79 | - | 2008-09 | Maharashtra Sales Tax Tribunal |
| | Central Sales Tax | 154.06 | - | 2009-10 | Joint Commissioner (Appeal), Mumbai, Maharashtra |
| | Value Added Tax | 22.88 | - | 2010-11 | Joint Commissioner (Appeal), Mumbai, Maharashtra |

| Name of the statute | Nature of dues | Amount (Rs in lakhs) | Amount paid under Protest (Rs in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| | Central Sales Tax | 225.99 | - | 2010-11 | Joint Commissioner (Appeal), Mumbai, Maharashtra |
| | Central Sales Tax | 17.92 | - | 2011-12 | Joint Commissioner (Appeal), Mumbai, Maharashtra |
| | Central Sales Tax | 19.88 | - | 2012-13 | Sales Tax Tribunal, Mumbai, Maharashtra- Appeal |
| | Value Added Tax | 29.10 | - | 2012-13 | Sales Tax Tribunal, Mumbai, Maharashtra- Appeal |
| | Central Sales Tax | 98.67 | - | 2015-16 | Assisstant commissioner of State Tax- Nodal Division Mumbai |
| | Value Added Tax | 72.51 | - | 2015-16 | Assisstant commissioner of State Tax- Nodal Division Mumbai |
| Bihar Value Added Tax, 2005 | Value Added Tax | 203.61 | 61.08 | 2012-13 | Commissioner, Commercial Tax Bihar |
| | Value Added Tax | 1,644.31 | 125.15 | 2013-14 | Commissioner, Commercial Tax Bihar |
| | Value Added Tax | 83.55 | - | 2010-11 | Assessing Officer Commercial Tax, Bihar |
| The West Bengal Value Added Tax, 2003 | Value Added Tax | 653.11 | 50.00 | 2009-10 | West Bengal Commercial Taxes Appellate & Revisional Board Kolkata |
| | Value Added Tax | 1,019.40 | 175.00 | 2010-11 | West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata |
| | Central Sales Tax | 54.13 | - | 2010-11 | West Bengal Commercial Taxes Appellate & Revisional Board Kolkata |
| | Central Sales Tax | 229.16 | - | 2011-12 | Additional Commissioner (Appeal) Sales Tax, Kolkata |
| | Central Sales Tax | 2.07 | - | 2014-15 | Joint Commissioner (Appeals) Sales tax, Kolkata |
| | Value Added Tax | 192.72 | - | 2014-15 | Joint Commissioner (Appeals) Sales tax, Kolkata |
| Andhra Pradesh Value Added Tax Act, 2005 | Value Added Tax | 62.95 | 29.59 | 2010-11 | Andhra Pradesh Sales Tax and VAT Appellate Tribunal, Hyderabad |
| Haryana VAT Act, 2003 | Value Added tax | 36.44 | - | 2017-18 | Filing of appeal is in process with Appellate Authority |
| Haryana VAT Act, 2003 | Central Sales Tax | 1,930.50 | - | 2009-10 | Sales tax Revisional Authority, Gurgaon |
| The Madhya Pradesh VAT Act, 2002 | Central Sales Tax | 3.25 | - | 2013-14 | Joint Commissioner, Indore, Madhya Pradesh |
| | Central Sales Tax | 11.84 | 2.37 | 2015-16 | Assistant commissioner (Sales tax), Madhya Pradesh |
| | Central Sales Tax | 8.77 | - | 2016-17 | Assistant commissioner (Sales tax), Madhya Pradesh |

| Name of the statute | Nature of dues | Amount (Rs in lakhs) | Amount paid under Protest (Rs in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Jammu and Kashmir Value Added Tax Act, 2005 | Central Sales Tax | 86.02 | | 2012-13 | State Tax Officer, Jammu |
| Jammu and Kashmir Value Added Tax Act, 2005 | Value Added Tax | 120.06 | - | 2017-18 | State Tax Officer, Jammu |
| Kerala VAT Act, 2003 | Central Sales Tax | 219.38 | - | 2011-12 | Hon'ble High Court of Kerala, Ernakulam |
| The Karnataka Value Added Tax Act, 2003 | Value Added tax | 4.46 | - | 2012-13 | Deputy Commissioner- Audit, Bangalore, Karnataka |

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) On the basis of the audit procedures performed by us, the information & explanations furnished, and representations made by the management, the Company has made defaults in repayment of dues including interest to banks and financial institutions. The defaults which have remained outstanding at the year-end are given in Annexure attached with this report.

Also refer Paragraph 3(b) of our audit report on the standalone financial statements for the year ended 31 March 2024, wherein matters relating to the carrying values of the aforesaid borrowings and dues (including interest) have been included in the Basis for Disclaimer of Opinion paragraph in such audit report.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans from any lender during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order are not applicable to the Company

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group; hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses amounting to Rs. (755.13) lacs in the current year and amounting to Rs. (8,671.24) lacs in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 38 along with reasons mentioned in Note 31 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we believes that material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The provision of second proviso to sub-section (5) of section 135 of Companies Act, 2013 is not applicable to the Company. Accordingly, the requirement to report on clause (xx)(a) of the Order is not applicable to the Company.

(b) The provision of sub section (6) of section 135 of Companies Act, 2013 is not applicable to the Company, Accordingly, the requirement to report on clause (xx)(b) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statement. Accordingly, no comment in respect of the said clause has been included in the report.

For **MRKS & ASSOCIATES**
Chartered Accountants
Firm's Registration No.: 023711N

**Sd/-**
**Saurabh Kuchhal**
Partner
Membership No.: 512362
**UDIN**: 24512362BKFCDQ2511

**Place**: Gurugram
**Date**: 15.05.2024

**Annexure of defaults as referred to in Para (ix)(a)**
**Defaults in repayment of dues to bank and financial institutions existing as at March 31, 2024 are as under:**

**Amount (in Rs.)**

| **Particulars** | **Period of delay (As at 31 March, 2024)** | | | | |
|---|---|---|---|---|---|
| | **0-30** | **30-90** | **90-180** | **Above 180** | **Total** |
| **A) Term loans from Banks** | | | | | |
| **(a) Against Principal Amount** | | | | | |
| Axis Bank | - | - | - | 1,82,21,895 | **1,82,21,895** |
| Indian Bank | - | - | - | 3,44,42,176 | **3,44,42,176** |
| Kotak Mahindra Bank | - | - | - | 3,11,23,606 | **3,11,23,606** |
| Union Bank of India | - | 1,84,231 | 2,76,584 | 2,09,68,174 | **2,14,28,989** |
| **Sub-Total (a)** | **-** | **1,84,231** | **2,76,584** | **10,47,55,851** | **10,52,16,666** |
| **(b) Against Interest** | | | | | |
| Axis Bank | - | 5,80,255 | 8,70,382 | 1,07,06,552 | **1,21,57,189** |
| Indian Bank | - | 10,44,556 | 15,68,133 | 1,96,70,824 | **2,22,83,512** |
| Union Bank of India | - | 3,11,762 | 4,68,046 | 82,84,028 | **90,63,836** |
| DBS Bank | - | 6,50,000 | - | - | **6,50,000** |
| **Sub-Total (b)** | **-** | **25,86,572** | **29,06,560** | **3,86,61,404.09** | **4,41,54,536.69** |
| **Total A= (a+b)** | **-** | **27,70,803** | **31,83,144** | **14,34,17,255** | **14,93,71,203** |
| **B) Working Capital loans from Banks** | | | | | |
| **(a) Against Principal Amount** | | | | | |
| Axis Bank | - | - | - | 33,65,45,659 | **33,65,45,659** |
| Indian Bank | - | - | - | 17,36,54,681 | **17,36,54,681** |
| Indusind Bank | - | - | | 8,32,47,290 | **8,32,47,290** |
| Kotak Mahindra Bank | - | - | - | 11,68,58,924 | **11,68,58,924** |
| State Bank of India | - | - | - | 4,09,75,000 | **4,09,75,000** |
| Union Bank of India | - | - | - | 5,15,35,660 | **5,15,35,660** |
| **Sub-Total (a)** | **-** | **-** | **-** | **80,28,17,214** | **80,28,17,214** |
| **(b) Against Interest** | | | | | |
| Axis Bank | - | 2,18,24,822 | 3,21,61,583 | 36,29,00,228 | **41,68,86,634** |
| Indian Bank | - | 1,06,61,527 | 1,59,54,521 | 19,02,43,303 | **21,68,59,352** |
| Indusind Bank | - | 30,46,567 | 45,69,850 | 1,05,30,689 | **1,81,47,105** |
| Union Bank of India | - | 23,99,041 | 50,82,621 | 6,60,44,995 | **7,35,26,658** |
| **Sub-Total (b)** | **-** | **3,79,31,957** | **5,77,68,576** | **62,97,19,215** | **72,54,19,749** |
| **Total C= (a+b)** | **-** | **3,79,31,957** | **5,77,68,576** | **1,43,25,36,429** | **1,52,82,36,962** |
| **Grand Total (A+B+C)** | **-** | **4,07,02,760** | **6,09,51,720** | **1,57,59,53,684** | **1,67,76,08,165** |

***Note: The above table includes interest amount of the non-performing assets which have not been considered in the financial statements as mentioned in Note 22.1.***

**Annexure B to the Independent Auditor's Report of even date to the Members of A2Z Infra Engineering Limited, on the standalone financial statements for the year ended 31 March 2024**

**Independent Auditor's Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We were engaged to audit the Internal Financial Controls with reference to standalone financial statements of A2Z Infra Engineering Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

**Auditors' Responsibility for the Audit of the Internal Financial Controls with reference to Standalone Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on conducting our audit in accordance with the Standards on Auditing issued by ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI.

4. Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to standalone financial statements of the Company.

**Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

5. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Disclaimer of Opinion**

6. Because of matters described below, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the company's internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2024:

   The Company's internal financial controls with reference to standalone financial statements with respect to (a) financial statements closure process towards assessing the Company's ability to continue as going concern were not operating effectively, which could lead to potential material misstatements in the carrying value and classification of assets and liabilities; (b) accrual of interest expenditure in accordance with Ind AS 23 'Borrowing Costs' and reconciliation of outstanding borrowings with lenders, were not operating effectively, which has resulted in a material misstatement in the amount of finance costs and other financial liabilities; (c) estimating the fair value of its investment in an associate company GWML, including dues recoverable from such associate company in accordance with Ind AS 109 'Financial Instruments', were not operating effectively, which could lead to potential material misstatements in the carrying values of investments and current financial assets – loans; in the accompanying standalone financial statements.

7. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2024, and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have issued a disclaimer of opinion on the standalone financial statements.

**MRKS & Associates**
ICAI Firm registration number: 023711N
Chartered Accountants

**Sd/-**
**Saurabh Kuchhal**
Partner
Membership No: - 512362

**Date**: 15.05.2024
**Place**: Gurugram
**UDIN**: 24512362BKFCDQ2511

# Standalone Balance Sheet as at March 31, 2024

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

| | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS:** | | | |
| **Non-current assets:** | | | |
| Property, plant and equipment | 3 | 978.06 | 1,074.74 |
| Right of use of assets | 3 | 18.55 | 33.57 |
| Capital work-in-progress | 3 | 968.38 | 678.47 |
| Intangible assets | 4 | - | - |
| Financial assets: | | | |
| Investments | 5 | 14,253.66 | 14,330.04 |
| Other financial assets | 7 | 654.61 | 720.67 |
| Deferred tax assets (net) | 8 | 6.29 | 12.90 |
| Non-current tax assets (net) | 10 | 1,562.70 | 2,469.42 |
| Other non-current assets | 11 | 0.79 | 0.90 |
| **Total Non-current assets** | | **18,443.04** | **19,320.71** |
| **Current assets:** | | | |
| Financial assets: | | | |
| Trade receivables | 13 | 11,083.90 | 25,105.25 |
| Cash and cash equivalents | 15 | 61.60 | 514.01 |
| Loans | 6 | 1,402.00 | 1,384.78 |
| Other financial assets | 7 | 12,975.53 | 22,741.90 |
| Other current assets | 11 | 5,735.43 | 6,471.74 |
| **Total Current assets** | | **31,258.46** | **56,217.68** |
| **Total assets** | | **49,701.50** | **75,538.39** |
| **EQUITY AND LIABILITIES:** | | | |
| **Equity:** | | | |
| Equity share capital | 16 | 17,611.99 | 17,611.99 |
| Other equity | | (16,774.89) | (15,955.37) |
| **Total equity** | | **837.10** | **1,656.62** |
| **Liabilities:** | | | |
| **Non-current liabilities:** | | | |
| Financial liabilities: | | | |
| Borrowings | 17 | - | 300.00 |
| Lease liability | 18 | 7.70 | 19.63 |
| Provisions | 19 | 2,052.19 | 3,003.20 |
| **Total Non-current liabilities** | | **2,059.89** | **3,322.83** |
| **Current liabilities:** | | | |
| Financial liabilities: | | | |
| Borrowings | 20 | 17,318.01 | 25,898.37 |
| Lease liability | 18 | 11.92 | 14.48 |
| Trade payables | 21 | | |
| Total outstanding dues of micro enterprises and samll enterprises | | 8.95 | 11.32 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 19,893.38 | 27,595.85 |
| Other financial liabilities | 22 | 3,507.72 | 6,322.62 |
| Other current liabilities | 23 | 6,063.81 | 10,684.06 |
| Provisions | 19 | 0.72 | 32.24 |
| **Total Current liabilities** | | **46,804.51** | **70,558.94** |
| **Total Liabilities** | | **48,864.40** | **73,881.77** |
| **Total equity and liabilities** | | **49,701.50** | **75,538.39** |
| Summary of significant accounting policies | 2 | | |

**The summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.**

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N
Sd/-
**Saurabh Kuchhal**
Partner
MembershipNo. 512362

**For and on behalf of the Board of Directors**

Sd/-
**Amit Mittal**
Managing Director and CEO
(DIN 00058944)

Sd/-
**Dipali Mittal**
Non Executive Director
(DIN 00872628)

Sd/-
**Lalit Kumar**
Chief Financial Officer

Sd/-
**Atul Kumar Agarwal**
Company Secretary
M. No.: FCS - 6453

**Place** : Gurugram
**Date** : May 15, 2024

# Standalone statement of Profit and Loss for the year ended March 31, 2024
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Income:** | | | |
| Revenue from operations | 24 | 8,599.77 | 6,958.65 |
| Other income | 25 | 1,096.95 | 3,068.54 |
| **Total income** | | **9,696.72** | **10,027.19** |
| **Expenses:** | | | |
| Cost of materials consumed | 26 | 7,231.63 | 5,157.90 |
| Employee benefits expenses | 27 | 395.28 | 311.85 |
| Finance costs | 28 | 277.95 | 700.77 |
| Depreciation and amortisation expenses | 29 | 116.14 | 482.90 |
| Other expenses | 30 | 5,617.29 | 4,573.72 |
| **Total expenses** | | **13,638.29** | **11,227.14** |
| **Loss before exceptional item and tax** | | **(3,941.57)** | **(1,199.95)** |
| Exceptional items - gain/(loss) | 43 | 3,085.61 | (5,312.58) |
| **Loss before tax** | | **(855.96)** | **(6,512.53)** |
| **Tax expense** | 32 | | |
| Current tax | | 8.70 | 0.54 |
| Deferred tax charge (net) | | 6.61 | 2,641.07 |
| | | **15.31** | **2,641.61** |
| **Loss for the year** | | **(871.27)** | **(9,154.14)** |
| **Other comprehensive income:** | | | |
| **Items that will not be reclassified to profit and loss** | | | |
| Re-measurement of defined benefit obligations | | (25.31) | (7.21) |
| **Total other comprehensive income for the year, net of tax** | | **(25.31)** | **(7.21)** |
| **Total comprehensive income for the year** | | **(896.58)** | **(9,161.35)** |
| **Loss per equity share (INR) :** | 33 | | |
| (Nominal value of shares INR 10) | | | |
| Basic | | (0.49) | (5.20) |
| Diluted | | (0.49) | (5.20) |
| Summary of significant accounting policies | 2 | | |

**The summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.**

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N
Sd/-
**Saurabh Kuchhal**
Partner
Membership No. 512362

**Place** : Gurugram
**Date** : May 15, 2024

**For and on behalf of the Board of Directors**

Sd/-
**Amit Mittal**
Managing Director and CEO
(DIN 00058944)

Sd/-
**Dipali Mittal**
Non Executive Director
(DIN 00872628)

Sd/-
**Lalit Kumar**
Chief Financial Officer

Sd/-
**Atul Kumar Agarwal**
Company Secretary
M. No.: FCS - 6453

## Standalone statement of Change in Equity for the year ended March 31, 2024
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | Note No. | Number of Shares | Amount |
|---|---|---|---|
| **A. Equity share capital** | | | |
| **Issued, subscribed and fully paid up** | | | |
| Equity shares of INR 10 each | | | |
| **Balance as at April 1, 2022** | 16 | **17,61,19,858** | **17,611.99** |
| Changes during the year | | - | - |
| **Balance as at March 31, 2023** | 16 | **17,61,19,858** | **17,611.99** |
| Changes during the year | | - | - |
| **Balance as at March 31, 2024** | 16 | **17,61,19,858** | **17,611.99** |

**B. Other equity**

| | Reserves and surplus* | | | | |
|---|---|---|---|---|---|
| | Securities premium account | General reserve | Employee stock option plan reserve | Retained earnings | Total equity attributable to equity holders |
| **Balance as at April 1, 2022** | **89,586.56** | **640.14** | **812.64** | **(97,940.73)** | **(6,901.39)** |
| Loss for the year | - | - | - | (9,154.14) | (9,154.14) |
| Other comprehensive income | - | - | - | (7.21) | (7.21) |
| **Total comprehensive income** | | | | **(9,161.35)** | **(9,161.35)** |
| Transfer from Employee stock option plan reserve on lapse | - | - | (259.79) | 259.79 | - |
| Transactions with owners in their capacity as owners: | | | | | |
| Employee stock option plan (ESOP) expense for the year | - | - | 55.68 | - | 55.68 |
| On account of ESOP given to employees of subsidiaries | - | - | 51.69 | - | 51.69 |
| **Balance as at March 31, 2023** | **89,586.56** | **640.14** | **660.22** | **(1,06,842.29)** | **(15,955.37)** |
| Loss for the year | - | - | - | (871.27) | (871.27) |
| Other comprehensive income | - | - | - | (25.31) | (25.31) |
| **Total comprehensive income** | **-** | **-** | **-** | **(896.58)** | **(896.58)** |
| Transfer from Employee stock option plan reserve on lapse | - | - | (191.98) | 191.98 | - |
| Transactions with owners in their capacity as owners: | | | | | |
| Employee stock option plan (ESOP) expense for the year | - | - | 153.43 | - | 153.43 |
| On account of ESOP given to employees of subsidiaries | - | - | (76.38) | - | (76.38) |
| **Balance as at March 31, 2024** | **89,586.56** | **640.14** | **545.30** | **(1,07,546.89)** | **(16,774.89)** |

*Refer Note 2.3(j) for nature and purpose of reserves.

**The summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.**

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N
Sd/-
**Saurabh Kuchhal**
Partner
Membership No. 512362

**Place** : Gurugram
**Date** : May 15, 2024

**For and on behalf of the Board of Directors**

Sd/-
**Amit Mittal**
Managing Director and CEO
(DIN 00058944)

Sd/-
**Dipali Mittal**
Non Executive Director
(DIN 00872628)

Sd/-
**Lalit Kumar**
Chief Financial Officer

Sd/-
**Atul Kumar Agarwal**
Company Secretary
M. No.: FCS - 6453

## Standalone Cash Flow statement for the year ended March 31, 2024
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **A. Cash flows from operating activities :** | | |
| Loss before tax (after exceptional items) | (855.96) | (6,512.53) |
| **Adjustments:** | | |
| Exceptional items | (3,085.61) | 5,312.58 |
| Depreciation and amortisation expense | 116.14 | 482.90 |
| (Profit)/loss on disposal of property, plant and equipment (net) | (0.10) | 4.74 |
| Interest expense | 243.73 | 638.80 |
| Interest income | (3.68) | (11.86) |
| Provision for contract revenue in excess of billing | 256.49 | 1,328.78 |
| Provision for bad and doubtful debts, loans, advances and other receivables | 4,012.87 | 1,013.16 |
| Liability/provision written back | (1,043.25) | (2,920.91) |
| Provision for warranty | 112.28 | 273.49 |
| Provision for employee benefits | 3.70 | 3.10 |
| Account written off | 309.10 | - |
| Recognition of share based payments at fair value | 153.43 | 55.68 |
| Gain on modification of lease contract | - | (61.68) |
| **Operating profit before working capital changes** | **219.14** | **(393.75)** |
| **Net changes in working capital:** | | |
| Changes in trade receivables | 6,726.10 | 7,861.98 |
| Changes in loans | (63.88) | 96.70 |
| Changes in other financial assets | (1,398.06) | (333.31) |
| Changes in other assets | (716.48) | (1,192.96) |
| Changes in trade payables | 2,597.00 | 277.70 |
| Changes in provisions | (1,136.74) | (1,157.78) |
| Changes in financial liabilities | (2,369.71) | (3.93) |
| Changes in other liabilities | 1,500.05 | (2,224.70) |
| **Net changes in working capital** | **5,138.28** | **3,323.70** |
| **Cash flow from operations** | **5,357.42** | **2,929.95** |
| Current taxes refund | 898.02 | 303.51 |
| **Net cash flow from operating activities (A)** | **6,255.44** | **3,233.46** |

## Standalone Cash Flow statement for the year ended March 31, 2024
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **B** | **Cash flows from investing activities:** | | |
| | Acquisition of property, plant and equipment | (295.11) | (505.58) |
| | Proceeds from sale of property, plant and equipment | 0.10 | 122.18 |
| | Fixed deposits matured - (net) | - | 3.53 |
| | Interest received | 3.68 | 9.01 |
| | **Net cash used in investing activities (B)** | **(291.33)** | **(370.86)** |
| **C** | **Cash flows from financing activities:** | | |
| | Repayments of long-term borrowings | (3,544.66) | (1,160.25) |
| | Repayments of short term borrowings (net) | (2,775.36) | (1,189.35) |
| | Principal payment of lease liabilities | (14.49) | (60.71) |
| | Interest payment of lease liabilities | (2.80) | (87.58) |
| | Interest paid | (79.21) | (59.01) |
| | **Net cash used in financing activities (C)** | **(6,416.52)** | **(2,556.90)** |
| | **Net (decrease)/increase in cash and cash equivalents (A+B+C)** | **(452.41)** | **305.70** |
| | Cash and cash equivalents at the beginning of the year | 514.01 | 208.31 |
| | **Cash and cash equivalents at the end of the year** | **61.60** | **514.01** |
| | | | |
| | **Reconciliation of cash and cash equivalents as per the cash flow statement (Refer Note 15)** | **As at March 31, 2024** | **As at March 31, 2023** |
| | Cash and cash equivalents as per above comprises of the following : | | |
| | a. Cash in hand | 0.61 | 0.63 |
| | b. Balance in current account | 60.99 | 513.38 |
| | **Balances as per statement of cash flows** | **61.60** | **514.01** |

**Note:** The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'. All figures in brackets are outflows.

**The summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.**

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

Sd/-
**Saurabh Kuchhal**
Partner
Membership No. 512362

**For and on behalf of the Board of Directors**

Sd/-
**Amit Mittal**
Managing Director and CEO
(DIN 00058944)

Sd/-
**Dipali Mittal**
Non Executive Director
(DIN 00872628)

Sd/-
**Lalit Kumar**
Chief Financial Officer

Sd/-
**Atul Kumar Agarwal**
Company Secretary
M. No.: FCS - 6453

**Place** : Gurugram
**Date** : May 15, 2024

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**

## 1. CORPORATE INFORMATION

A2Z Infra Engineering Limited ('A2Z or the Company') was incorporated at National Capital Territory of Delhi and Haryana on January 7, 2002 for providing maintenance and engineering services. The Company commenced its business with the facility management services and entered into engineering business during the year 2005-06. The Company has also entered into collaboration with sugar mills for setting up 3 Cogeneration (Cogen) power plants on Built, Own, Operate and Transfer (BOOT) basis for a period of15 years.

The Company's engineering business segment primarily includes supply, erection and maintenance of electrical transmission lines including laying and maintenance of Optic Fiber Cable (OFC) and allied services to power distribution companies.

These standalone financial statements ('financial statements') for the year ended March 31, 2024 were authorized and approved for issue by the Board of Directors on May15, 2024.The revisions to the standalone financial statements are permitted by the Board of Directors of the Company after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### 2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies act, 2013 ("The Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 issued by Ministry of Corporate Affairs ('MCA'). All other relevant provisions of the Act, as amended, are also complied with in these financial Statements.The Company has prepared these financial statements which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2024, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The financial statements have been prepared on going concern basis using a historical cost convention, except certain financial assets and financial liabilities which are measured at fair value as explained in relevant accounting policies.

The financial statements are presented in INR which is assessed to be the functional currency of the Company in accordance with Ind AS. All values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The Company has uniformly applied the accounting policies during the period presented.

### 2.2 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant judgements and areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

**Significant management judgements**

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

- **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Classification of leases** – The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the company reassesses the lease term if there is a significant event or change in circumstances that is within its control

and affects its ability to exercise or not to exercise the option to extend or to terminate.

- **Contingencies**

  In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A tax provision is recognised when the Company has a present obligation as a result of a past event; it is probable that the Company will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

  When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

  Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

- **Provisions**

  At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

- **Going Concern**

  The management has made an assessment of the Company's ability to continue as going concern and is satisfied that the Company has resources to continue in business for the foreseeable future. Further, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as going concern, read with note 31.

  **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.

- **Recoverability of advances/ receivables** – At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.

- **Classification of assets and liabilities into current and non-current** – The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities.

- **Warranty provision** – The management makes estimate of costs that would be incurred with respect to warranties given on products. The provision requires use of several estimates based on past data and expectations of future.

- **Impairment of non-financial assets –**The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

- **Impairment of financial assets** – The company estimates the recoverable amount of trade receivables and other financial assets where collection of the full amount is expected to be no longer probable. For individually significant amounts, this estimation is performed on an individual basis considering the length of time past due, financial condition of the counter-party, impending legal disputes, if any and other relevant factors.

- **Useful lives of depreciable/ amortisable assets (Property plant and equipment and intangible) –**Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.

- **Revenue recognition** –The Company uses the Input method (percentage completion method) in accounting for its revenue from construction services. The use of percentage-of-completion method requires the Company to estimate costs expended to date as a proportion of the total costs to be expended. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and output.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**

- **Contract estimates –** The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- **Recoverability of claims** – The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.
- **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, trends, 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 measurements –** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). 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.

**2.3 Significant accounting policies**

**a) Revenue recognition**

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in the Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

- Determining the revenue to be recognised in case of performance obligation satisfied over a period of time. Revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
- Determining the estimated losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

**i. Revenue from engineering services**

Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method.

Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Impairment loss (termed as provision for foreseeable losses) is recognised in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

Contract revenue earned in excess of billing has been reflected under "Other financial assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the Balance Sheet. As the outcome of the contracts cannot be measured reliably during the early stages of the project, contract revenue is recognised only to the extent of costs incurred in the statement of profit and loss unless the actual cost reaches a minimum threshold of 10% of total estimated cost of the project.

Liquidated damages/ penalties, interest, warranties and contingencies are provided for, based on management's assessment of the estimated liability, as per contractual terms and/or acceptance.

**ii. Revenue from operation and maintenance services**

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

**iii. Income from professional and data processing services**

Income from professional and data processing services is recognized as and when the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.

**iv. Revenue from operation of plant**

Revenue from operation of plant is recognised on transfer of significant risks and rewards of ownership to the buyer, which is when delivered, and measured on an accrual basis based on the rates in accordance with the provisions of the Power Purchase Agreements (PPAs) entered into by the Company with the procurer's of power. Claims for delayed payment charges and other claims are accounted by the Company on accrual basis in accordance with the provisions of the PPAs only when it is reasonable to expect ultimate collection. Excise Duty is not applicable on generation and sale of power. Sales exclude sales tax and value added tax, where applicable.

**v. Revenue from sale of goods**

Revenue is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contracts for sale of goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the Company does not have either explicit or implicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents, performance obligation is considered as satisfied over a period of time and revenue is recognized over time. The Company collects goods and service tax (GST) (as applicable) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.

**vi. Other income**

- Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
- Dividend income is accounted in the period in which the right to receive the same is established.
- Income from export incentives such as duty drawback is recognized on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.
- Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

**b) Foreign currencies and operations**

**i. Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest lakhs, unless otherwise stated.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**

**ii. Foreign currency transactions and balances**

Foreign currency transactions are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction (spot exchange rate).

All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.

Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

**c) Joint operations**

The Company enters into certain joint arrangements when the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Such arrangements are considered to be joint operations, and the Company the entities recognises the following in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

**d) Property, plant and equipment (PPE)**

**i. Initial recognition**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses.

When significant components of property, plant and equipment are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation as if these components are initially recognized as separate asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in profit or loss as incurred.

**ii. Subsequent measurement**

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for leasehold land which is amortised over the lease term on straight line basis.

| **Particulars** | **Useful life (Straight line method)** |
|---|---|
| Building | 10-60 Years |
| Office equipment | 5 Years |
| Plant and equipment | 8-25 Years |
| Computers | 3-6 Years |
| Furniture and fixtures | 8-10 Years |
| Vehicles | 8-10 Years |
| Leasehold land | Over the lease term on straight line basis. |

Depreciation method, useful life and residual value are reviewed periodically.

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 recognized in profit or loss within 'other income' or 'other expenses' respectively.

**e) Intangible assets**

Intangible assets include Computer software which is stated at cost less accumulated amortisation. This software is amortised on a straight line basis over the estimated useful life of five to six years, as determined by the management.

**f) Investments**

Investment in equity instruments of subsidiaries and associates are measured at cost as per Ind AS 27 'Separate Financial Statements'.

**g) Leases**

**i. Where the Company is lessee – Right of use assets and lease liabilities**

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in notes). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

**Classification of leases**

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

**Recognition and initial measurement**

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

**Subsequent measurement**

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

**ii. Where the Company is lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease, except when the lease rentals, increase are in line with general inflation index. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investmenting the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**h) 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.

**i. Initial measurement, recognition and derecognition**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**

those carried at fair value through profit or loss which are measured initially at fair value.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (1) the Company has transferred substantially all the risks and rewards of the asset, or (2) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**ii. Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Debt instruments at Amortised cost
- Debt instruments at Fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at Fair value through profit or loss (FVTPL)
- Equity instruments measured at Fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at Fair value through profit or loss (FVTPL)

❒ **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

❒ **Debt instruments at fair value through other comprehensive income**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

❒ **Debt instruments at fair value through profit or loss**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

❒ **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

**iii. Classification and subsequent measurement of financial liabilities**

All financial liabilities are recognised initially at its fair value adjusted by directly attributable transaction costs.

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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

The Company has not designated any financial liability as at fair value through profit and loss.

❒ **Financial liabilities measured at amortised cost**

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.

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.

❒ **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.

**iv. 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.

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

c) Loan commitments which are not measured as at FVTPL

d) Financial guarantee contracts which are not measured as at FVTPL

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and the application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises 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 entity reverts to recognising impairment loss allowance based on 12-month ECL.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

**i) Equity shares**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**j) Reserve and surplus**

Nature and purpose of reserves;

**i. General reserve**

Generral reserves can be used for the purpose and as per guidelines prescribes in the Companies Act, 2013.

**ii. Securities premium reserve**

Securities premium is used to record the premium on issue of shares or debentures. The reserve will be utilised in accordance with the provisions of the Act.

**iii. Net gain on fair value of defined benefit plans**

The Company has recognised premeasurement gains/ (loss) on defined benefit plans in Other Comprehensive Income (OCI). These changes are accumulated within the OCI reserve within other equity. The Company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

**iv. Employee stock option plan reserves**

The Company has six types of Option schemes under which options to subscribe for the Company's share have been granted to certain employees. The Employee Stock Option Plan Reserves is used to recognise the value of equity settled share based payments provided to employees. Refer note 27.2 for further details of these plans.

**k) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

**l) Income taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits 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. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**m) Fair value measurement**

The Company measures financial instruments at fair value on initial recognition

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**n) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit (CGU) is estimated. If such recoverable amount of the asset or CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Standalone Statement of Profit and Loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Standalone Statement of Profit and Loss. An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.

**o) Inventories**

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

**p) Provisions, contingent liabilities and contingent assets**

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

A provision is recognised when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

The Company does not recognise contingent liabilities but it is disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**q) Employee benefits**

**i. Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognised at actual amounts

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**

due in the period in which the employee renders the related service.

ii. **Post-employment benefits**

1. **Defined contribution plans:**The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance.The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2. **Defined benefit plans:**The liability is accounted for on the basis of actuarial valuation as per Ind AS 19 'Employee Benefits'. Liability recognized in the Standalone Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation.

   The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Standalone Statement of Profit and Loss.

   Actuarial gain / loss pertaining to gratuity, post separation benefits are accounted for as OCI. All remaining components of costs are accounted for in Standalone Statement of Profit and Loss.

3. **Other long-term employee benefits:**Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

**r) Borrowing costs**

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred. Also, the effective interest rate (EIR) amortization is included in finance costs.

**s) Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**t) Segment reporting**

The Company's operating businesses are organized and managed separately according to the nature of services, with each segment representing a strategic business unit that offers different services to different markets. The Company has three operating/reportable segments, i.e., engineering services, Power generation projects and others represents trading of goods, and renting of equipments.

The operating segments are managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Company's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Company uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

No asymmetrical allocations have been applied between segments.

**u) Share based payments**

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

**v) Current/non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**w) Exceptional items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

## 2.4 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 3:* PROPERTY, PLANT AND EQUIPMENT, RIGHT TO USE OF ASSET AND CAPITAL WORK IN PROGRESS

| | Free-hold land | Leasehold improve-ment | Computers | Build-ings | Plant and equipment | Furniture and fixtures | Vehicles | Office equip -ment | Total | Right to use of asset (Refer Note 42) | Capital work in progress |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount:** | | | | | | | | | | | |
| **Balance as at April 1, 2022** | **635.10** | **26.00** | **462.64** | **3,723.40** | **12,660.45** | **126.77** | **1,405.28** | **525.10** | **19,564.74** | 979.66 | **26,927.72** |
| Additions | - | - | 3.03 | - | 0.14 | - | - | 0.51 | **3.68** | 28.69 | 539.24 |
| Disposal/adjustments | (126.92) | - | - | - | - | - | (38.65) | - | **(165.57)** | (913.46) | - |
| **Balance as at March 31, 2023** | **508.18** | **26.00** | **465.67** | **3,723.40** | **12,660.59** | **126.77** | **1,366.63** | **525.61** | **19,402.85** | **94.89** | **27,466.96** |
| Additions | - | - | 3.76 | - | - | - | - | 0.68 | 4.44 | - | 289.91 |
| Disposal/adjustments | - | - | - | - | - | - | (5.43) | - | (5.43) | - | - |
| **Balance as at March 31, 2024** | **508.18** | **26.00** | **469.43** | **3,723.40** | **12,660.59** | **126.77** | **1,366.20** | **526.29** | **19,401.86** | **94.89** | **27,756.87** |
| **Accumulated depreciation, amortisation and impairment:** | | | | | | | | | | | |
| **Balance as at April 1, 2022** | **-** | **26.00** | **460.97** | **3,446.08** | **10,269.53** | **125.79** | **1,393.83** | **523.21** | **16,245.42** | 64.17 | **22,413.72** |
| Depreciation/amortisation | - | - | 2.32 | 5.48 | 353.12 | 0.52 | 4.99 | 0.91 | **367.34** | 115.56 | - |
| Impairment (Refer Note 3.1) | - | - | - | - | 1,754.00 | - | - | - | **1,754.00** | - | 4,374.77 |
| Disposal/adjustments | - | - | - | - | - | - | (38.65) | - | **(38.65)** | (118.41) | - |
| **Balance as at March 31, 2023** | **-** | **26.00** | **463.29** | **3,451.56** | **12,376.65** | **126.31** | **1,360.17** | **524.12** | **18,328.11** | **61.32** | **26,788.49** |
| Depreciation/amortisation | - | - | 2.30 | 5.50 | 87.29 | 0.30 | 4.81 | 0.92 | **101.12** | 15.02 | - |
| Impairment (Note 3.1) | - | - | - | - | - | - | - | - | **-** | - | - |
| Disposal/adjustments | - | - | - | - | - | - | (5.43) | - | **(5.43)** | - | - |
| **Balance as at March 31, 2024** | **-** | **26.00** | **465.59** | **3,457.06** | **12,463.94** | **126.61** | **1,359.55** | **525.04** | **18,423.80** | **76.34** | **26,788.49** |
| **Net carrying amount:** | | | | | | | | | | | |
| **Balance as at March 31, 2024** | **508.18** | **-** | **3.84** | **266.34** | **196.65** | **0.16** | **1.65** | **1.25** | **978.06** | **18.55** | **968.38** |
| **Balance as at March 31, 2023** | **508.18** | **-** | **2.38** | **271.84** | **283.94** | **0.46** | **6.46** | **1.49** | **1,074.74** | **33.57** | **678.47** |

### Note 3.1: Power plant litigation and Impairment

In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Company had filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that "there appears to be force in the submissions and the issue requires scrutiny".

Further during the year ended March 31, 2021, the Company had also challenged the mandate of the arbitrator under section 34 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc amounting to INR 7,234.73 lakhs and interest thereon. The Company has challenged aforementioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has filed police complaint against the same.

Considering the facts explained above, management has decided to fully impair three cogeneration power plants in its books of accounts set up with respective sugar mills on Build, Own, Operate and Transfer (BOOT) basis. Hence, the management has recorded an impairment of INR 35,665.04 lakhs in the present value of the power plant as at March 31, 2024.

Out of the aforementioned impairment as at March 31, 2024 INR 26,788.49 lakhs pertain to two power plants, which were yet to be capitalised and INR 8,876.56 lakhs are for power plant which has already been capitalised.

### Note 3.2: Contractual commitments

The Company does not have any outstanding contractual commitments to purchase any items of property, plant and equipment (including capital work in progress).

**Note 3.3:** Property, plant and equipment are pledged as collateral for borrowings from banks and financial institutions (Refer Note 17 and Note 20).

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

### Note 3.4: Capital work in progress

Assets under construction comprises of expenditure in the course of construction. The amount of expenditure recognised in carrying amount of capital work in progress are as under.

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Buildings under construction/civil work | 190.04 | 190.04 |
| Plant equipment's under erection | 18,217.55 | 17,927.64 |
| Borrowing costs capitalised | | |
| Interest | 5,179.50 | 5,179.50 |
| Amortisation of ancillary borrowing cost | 225.05 | 225.05 |
| Other expenses (directly attributable to construction/erection of assets) | | |
| Rent | 107.24 | 107.24 |
| Legal and professional charges | 406.08 | 406.08 |
| Employee benefit expense | 991.56 | 991.56 |
| Depreciation | 334.80 | 334.80 |
| Insurance charges | 70.80 | 70.80 |
| Power and fuel | 158.67 | 158.67 |
| Repair and maintenance charges | 145.65 | 145.65 |
| Test run expenses | 1,515.94 | 1,515.94 |
| Other miscellaneous expenses | 213.99 | 213.99 |
| Less:- Impairment (Refer note 3.1) | (26,788.49) | (26,788.49) |
| **Total** | **968.38** | **678.47** |

**Capital work-in-progress ageing schedule for the year ended March 31, 2024 is as follows:**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 289.91 | 538.76 | 139.71 | - | **968.38** |
| Projects temporarily suspended | - | - | - | - | **-** |
| **Total** | **289.91** | **538.76** | **139.71** | **-** | **968.38** |

**Capital work-in-progress ageing schedule for the year ended March 31, 2023 is as follows:**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 538.76 | 139.71 | - | - | **678.47** |
| Projects temporarily suspended | - | - | - | - | **-** |
| **Total** | **538.76** | **139.71** | **-** | **-** | **678.47** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 4 :* INTANGIBLE ASSETS

| | Computer Software | Total |
|---|---|---|
| **Gross carrying amount:** | | |
| **Balance as at April 01, 2022** | **532.53** | **532.53** |
| Additions | - | - |
| Disposal/adjustments | - | - |
| **Balance as at March 31, 2023** | **532.53** | **532.53** |
| Additions | - | - |
| Disposal/adjustments | - | - |
| Balance as at March 31, 2024 | 532.53 | 532.53 |
| **Amortisation and impairment:** | | |
| **Balance as at April 01, 2022** | **532.53** | **532.53** |
| Amortisation for the year | - | - |
| Disposal/adjustments | - | - |
| **Balance as at March 31, 2023** | **532.53** | **532.53** |
| Amortisation for the year | - | - |
| Disposal/adjustments | - | - |
| **Balance as at March 31, 2024** | **532.53** | **532.53** |
| **Net carrying amount:** | | |
| **Balance as at March 31, 2024** | **-** | **-** |
| **Balance as at March 31, 2023** | **-** | **-** |

**Note 4.1:** The Company does not have any outstanding contractual commitments to purchase any items of intangible assets.

## *Note 5 :* NON-CURRENT INVESTMENTS

| | As at March 31, 2024 | As at March31, 2023 |
|---|---|---|
| **Carrying amount** | | |
| I. Investments in equity instruments | | |
| (i) Subsidiary companies | 7,565.42 | 7,647.80 |
| (ii) Associate companies | 14,212.16 | 14,212.16 |
| | **21,777.58** | **21,859.96** |
| II. Investments in preference shares (debt portion) | | |
| (i) Subsidiary company | 311.49 | 311.49 |
| (ii) Associate company | 9,024.63 | 9,024.63 |
| | **9,336.12** | **9,336.12** |
| III. Provision for impairment in value of non-current investment | | |
| (i) Subsidiary companies | (6,869.63) | (6,875.63) |
| (ii) Associate companies | (9,990.41) | (9,990.41) |
| | **(16,860.04)** | **(16,866.04)** |
| **Total** | **14,253.66** | **14,330.04** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 5.1** Details of investments:

| | | As at March 31, 2024 | As at March31, 2023 |
|---|---|---|---|
| **I.** | **Investment in equity instruments [Valued at cost]:** | | |
| **(i)** | **Subsidiary companies [Unquoted]:** | | |
| | **A. In fully paid-up equity shares :** | | |
| | 3,580,410 (March 31, 2023 : 3,580,410) equity shares of INR 10 each in A2Z Infraservices Limited | 6,072.29 | 6,072.29 |
| | 125,000 (March 31, 2023 : 125,000) equity shares of INR 10 each in A2Z Powercom Limited | 10.00 | 10.00 |
| | 30,000 (March 31, 2023 : 30,000) equity shares of INR 10 each in Blackrock Waste Processing Private Limited | 3.00 | 3.00 |
| | 50,000 (March 31, 2023 : 50,000) equity shares of INR 10 each in Mansi Bijlee & Rice Mills Limited | 5.00 | 5.00 |
| | Nil (March 31, 2023 : 60,000) equity shares of INR 10 each in Magic Genie Services Limited | - | 6.00 |
| | | **6,090.29** | **6,096.29** |
| **B.** | **Investment in preference shares (equity portion)** | | |
| | 14,958,000 (March 31, 2023 : 14,958,000) fully paid up, 0.01% Non participative cumulative redeemable preference shares of INR 10 each in Mansi Bijlee & Rice Mills Limited | 1,335.90 | 1,335.90 |
| | | **1,335.90** | **1,335.90** |
| **C.** | **Investment in subsidiaries, other than in shares (Refer note 5.1.2)** | 139.23 | 215.61 |
| | | **139.23** | **215.61** |
| | | **7,565.42** | **7,647.80** |
| **D.** | **Provision for impairment in value of non-current investment** | | |
| | Magic Genie Services Limited (in equity share) | - | (6.00) |
| | Mansi Bijlee & Rice Mills Limited (in preference share - equity portion) | (1,335.90) | (1,335.90) |
| | | **(1,335.90)** | **(1,341.90)** |
| **(ii)** | **Associates companies [Unquoted]:** | | |
| | **A. In fully paid-up equity shares :** | | |
| | 9,693,987 (March 31, 2023 : 9,693,987) equity shares of INR 10 each in Greeneffect Waste Management Limited | 969.40 | 969.40 |
| | 24,000 (March 31, 2023 : 24,000) equity shares of INR 10 each in A2Z Waste Management (Nainital) Private Limited | 2.40 | 2.40 |
| | 10,000 (March 31, 2023 : 10,000) equity shares of INR 10 each in A2Z Waste Management (Jaipur) Limited | 1.00 | 1.00 |
| | | **972.80** | **972.80** |
| | **B. Investment in preference shares (equity portion)** 171,200,000 (March 31, 2023 : 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference shares of INR 10 each in Greeneffect Waste Management Limited | 13,197.61 | 13,197.61 |
| | | **13,197.61** | **13,197.61** |
| | **C. Investment in associates, other than in shares (Refer note 5.1.2 & 5.1.3)** | 41.75 | 41.75 |
| | | **41.75** | **41.75** |
| | | **14,212.16** | **14,212.16** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **D. Provision for impairment in value of non-current investment** | | |
| A2Z Waste Management (Nainital) Private Limited | (2.40) | (2.40) |
| Greeneffect Waste Management Limited | (9,987.01) | (9,987.01) |
| A2Z Waste Management (Jaipur) Limited | (1.00) | (1.00) |
| | **(9,990.41)** | **(9,990.41)** |
| **II. Investment in preference shares (Debt portion) [Valued at amortised cost]:** | | |
| **Subsidiary companies [unquoted]**: | | |
| 14,958,000 (March 31, 2023 : 14,958,000) fully paid up, 0.01% Non participative cumulative redeemable preference shares of INR 10 each in Mansi Bijlee & Rice Mills Limited | 311.49 | 311.49 |
| **Associates companies [unquoted]:** | | |
| 171,200,000 (March 31, 2023 : 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference shares of INR 10 each in Greeneffect Waste Management Limited | 9,024.63 | 9,024.63 |
| | **9,336.12** | **9,336.12** |
| **Provision for impairment in value of non-current investment** | | |
| Mansi Bijlee & Rice Mills Limited (In preference share - debt portion) | (311.49) | (311.49) |
| Greeneffect Waste Management Limited | (5,222.24) | (5,222.24) |
| | **(5,533.73)** | **(5,533.73)** |
| **Total** | **31,113.70** | **31,196.08** |
| **Aggregate amount of unquoted investments** | 31,113.70 | 31,144.39 |
| **Aggregate amount of impairment in value of investments** | (16,860.04) | (16,866.04) |

**Note 5.1.1** The management has committed to provide continued operational and financial support to its subsidiaries/associates for meeting their working capital and other financial requirements and based upon approved future projections of the subsidiaries/associates, believes that no impairment exist in excess of the provision already created and accordingly, no further adjustment is considered necessary in respect of carrying value of investments.

**Note 5.1.2** Investment in subsidiaries and associates, other than in shares, represents employee stock option granted to employees of subsidiaries and associates.

**Note 5.1.3** This amount pertains to employee stock option granted to employees of the subsidiary companies which were earlier subsidiaries and now have become associates of the company.

**Note 5.2:** The Company, as at March 31, 2024, has non-current investments (net of impairment) amounting to INR 7,992.84 lakhs (March 31, 2023 : INR 7,992.84 lakhs), other current financial assets (net of impairment) amounting to INR Nil (March 31, 2023 : INR 2,826.46 lakhs) and current financial assets-loan amounting to INR 84.67 lakhs (March 31, 2023 : INR 84.67 lakhs) in its associate company Greeneffect Waste Management Limited which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). During the previous year, Company has provided provision of INR 9,058.00 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2024 has been completely eroded. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 5.3** Investments pledged as collateral for borrowings from banks (Refer Note 17 and Note 20)

**Note 5.4** The Company does not have any quoted investments.

## *Note 6 :* LOANS

(Unsecured considered good, unless otherwise stated)

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Current | Non - Current | Current | Non - Current |
| Loans to related parties (Refer Note 6.1 and 6.2 ) | | | | |
| Subsidiaries | | | | |
| Considered good | 664.00 | - | 646.78 | - |
| Credit impaired | 3,581.44 | - | 912.31 | - |
| Less: Provision for impairment | (3,581.44) | - | (912.31) | - |
| | 664.00 | - | 646.78 | - |
| Associates (Refer Note 5.2, 6.1 and 6.2 ) | 738.00 | - | 738.00 | - |
| **Total** | **1,402.00** | **-** | **1,384.78** | **-** |

**Note 6.1 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances to in nature of loans:**

| Particulars* | | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|---|
| | | Amount outstanding** | Maximum amount outstanding during the year | Amount outstanding** | Maximum amount outstanding during the year |
| **Subsidiaries:** | | | | | |
| a) | Mansi Bijlee & Rice Mills Limited | 4.45 | 4.45 | - | - |
| b) | A2Z Maintenance & Engineering Services Limited and Satya Builder (“AOP”) | 10.22 | 10.22 | - | 10.00 |
| c) | A2Z Waste Management (Ludhiana) Limited | 641.53 | 641.53 | 641.53 | 652.07 |
| d) | A2Z Powercom Limited | 7.80 | 7.80 | 5.25 | 5.25 |
| | | **664.00** | **664.00** | **646.78** | **667.32** |
| **Associates:** | | | | | |
| a) | Greeneffect Waste Management Limited (‘GWML’) | 84.67 | 84.67 | 84.67 | 84.67 |
| b) | A2Z Waste Management (Dhanbad) Private Limited | 230.56 | 230.56 | 230.56 | 230.56 |
| c) | A2Z Waste Management (Ranchi) Limited | 350.00 | 350.00 | 350.00 | 350.00 |
| d) | A2Z Waste Management (Varanasi) Limited | 72.77 | 72.77 | 72.77 | 72.77 |
| e) | A2Z Waste Management (Jaunpur) Limited | - | - | - | 0.49 |
| | | **738.00** | **738.00** | **738.00** | **738.49** |
| **Total** | | **1,402.00** | **1,402.00** | **1,384.78** | **1,405.82** |

* All the above loans are repayable on demand

** Net of impairment written off

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 6.2 : Disclosure pursuant to section 186(4) of the Companies Act 2013:**

| | As at March 31, 2024 | As At March 31, 2023 |
|---|---|---|
| **Nature of the transactions (loans given/investment made/guarantee given) #** | | |
| **(A) Loan and advances:** | | |
| **Subsidiaries:** | | |
| a) Mansi Bijlee & Rice Mills Limited | 4.45 | - |
| b) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP) | 10.22 | - |
| c) A2Z Waste Management (Ludhiana) Limited | 641.53 | 641.53 |
| d) A2Z Powercom Limited | 7.80 | 5.25 |
| **Total** | **664.00** | **646.78** |
| **Associates:** | | |
| a) Greeneffect Waste Management Limited (‘GWML’) | 84.67 | 84.67 |
| b) A2Z Waste Management (Dhanbad) Private Limited | 230.56 | 230.56 |
| c) A2Z Waste Management (Ranchi) Limited | 350.00 | 350.00 |
| d) A2Z Waste Management (Varanasi) Limited | 72.77 | 72.77 |
| **Total** | **738.00** | **738.00** |
| **(B) Guarantees:*** | | |
| **Subsidiaries**: | | |
| a) A2Z Infraservices Limited | 3,846.00 | 4,400.00 |
| | **3,846.00** | **4,400.00** |
| **Associates:** | | |
| a) Greeneffect Waste Management Limited (‘GWML’) | 8,715.00 | 15,715.00 |
| b) A2Z Waste Management (Merrut) Limited | 1,100.00 | 1,100.00 |
| c) A2Z Waste Management (Moradabad) Limited | 480.00 | 480.00 |
| d) A2Z Waste Management (Varanasi) Limited | 2,000.00 | 2,000.00 |
| | **12,295.00** | **19,295.00** |

**(C) Investment in fully paid equity instruments Refer Note 5**

# All transactions are in the ordinary course of business.

* Also Refer Note 40(a)

| **Type of Borrower** | **As at March 31, 2024** | | **As at March 31, 2023** | |
|---|---|---|---|---|
| | **Amount of loan or advance in the nature of loan outstanding** | **Percentage to the total Loan and Advances in the nature of loans** | **Amount of loan or advance in the nature of loan outstanding** | **Percentage to the total Loans and Advances in the the nature of loan** |
| Promoter | - | 0.0% | - | 0.0% |
| Directors | - | 0.0% | - | 0.0% |
| KMPs | - | 0.0% | - | 0.0% |
| Related Parties | 1,402.00 | 100.0% | 1,384.78 | 100.0% |
| **Total** | **1,402.00** | **100.0%** | **1,384.78** | **100.0%** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 7 :* OTHER FINANCIAL ASSETS

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Current** | **Non - Current** | **Current** | **Non - Current** |
| (Unsecured, considered good unless otherwise stated) | | | | |
| Deferred purchase consideration against sale of investment | | | | |
| Considered doubtful | - | - | - | 146.00 |
| Less: Provision for doubtful assets | - | - | - | (146.00) |
| | - | - | - | - |
| Earnest money deposit | | | | |
| Considered good | - | - | - | - |
| Considered doubtful | 226.88 | - | 226.88 | - |
| Less: Provision for doubtful deposit | (226.88) | - | (226.88) | - |
| | - | - | - | - |
| Other assets | | | | |
| Considered good | 8,463.25 | 466.27 | 8,594.67 | 466.77 |
| Considered doubtful | 590.98 | - | 611.65 | 99.00 |
| Less: Provision for doubtful assets | (590.98) | - | (611.65) | (99.00) |
| | **8,463.25** | **466.27** | **8,594.67** | **466.27** |
| Contract revenue in excess of billings (Refer Note 7.1) | | | | |
| Considered good | 3,440.83 | - | 10,422.34 | - |
| Considered doubtful | 269.48 | - | 42.99 | - |
| Less: Provision for doubtful assets | (269.48) | - | (42.99) | - |
| | **3,440.83** | **-** | **10,422.34** | **-** |
| Recoverable from associates and subsidiaries (Refer Note 5.2) | | | | |
| Considered good | 608.69 | - | 3,263.15 | - |
| Considered doubtful | 7,666.99 | - | 877.12 | - |
| Less: Provision for doubtful assets | (7,666.99) | - | (877.12) | - |
| | **608.69** | **-** | **3,263.15** | **-** |
| Security deposits | | | | |
| Considered good | 462.76 | 79.79 | 461.74 | 145.85 |
| Credit impaired | 169.48 | 50.30 | 169.48 | 50.30 |
| Less: Provision for impairment | (169.48) | (50.30) | (169.48) | (50.30) |
| | **462.76** | **79.79** | **461.74** | **145.85** |
| Bank deposits with more than 12 months maturity* | - | 108.55 | - | 108.55 |
| **Total** | **12,975.53** | **654.61** | **22,741.90** | **720.67** |

* Held as margin money against bank guarantees and letter of credit and as debt service reserve account against term loan from banks.

**Note 7.1:** Contract revenue in excess of billings, pertain to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussion with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to recover the amounts owing to completion of certain administrative and contractual matters, the current carrying value is representative of the amount considered realisable.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 8 :* DEFERRED TAX ASSETS (NET)

| | As at March 31, 2022 | Charge to statement of profit and loss | As at March 31, 2023 | Charge to statement of profit and loss | As at March 31, 2024 |
|---|---|---|---|---|---|
| **Deferred tax assets** | | | | | |
| Provision for doubtful debts and unbilled receivables | 1,375.04 | 1,362.14 | 12.90 | 6.61 | 6.29 |
| Provision for warranty | 287.44 | 287.44 | - | - | - |
| Provision for employee benefits | 87.34 | 87.34 | - | - | - |
| Property, plant and equipment | 904.15 | 904.15 | - | - | - |
| | **2,653.97** | **2,641.07** | **12.90** | **6.61** | **6.29** |
| **Total** | **2,653.97** | **2,641.07** | **12.90** | **6.61** | **6.29** |

***Note 9*** The Company has not recognised deferred tax asset in respect of losses and unabsorbed depreciation of INR 49,567.95 lakhs and INR 11,213.72 lakhs, respectively (March 31, 2023: INR 66,394.63 lakhs and INR 11,345.74 lakhs respectively) as there is no reasonable certainty supported by convincing evidences of their recoverability in the near future. (Refer Note 32.1)

## *Note 10 : NON-CURRENT TAX ASSETS (NET)*

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Tax deposited (net of provision) | 1,562.70 | 2,469.42 |
| **Total** | **1,562.70** | **2,469.42** |

## *Note 11 : OTHER ASSETS*

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Current | Non - Current | Current | Non - Current |
| [Unsecured, considered good unless otherwise stated] | | | | |
| Capital advances | | | | |
| Considered good | - | 0.79 | - | 0.90 |
| Considered doubtful | - | 12.60 | - | 12.60 |
| Less: Provision for doubtful advances | - | (12.60) | - | (12.60) |
| | - | 0.79 | - | 0.90 |
| Other advances | | | | |
| Considered good | 4,751.07 | - | 4,731.47 | - |
| Considered doubtful | 1,381.98 | - | 1,381.98 | - |
| Less: Provision for doubtful advances | (1,381.98) | - | (1,381.98) | - |
| | **4,751.07** | **-** | **4,731.47** | **-** |
| Prepaid expenses | **-** | **-** | 0.92 | **-** |
| **Balances with government authorities** | | | | |
| Considered good (Refer note 12) | 984.36 | - | 1,739.35 | - |
| Considered doubtful | 2,735.68 | - | 1,591.98 | - |
| Less: Provision for doubtful balances | (2,735.68) | - | (1,591.98) | - |
| | 984.36 | - | 1,739.35 | - |
| **Total** | **5,735.43** | **0.79** | **6,471.74** | **0.90** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

***Note 12 :*** The Tanzania branch has a contract with Rural Energy Agency (REA) for supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Bahi, Kongwa and Chemba districts) on Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution of transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondoa and Mpwapwa districts) on a Turnkey basis for Lot 2. Lot -01 districts Bahi, Kongwa and Chemba are completed as on 21st April 2022, 10th April 2022 and 31st August 2022 and defect liability period is applicable for next 12 months. Lot -02 districts Chamwino, Kondoa and Mpwapwa are completed as on 2nd August 2023 and defect liability period is applicable for next 12 months. The contract allows further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued.

## *Note 13 :* TRADE RECEIVABLES

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Trade receivables - (Unsecured):** | | |
| **From other than related parties** | | |
| Considered good | 11,057.94 | 24,979.29 |
| Credit impaired | 23,458.49 | 19,282.53 |
| | **34,516.43** | **44,261.82** |
| **From related parties** | | |
| Considered good | 25.96 | 125.96 |
| Credit impaired | 25.07 | 188.16 |
| | **51.03** | **314.12** |
| Less: Loss allowance (Refer Note 13.2) | (23,483.56) | (19,470.69) |
| **Total** | **11,083.90** | **25,105.25** |

**Note 13.1 :** Trade receivables include retention money of INR 17,512.21 lakhs (March 31, 2023 INR 28,679.97 lakhs) which are due on completion of erection / contracts / final acceptance by the customers. The management is confident of recovering these amounts(net of provision) upon erection / contract completion.

**Note 13.2 :** The movements in the loss allowance is presented below:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Balance as at the beginning of the year** | **19,470.69** | **20,429.00** |
| Changes in loss allowance:- | | |
| Add: Provided for during the year | 4,012.87 | 782.51 |
| Less: Receivables written off during the year | - | (1,740.82) |
| **Balance as at the end of year** | **23,483.56** | **19,470.69** |

All trade receivables are short-term. The effect of any difference between the effective interest rate applied and the estimated current market rate is not significant. Allowance for credit losses has been recorded accordingly within other expenses, and is based on the expected credit loss methodology. The doubtful trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024
(Unless otherwise stated, all amounts are in INR Lakhs)

## *Note 14 :* AGEING OF TRADE RECEIVABLES

**Ageing of trade receivables at March 31, 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Undisputed trade receivables** | | | | | | |
| - considered good | 2,792.64 | 1,055.76 | 1,791.61 | 1,672.28 | 12,850.67 | **20,162.96** |
| - which have significant increase in credit risk | 11.83 | 57.97 | 72.04 | 124.83 | 8,015.17 | **8,281.84** |
| - credit impaired | - | - | - | - | 710.88 | **710.88** |
| **Disputed trade receivables** | | | | | | |
| - considered good | - | - | - | - | - | **-** |
| - which have significant increase in credit risk | - | - | 21.71 | 1.32 | 415.03 | **438.06** |
| - credit impaired | 1,409.62 | - | - | 191.15 | 3,372.95 | **4,973.72** |
| | **4,214.09** | **1,113.73** | **1,885.36** | **1,989.58** | **25,364.70** | **34,567.46** |
| Less : Loss allowance | | | | | | 23,483.56 |
| **Total** | | | | | | **11,083.90** |

**Ageing of trade receivables at March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Undisputed trade receivables** | | | | | | |
| - considered good | 2,187.05 | 1,321.34 | 2,848.21 | 3,358.79 | 21,158.14 | **30,873.54** |
| - which have significant increase in credit risk | 22.28 | 58.33 | 127.43 | 174.33 | 8,447.33 | **8,829.71** |
| - credit impaired | - | - | 191.15 | 1,210.42 | 733.76 | **2,135.33** |
| **Disputed trade receivables** | | | | | | |
| - considered good | - | - | - | - | - | **-** |
| - which have significant increase in credit risk | - | 22.02 | 3.50 | 8.66 | 511.24 | **545.42** |
| - credit impaired | - | - | - | 2.67 | 2,189.28 | **2,191.95** |
| | **2,209.33** | **1,401.70** | **3,170.30** | **4,754.87** | **33,039.74** | **44,575.94** |
| Less : Loss allowance | | | | | | 19,470.69 |
| **Total** | | | | | | **25,105.25** |

## *Note 15 :* CASH AND CASH EQUIVALENTS

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balances with banks in current account | 60.99 | 513.38 |
| Cash in hand | 0.61 | 0.63 |
| **Total** | **61.60** | **514.01** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 16 :* EQUITY SHARE CAPITAL

| | | Number of Shares | Amount |
|---|---|---|---|
| **(i)** | **Authorised share capital** | | |
| | **Equity shares of INR 10 each** | | |
| | **Balance as at April 1, 2022** | **24,00,00,000** | **24,000.00** |
| | Changes in equity share capital | - | - |
| | **Balance as at March 31, 2023** | **24,00,00,000** | **24,000.00** |
| | Changes in equity share capital | - | - |
| | **Balance as at March 31, 2024** | **24,00,00,000** | **24,000.00** |
| **(ii)** | **Issued, subscribed and fully paid up** | | |
| | **Equity Shares of INR 10 each fully paid up** | | |
| | **Balance as at April 1, 2022** | **17,61,19,858** | **17,611.99** |
| | Issue of equity share capital | - | - |
| | **Balance as at March 31, 2023** | **17,61,19,858** | **17,611.99** |
| | Issue of equity share capital | - | - |
| | **Balance as at March 31, 2024** | **17,61,19,858** | **17,611.99** |

**(iii) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:-**

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| **Balance as at the beginning of the year** | 17,61,19,858 | 17,611.99 | 17,61,19,858 | 17,611.99 |
| **Balance as at the end of the period** | **17,61,19,858** | **17,611.99** | **17,61,19,858** | **17,611.99** |

**(iv) Rights, preferences and restrictions attached to equity shares:**

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

(v) No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2024 and March 31, 2023.

(vi) No equity shares of INR 10.00 each bought back pursuant to Section 68, 69 and 70 of the Companies Act, 2013 for the period of 5 years immediately preceding March 31, 2024 and March 31, 2023.

(vii) **Shares reserved for issue under options**

Information relating to Employee option plan, including details of options issues, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 27.2.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**(viii) Details of shares held by shareholders holding more than 5% equity shares of the Company:**

| Equity shares of INR 10 each fully paid up | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Number of shares held | Holding | Number of shares held | Holding |
| Amit Mittal | 2,73,50,601 | 15.53% | 2,73,50,601 | 15.53% |
| Mestric Consultants Private Limited | 2,22,00,000 | 12.61% | 2,22,00,000 | 12.61% |
| | **4,95,50,601** | **28.13%** | **4,95,50,601** | **28.13%** |

**(ix) Shares held by promoters and promoter group at the end of the year:**

| | As at March 31, 2024 | | As at March 31, 2023 | | % Holding during the year |
|---|---|---|---|---|---|
| | Number of shares held | Holding | Number of shares held | Holding | |
| **Equity shares of INR 10 each fully paid up** | | | | | |
| Amit Mittal | 2,73,50,601 | 15.53% | 2,73,50,601 | 15.53% | 0.00% |
| Mestric Consultants Private Limited | 2,22,00,000 | 12.61% | 2,22,00,000 | 12.61% | 0.00% |
| Priya Goel | 10,382 | 0.01% | 10,382 | 0.01% | 0.00% |
| | **4,95,60,983** | **28.14%** | **4,95,60,983** | **28.14%** | **0.00%** |

## *Note 17 :* NON- CURRENT BORROWINGS*

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Current | Non - Current | Current | Non - Current |
| **Carried at amortised cost-secured** | | | | |
| Term loans from banks (Refer Note 17.2 and 17.5) | 723.22 | - | 1,931.22 | 300.00 |
| Term loans from financial institution (Refer Note 17.3 and 17.5) | - | - | 3,525.00 | - |
| Working capital term loans from banks (Refer Note 17.4 (a) and 17.5) | 354.30 | - | 354.30 | - |
| Funded interest term loans from banks (Refer Note 17.4 (b) and 17.5) | 609.25 | - | 609.25 | - |
| | **1,686.77** | **-** | **6,419.77** | **300.00** |
| Less: Amount disclosed under current borrowings as 'Current maturities of long-term borrowings' (Refer Note 20) | 1,686.77 | - | 6,419.77 | - |
| **Total** | **-** | **-** | **-** | **300.00** |

*Refer Note 22.1

**Note 17.1: Restructuring of borrowings under Corporate Debt Restructuring Scheme (CDR Scheme):**

The Corporate Debt Restructuring (CDR) proposal to re-structure the debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme") of the Company, having January 01, 2013 as the "cut-off date", was approved by the CDR Cell vide its Letter of Approval (LOA) dated December 28, 2013 as further modified dated February 03, 2014. From the "cut-off date" the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR Scheme.

**Details of terms of repayment for the non-current borrowings (including current maturities) and security provided in respect of secured non-current borrowings:**

**Note 17.2: Term loans from banks:**

1) Term loans from banks amounting to INR 169.48 lakhs (March 31, 2023 INR 169.48 lakhs) having interest rate of 10.15% - 10.75% per annum during the year are repayable in 28 quarterly installments, first installment was due in March 2016.

   The above loan is secured against:

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

i) First charge ranking pari passu on present and future fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

(ii) Second charge ranking pari passu on present and future current assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

(iii) Second charge ranking pari passu on both present and future current assets, as well as fixed assets of Company other than assets exclusively financed to other lenders.

2) Term loans from banks amounting to INR 253.74 lakhs (March 31, 2023 INR 1,561.74 lakhs) having interest rate from 10.15% - 10.75% per annum during the year are repayable in 21 quarterly installments, first installment was due in March 2016.

The above loan is secured against:

(i) First charge ranking pari passu on both present and future current assets as well as fixed assets of the Company other than assets exclusively charged to other lenders.

(ii) Second charge ranking pari passu on both present and future current assets of the power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

3) Term loans from bank amounting to INR 300.00 lakhs (March 31, 2023 INR 500.00 lakhs) having interest rate of 12% per annum, pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of facilities taken from bank. For DBS, it is repayable in 3 installments and the first installment was due in March 2023. (Refer Note: 43.1).

The above mentioned loans of DBS Bank is secured against:-

i) Equity shares of A2Z Infraservices Limited (“subsidiary company”).

**Note 17.3: Term loans from financial institution:**

The loan amounting to INR Nil (March 31, 2023 INR 3,525.00 lakhs) is secured against first pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited.

The above loan is secured against

(i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

(ii) Second pari-passu charge on fixed assets and current assets on EPC business.Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled and paid during financial year 2023-24.

**Note 17.4 (a) : Working capital term loan:**

Working capital term loans from bank amounting to INR 354.30 lakhs (March 31, 2023 INR 354.30 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly installments. First installment was due in March 2015.

The above loan is secured against:

(i) First pari passu charge on both present and future fixed assets as well as current assets of the Company or Borrower other than assets exclusively charged to other lenders.

(ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

**Note17.4(b) (i) : Funded interest term loan -1 (EPC):**

Funded interest term loans from bank amounting to INR 298.01 lakhs (March 31, 2023 INR 298.01 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 25 quarterly installments. First installment was due in March 2015.

**The above loan is secured against :**

**(i)** First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024 (Unless otherwise stated, all amounts are in INR Lakhs)**

(ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

**Note 17.4 (b) (ii) : Funded interest term loan -2 (EPC):**

Funded interest term loans from bank amounting to INR 311.24 lakhs (March 31, 2023 INR 311.24 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in single installment, which was due in March 2021.

**The above loan is secured against:**

(i) First charge pari passu on both present and future current asset as well as fixed assets of the EPC business other than assets exclusively charged to lenders.

(ii) Second charge pari passu on both current assets and fixed assets of the 3 biomass power plant projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

**Note 17.5:** The Company has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Banks:** | | |
| - Principal | | |
| 0-3 Months | - | 6.05 |
| 3-6 Months | - | - |
| 6-12 Months | 6.05 | 58.98 |
| > 12 Months | 1,380.78 | 2,176.39 |
| - Interest | | |
| 0-3 Months | 31.51 | 46.08 |
| 3-6 Months | 37.66 | 20.91 |
| 6-12 Months | 84.10 | 162.02 |
| > 12 Months | 410.98 | 187.45 |

## *Note 18 :* LEASE LIABILITY

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non -Current |
| Lease liability (Refer Note 42) | 11.92 | 7.70 | 14.48 | 19.63 |
| | **11.92** | **7.70** | **14.48** | **19.63** |

## *Note 19 :* PROVISIONS

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non -Current |
| **Provision for employee benefits** | | | | |
| Provision for gratuity (Refer Note 19.ii) | 0.72 | 19.82 | 0.50 | 11.55 |
| **Others** | | | | |
| Provision for warranty (Refer Note 19.i) | - | 2,032.37 | 31.74 | 2,991.65 |
| **Total** | **0.72** | **2,052.19** | **32.24** | **3,003.20** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| **Movements in provisions:** | **As at March 31, 2024 Amount** | **As at March 31, 2023 Amount** |
|---|---|---|
| **i) Movement in provision for warranty during the financial year are as follows:** | | |
| **Balance as at beginning of the year** | **3,023.39** | **3,803.76** |
| Charged/ (credited) to profit or loss | | |
| Additional provision recognised | 112.28 | 273.49 |
| Unused amount reversed | - | - |
| Unwinding of the discounting | 12.92 | 51.65 |
| Amount added / reversed during the year | (1,116.22) | (1,105.51) |
| **Balance as at end of the period** | **2,032.37** | **3,023.39** |

A provision is recognised for expected warranty claims, based on past experience, for expected cost of meeting obligations of rectification/replacement. It is expected that most of these costs will be incurred in the next 1 year and all would have been incurred within 2 years after the reporting date. The Company accounts for the provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates / trends. These estimates are established using historical information on the nature and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

**ii) Defined benefit plan and long term employment benefit**

**A General description:**

**Gratuity [Defined benefit plan]:**

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. The gratuity plan is governed by the Payment of Gratuity Act, 1972. 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. The scheme is funded with an insurance company (Kotak Life Insurance) in the form of a qualifying insurance policy.

**A reconciliation of the Company's defined benefit obligation (DBO) and plan assets, i.e. the gratuity plan, to the amounts presented in the statement of financial position for each of the reporting periods is presented below:**

**Assets and liability (Balance sheet position)**

| | **As at March 31, 2024** | **As at March 31, 2023** |
|---|---|---|
| Present value of obligation | (21.98) | (13.45) |
| Fair value of plan assets | 1.44 | 1.40 |
| **Net liability** | **(20.54)** | **(12.05)** |

| **Expenses recognised during the year** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** |
|---|---|---|
| In statement of profit and loss | 3.70 | 5.07 |
| In other comprehensive income | 25.31 | 7.21 |
| **Total expenses recognized during the year** | **29.01** | **12.28** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Defined benefit obligation**
**The details of the Company's DBO are as follows:**

**Changes in the present value of obligation**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Present value of obligation as at the beginning** | **13.45** | **53.47** |
| Current service cost | 2.82 | 1.56 |
| Interest expense | 0.98 | 3.61 |
| Re-measurement or actuarial (gain) / loss arising from: | | |
| - change in demographic assumptions | - | - |
| - change in financial assumptions | 1.40 | (0.44) |
| - experience adjustments | 23.85 | 7.52 |
| Benefits paid | (20.52) | (52.27) |
| **Present value of obligation as at the end of the period** | **21.98** | **13.45** |

**Bifurcation of net liability**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Current liability (short term) | 0.72 | 0.50 |
| Non-current liability (long term) | 19.82 | 11.55 |
| **Net liability** | **20.54** | **12.05** |

**Plan assets**

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

**Changes in the fair value of plan assets**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Fair value of plan assets as at the beginning** | **1.40** | **1.43** |
| Interest income | 0.10 | 0.10 |
| Employer's contribution | - | 19.67 |
| Benefits paid | - | (19.67) |
| Return on plan assets (excluding amount recognised as interest income) | (0.06) | (0.13) |
| **Fair value of plan assets as at the period end** | **1.44** | **1.40** |

**Expenses recognised in the profit and loss statement**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Current service cost | 2.82 | 1.56 |
| Net interest cost | 0.88 | 3.51 |
| **Expenses recognised in the profit and loss statement** | **3.70** | **5.07** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Other comprehensive income**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Actuarial (gains) / losses | | |
| - change in financial assumptions | 1.40 | (0.44) |
| - experience variance (i.e. Actual experience vs assumptions) | 23.85 | 7.52 |
| Return on plan assets (excluding amount recognised as interest income) | 0.06 | 0.13 |
| **Components of defined benefit costs recognised in other comprehensive income** | **25.31** | **7.21** |

**Financial assumptions**

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Discount rate (per annum) | 7.15% | 7.30% |
| Salary growth rate (per annum) | 8.00% | 5.00% |

**Demographic assumptions**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Mortality Rate (% of IALM 12-14) | 100.00% | 100.00% |
| Normal Retirement age | 60 Years | 60 Years |
| Withdrawal Rate | 10.00% | 10.00% |

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

**Sensitivity analysis**

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Defined benefit obligation (Base) | 21.98 | 13.45 |

| | As at March 31,2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Decrease** | **Increase** | **Decrease** | **Increase** |
| Discount Rate (- / + 1%) | 23.19 | 20.88 | 14.27 | 12.72 |
| (% change compared to base due to sensitivity) | 5.50% | -5.00% | 6.10% | -5.50% |
| Salary Growth Rate (- / + 1%) | 21.54 | 22.45 | 13.29 | 13.60 |
| (% change compared to base due to sensitivity) | -2.00% | 2.10% | -1.20% | 1.00% |
| Attrition Rate (- / + 50%) | 21.04 | 22.55 | 11.94 | 14.49 |
| (% change compared to base due to sensitivity) | -4.30% | 2.60% | -11.30% | 7.60% |
| Mortality Rate (- / + 10%) | 21.97 | 22.00 | 13.44 | 13.47 |
| (% change compared to base due to sensitivity) | -0.10% | 0.10% | -0.10% | 0.10% |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation from the prior period.

**The following payments are expected contributions to the defined benefit plan in future years:**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Within the next 12 months [next annual reporting period] | 2.17 | 1.90 |
| Between 2 and 5 years | 15.42 | 7.12 |
| Between 6 and 10 years | 6.50 | 5.46 |
| Beyond 10 years | 9.79 | 7.40 |
| **Total expected payments** | **33.88** | **21.87** |

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2023: 6 years)

## *Note 20 :* CURRENT BORROWINGS*

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Carried at amortised cost** | | |
| From banks (secured) (Refer Note 20.1 and 20.2) | | |
| Working capital loans | 832.47 | 881.21 |
| Cash credit facilities | 14,798.77 | 18,597.40 |
| Current maturities of long term debt (Refer Note 17, 22.1 & 20.2) | 1,686.77 | 6,419.76 |
| **Total** | **17,318.01** | **25,898.37** |

*Refer Note 22.1

**Note 20.1: Working capital loans from banks and other secured loans**

**a)** The working capital loans of INR 832.47 lakhs (March 31, 2023 INR 881.21 lakhs) and Cash credit facilities of INR 14,798.78 lakhs (March 31, 2023 INR 18,597.40 lakhs) from banks are secured against whole of the assets (both current as well as fixed) of the Company, namely stock of raw material, stock in process, semi-finished and finished goods, stores and spares (consumable stores and spares), bills receivables and book debts and all other movables and fixed assets (except fixed assets exclusively financed by other lenders) both present and future stored or to be stored at the Company's godown, premises and division at O-116, First Floor Shopping mall, Arjun Marg, DLF City Phase - I, Gurugram or wherever else the same may be by way of first pari - passu charge amongst the consortium members. The charge is also additionally secured by first charge over immovable properties i.e.

I) Plot No. G-1030 A having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Balaji Pottery Private Limited;

II) Plot No. G-1030 having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Hari Om Utensils Private Limited;

III) Office space on 7th Floor of a B+G+7 storied commercial building on east side of LA-VIDA Mall at CK-3,4, 48, 49 Salt Lake City, Sector-II, Kolkata

IV) Mortgage of following properties :

(a) Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab;

(b) Land measuring about 5.309 Hectare situated at village Palsora, District Indore;

(c) Land with Boundary wall, Khasra No. 70, Vill Sherpur Madho urf Ghania Khera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 1.465 Hectare or 3.62 acre;

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

V) Additionally, the following properties in the name of personal guarantor's has also been secured by way of first charge:

a) Flat, 401, Block A-3, Unitech Apartment, Unitech World, Gurgaon

(b) Flat, A-126, Type Chancellor on 12th Floor in Regency Park I along with PA-114, DLF City Gurgao

(c) Flat, 1706 located at valley view Apartments, Gurgaon

(d) Flat, 1606 located at valley view Apartments, Gurgaon

(e) O-116, Shopping Mall, DLF Phase -1, Arjun Marg, Gurgaon

Further secured by Corporate Guarantees of Shree Hariom Utensils Private Limited and Balaji Pottery Private Limited. The rate of interest vary from 10.15% - 13.25% per annum and these loans are repayable on demand.

b) Second charge on pari-passu basis over all rights, titles, interest, benefits, claims and demands in respect of projects and insurance contracts and over all movable and immoveable properties, accounts, plant and machinery, all other tangible moveable assets both present and future, project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature in respect of project.

**Note 20.2:** The Company has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Banks:** | | |
| -Principal | - | - |
| 0-3 Months | - | - |
| 3-6 Months | - | - |
| 6-12 Months | - | - |
| > 12 Months | 7,673.81 | 8,362.33 |
| -Interest | | |
| 0-3 Months | 375.52 | 625.97 |
| 3-6 Months | 571.86 | 399.40 |
| 6-12 Months | 1,234.72 | 1,353.34 |
| > 12 Months | 4,969.10 | 4,505.80 |
| Financial institutions: | | |
| **-Principal** | | |
| 0-3 Months | - | 1,000.00 |
| 3-6 Months | - | 100.00 |
| 6-12 Months | - | 1,450.00 |
| > 12 Months | - | 975.00 |
| -Interest | | |
| 0-3 Months | - | 140.71 |
| 3-6 Months | - | 81.88 |
| 6-12 Months | - | 152.10 |
| > 12 Months | - | 124.48 |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 21 :* TRADE PAYABLES

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer note 21.1) | 8.95 | 11.32 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 19,893.38 | 27,595.85 |
| **Total** | **19,902.33** | **27,607.17** |

**Note 21.1 *Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) ("MSMD Act, 2006"):**

The micro and small enterprises have been identified by the Company from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| 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 | 4.90 | 6.90 |
| - interest amount | 1.07 | 1.35 |
| 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 | **4.05** | **4.42** |
| 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 | - | - |

* The information has been given in respect of such vendors to the extent they could be identify as "Micro, Small & Medium Enterprises" on the basis of information available with the Company.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 21.2 Ageing of trade payables**

**Ageing of trade payables as at March 31, 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | 0.81 | 3.24 | - | 4.90 | **8.95** |
| (ii) Others | 11,355.87 | 2,389.14 | 2,610.33 | 535.42 | 2,973.61 | **19,864.38** |
| (iii) Disputed dues – MSME | - | - | - | - | - | **-** |
| (iv) Disputed dues - Others | - | - | - | - | 29.00 | **29.00** |
| **Total** | **11,355.87** | **2,389.96** | **2,613.57** | **535.42** | **3,007.51** | **19,902.33** |

**Ageing of trade payables as at March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | 4.42 | - | 6.90 | **11.32** |
| (ii) Others | 21,075.94 | 1,885.58 | 1,406.36 | 206.51 | 2,992.46 | **27,566.85** |
| (iii) Disputed dues – MSME | - | - | - | - | - | **-** |
| (iv) Disputed dues - Others | - | - | - | - | 29.00 | **29.00** |
| **Total** | **21,075.94** | **1,885.58** | **1,410.78** | **206.51** | **3,028.36** | **27,607.17** |

## *Note 22 :* OTHER CURRENT FINANCIAL LIABILITIES

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Interest accrued (Refer Note 22.1) | 2,960.06 | 3,404.38 |
| Security deposits received | 524.78 | 2,894.49 |
| Payable against purchase of property, plant and equipment | 22.88 | 23.75 |
| **Total** | **3,507.72** | **6,322.62** |

**Note 22.1** The loan accounts of the Company have been classified as Non- Performing Assets by certain banks and no interest has been charged on the said accounts. Further, the Company has also not charged any interest on the said borrowings, therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to Rs. 2,983.20 lakhs and Rs. 5,279.89 lakhs for the year ended March 31, 2024 and as at March 31, 2024 respectively (Rs. 3,374.33 lakhs for the year ended March 31, 2023). The Company has made one time settlement with certain lenders or already in discussion with the said banks for settlement of their dues.

## *Note 23 :* OTHER CURRENT LIABILITIES

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advances from customers | 1,364.55 | 1,169.93 |
| Billing in excess of contract revenue | 3,310.82 | 3,273.63 |
| Other payables | 1,189.65 | 771.67 |
| Statutory dues payable | 198.79 | 5,468.83 |
| **Total** | **6,063.81** | **10,684.06** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 24 :* REVENUE FROM OPERATIONS*

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Operating revenues:** | | |
| **Sale/rendering of services** | | |
| Revenue from engineering services | 8,599.77 | 6,940.80 |
| **Other operating revenues:** | | |
| Sale of traded goods | - | 17.85 |
| **Total** | **8,599.77** | **6,958.65** |

* Refer Note- 41

## *Note 25 :* OTHER INCOME

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Interest income | | |
| on fixed deposits | 0.37 | 9.01 |
| on others | 3.31 | 2.85 |
| Other non-operating income | | |
| Profit on sale of property, plant and equipment | 0.10 | - |
| Scrap sales | 8.30 | - |
| Rental income | - | 28.72 |
| Liabilities written back | 1,043.25 | 2,920.91 |
| Foreign exchange fluctuation(net) | - | 11.08 |
| Miscellaneous | 41.62 | 95.97 |
| **Total** | **1,096.95** | **3,068.54** |

## *Note 26 :* COST OF MATERIALS CONSUMED

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Purchases during the year | 2,798.03 | 550.08 |
| Freight and cartage | 157.95 | 53.00 |
| Sub contractor / erection expenses and technical consultancy for projects | 4,074.25 | 4,240.84 |
| Labour charges | 2.16 | 170.56 |
| Site expenditure | 161.19 | 104.51 |
| Other direct cost | 38.05 | 38.91 |
| **Total** | **7,231.63** | **5,157.90** |

## *Note 27 :* EMPLOYEE BENEFITS EXPENSE

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Salaries and bonus including directors' remuneration | 202.83 | 236.40 |
| Contribution to provident and other funds (Refer Note 27.1) | 28.93 | 5.66 |
| Gratuity (Refer Note 19 ii) | 3.70 | 5.07 |
| Compensated absences benefits | - | (1.97) |
| Share-based payments (Refer Note 27.2) | 153.43 | 55.68 |
| Staff welfare expenses | 6.39 | 11.01 |
| **Total** | **395.28** | **311.85** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

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

**Note 27.1 Defined contribution plan**

The Company has certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basis salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation the expense recognised during the year towards the defined contribution plan is INR 28.93 Lakhs (March 31, 2023 INR 5.66 Lakhs).

**Note 27.2 Share-based employee remuneration**

**(a) A2Z Employees Stock Option Plan, 2013- Tranche II**

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on July 3, 2014 has granted 1,905,000 number of stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 19.95 each which is BSE closing market price on July 02, 2014 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then.

**(b) A2Z Employees Stock Option Plan, 2014**

The members of the Company vide special resolution at the Annual General Meeting held on September 27, 2014 had approved the A2Z Employees Stock Option Plan, 2014. The ESOP Compensation Committee in its meeting held on July 6, 2015 has granted 4,500,000 number of stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 15.50 each which is NSE closing market price on July 03, 2015 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then.

**(c) A2Z Employees Stock Option Plan, 2013 & 2014 (Regrant)**

The Nomination and remuneration Committee in its meeting held on August 17, 2017 has regranted 1,760,000 number of stock options (788,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 972,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 36.90 each which is NSE closing market price on August 16, 2017 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

**(d) A2Z Employees Stock Option Plan, 2018- Tranche I**

The members of the Company vide special resolution at the Annual General Meeting held on September 29, 2018 had approved the A2Z Employees Stock Option Plan, 2018. The ESOP Compensation Committee in its meeting held on October 24, 2018 has granted 3,800,000 stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each . The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

**(e) A2Z Employees Stock Option Plan, 2018- Tranche II**

The members of the Company vide special resolution at the Annual General Meeting held on September 29, 2018 had approved the A2Z Employees Stock Option Plan, 2018. The ESOP Compensation Committee in its meeting held on April 8, 2019 has granted 1,200,000 stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each . The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

the grant date till completion of five years since then.

**(f) A2Z Employees Stock Option Plan, 2013 & 2014 (Regrant II)**

The Nomination and remuneration Committee in its meeting held on January 3, 2022 has regranted 1,098,000 number of stock options (105,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 993,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

**(g) A2Z Employees Stock Option Plan, 2018 (Regrant I)**

The Nomination and remuneration Committee in its meeting held on January 3, 2022 has regranted 3,50,000 number of stock options against stock options lapses under A2Z Employee Stock Options Plan, 2018 convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

**(h) A2Z Employees Stock Option Plan, 2013 & 2014 (Regrant III)**

The Nomination and remuneration Committee in its meeting held on February 14, 2023 has regranted 1,735,000 number of stock options (367,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 1,368,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

**(i) A2Z Employees Stock Option Plan, 2018 (Regrant II)**

The Nomination and remuneration Committee in its meeting held on February 14, 2023 has regranted 7,55,000 number of stock options against stock options lapses under A2Z Employee Stock Options Plan, 2018 convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

| | ESOP 2013-II Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2014 Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2013 & 2014 (Regrant I) Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2018-I Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2018-II Plan (Number of shares) |
|---|---|---|---|---|---|---|---|---|---|
| **Outstanding as at April 1, 2022** | **2,62,000** | **19.95** | **14,35,000** | **15.50** | **9,75,000** | **36.90** | **34,50,000** | **10.00** | **12,00,000** |
| Granted | - | - | - | - | - | - | - | - | - |
| Lapsed/forfeited | 2,62,000 | 19.95 | 6,95,000 | 15.50 | 1,55,000 | 36.90 | 6,00,000 | 10.00 | - |
| Exercised | - | - | - | - | - | - | - | - | - |
| **Outstanding as at March 31, 2023** | **-** | **-** | **7,40,000** | **15.50** | **8,20,000** | **36.90** | **28,50,000** | **10.00** | **12,00,000** |
| Granted | - | - | - | - | - | - | - | - | - |
| Lapsed/forfeited | - | - | 7,40,000 | 15.50 | 3,12,500 | 36.90 | 5,00,000 | 10.00 | - |
| Exercised | - | - | - | - | - | - | - | - | - |
| **Outstanding as at March 31, 2024** | **-** | **-** | **-** | **-** | **5,07,500** | **36.90** | **23,50,000** | **10.00** | **12,00,000** |
| Exercisable at March 31, 2023 | - | - | 7,40,000 | 15.50 | 8,20,000 | 36.90 | 28,50,000 | 10.00 | 12,00,000 |
| Exercisable at March 31, 2024 | - | - | - | - | 5,07,500 | 36.90 | 23,50,000 | 10.00 | 12,00,000 |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | Programme weighted average exercise price per share | ESOP 2013 & 2014 (Regrant II) Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2018 (Regrant I) Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2013 & 2014 (Regrant III) Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2018 (Regrant II) Plan (Number of shares) | Programme weighted average exercise price per share |
|---|---|---|---|---|---|---|---|---|---|
| **Outstanding as at April 1, 2022** | **10.00** | **10,35,000** | **10.00** | **2,20,000** | **10.00** | **-** | **-** | **-** | **-** |
| Granted | - | - | - | - | - | 17,35,000 | 10.00 | 7,55,000 | 10.00 |
| Lapsed/forfeited | - | 65,000 | 10.00 | 30,000 | 10.00 | - | - | - | |
| Exercised | - | - | - | - | - | - | - | - | - |
| **Outstanding as at March 31, 2023** | **10.00** | **9,70,000** | **10.00** | **1,90,000** | **10.00** | **17,35,000** | **10.00** | **7,55,000** | **10.00** |
| Granted | - | - | - | - | - | - | - | - | - |
| Lapsed/forfeited | - | 40,000 | 10.00 | 5,000 | 10.00 | - | - | - | |
| Exercised | - | - | - | - | - | - | - | - | - |
| **Outstanding as at March 31, 2024** | **10.00** | **9,30,000** | **10.00** | **1,85,000** | **10.00** | **17,35,000** | **10.00** | **7,55,000** | **10.00** |
| Exercisable at March 31, 2023 | 10.00 | 9,70,000 | 10.00 | 1,90,000 | 10.00 | 17,35,000 | 10.00 | 7,55,000 | 10.00 |
| Exercisable at March 31, 2024 | 10.00 | 9,30,000 | 10.00 | 1,85,000 | 10.00 | 17,35,000 | 10.00 | 7,55,000 | 10.00 |

The following table lists the inputs to the models used for the ESOP plans as at March 31, 2024:

| | ESOP 2013-II Plan | ESOP 2014 Plan | ESOP 2013 & 2014 (Regrant I) Plan | ESOP 2018-I Plan | ESOP 2018-II Plan | ESOP 2013 & 2014 (Regrant II) Plan | ESOP 2018 (Regrant I) Plan | ESOP 2013 & 2014 (Regrant III) Plan | ESOP 2018 (Regrant II) Plan |
|---|---|---|---|---|---|---|---|---|---|
| Grant date | July 3, 2014 | July 6, 2015 | August 17, 2017 | October 24, 2018 | April 8, 2019 | January 3, 2022 | January 3, 2022 | February 14, 2023 | February 14, 2023 |
| Vesting period ends | July 2, 2017 | July 5, 2018 | August 16, 2020 | October 23, 2021 | April 7, 2021 | January 2, 2025 | January 2, 2025 | February 13, 2025 | February 13, 2025 |
| Share price at date of grant | INR 14.52 | INR 10.48 | INR 39.40 | INR 10.40 | INR 18.75 | INR 9.95 | INR 9.95 | INR 8.45 | INR 8.45 |
| Volatility | 67.05% | 65.50% | 50.14% | 61.62% | 58.73% | 58.74% | 58.74% | 50.14% | 50.14% |
| Option life | 8 years | 8 years | 8 years | 8 years | 7 years | 8 years | 8 years | 7 years | 7 years |
| Dividend yield | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Risk-free investment rate | 8.64% | 8.19% | 6.74% | 7.38% | 6.67% | 5.20% | 5.20% | 6.96% | 6.96% |
| Fair value at grant date | INR 14.52 | INR 11.15 | INR 24.81 | INR 6.09 | INR 12.81 | INR 5.11 | INR 5.11 | INR 3.67 | INR 3.67 |
| Exercise price at date of grant | INR 19.95 | INR 15.50 | INR 36.90 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 |
| Exercisable from | July 3, 2017 | July 6, 2018 | August 17, 2020 | October 24, 2021 | April 8, 2021 | January 3, 2025 | January 3, 2025 | February 14, 2025 | February 14, 2025 |
| Exercisable till | July 2, 2022 | July 5, 2023 | August 16, 2025 | October 23, 2026 | April 7, 2026 | January 2, 2030 | January 2, 2030 | February 13, 2030 | February 13, 2030 |
| Weighted average remaining contractual life (In years) | - | - | 0.66 | 1.66 | 1.52 | 4.86 | 4.86 | 5.38 | 5.38 |
| Model used | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024 (Unless otherwise stated, all amounts are in INR Lakhs)**

The following table lists the inputs to the models used for the ESOP plans as at March 31, 2024:

| | ESOP 2013-II Plan | ESOP 2014 Plan | ESOP 2013 & 2014 (Regrant I) Plan | ESOP 2018-I Plan | ESOP 2018-II Plan | ESOP 2013 & 2014 (Regrant II) Plan | ESOP 2018 (Regrant I) Plan | ESOP 2013 & 2014 (Regrant III) Plan | ESOP 2018 (Regrant II) Plan |
|---|---|---|---|---|---|---|---|---|---|
| Grant date | July 3, 2014 | July 6, 2015 | August 17, 2017 | October 24, 2018 | April 8, 2019 | January 3, 2022 | January 3, 2022 | February 14, 2023 | February 14, 2023 |
| Vesting period ends | July 2, 2017 | July 5, 2018 | August 16, 2020 | October 23, 2021 | April 7, 2021 | January 2, 2025 | January 2, 2025 | February 13, 2025 | February 13, 2025 |
| Share price at date of grant | INR 14.52 | INR 10.48 | INR 39.40 | INR 10.40 | INR 18.75 | INR 9.95 | INR 9.95 | INR 8.45 | INR 8.45 |
| Volatility | 67.05% | 65.50% | 50.14% | 61.62% | 58.73% | 58.74% | 58.74% | 50.14% | 50.14% |
| Option life | 8 years | 8 years | 8 years | 8 years | 7 years | 8 years | 8 years | 7 years | 7 years |
| Dividend yield | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Risk-free investment rate | 8.64% | 8.19% | 6.74% | 7.38% | 6.67% | 5.20% | 5.20% | 6.96% | 6.96% |
| Fair value at grant date | INR 14.52 | INR 11.15 | INR 24.81 | INR 6.09 | INR 12.81 | INR 5.11 | INR 5.11 | INR 3.67 | INR 3.67 |
| Exercise price at date of grant | INR 19.95 | INR 15.50 | INR 36.90 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 |
| Exercisable from | July 3, 2017 | July 6, 2018 | August 17, 2020 | October 24, 2021 | April 8, 2021 | January 3, 2025 | January 3, 2025 | February 14, 2025 | February 14, 2025 |
| Exercisable till | July 2, 2022 | July 5, 2023 | August 16, 2025 | October 23, 2026 | April 7, 2026 | January 2, 2030 | January 2, 2030 | February 13, 2030 | February 13, 2030 |
| Weighted average remaining contractual life (In years) | - | 0.26 | 1.48 | 2.66 | 2.52 | 5.86 | 5.86 | 6.38 | 6.38 |
| Model used | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes |

## *Note 28 :* FINANCE COSTS

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Interest expense (Refer Note 22.1)[*] | 243.73 | 638.80 |
| Other borrowing costs | | |
| Bank commission and other charges | 34.22 | 61.97 |
| **Total** | **277.95** | **700.77** |
| [*] The break up of interest expense into major heads is given below: | | |
| On term loans | 23.29 | 102.67 |
| On other bank loans | 181.16 | 192.63 |
| On others | 39.29 | 343.51 |
| **Total** | **243.73** | **638.80** |

## *Note 29 : DEPRECIATION AND AMORTISATION EXPENSES*

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (Refer Note 3) | 101.12 | 367.34 |
| Depreciation on Right to use asset (Refer Note 3) | 15.02 | 115.56 |
| **Total** | **116.14** | **482.90** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 30 :* OTHER EXPENSES

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Electricity | 6.13 | 31.13 |
| Rent (Refer Note 42) | 61.87 | 45.12 |
| Rates and taxes# | 47.05 | 1,277.86 |
| Insurance | 3.82 | 3.23 |
| Repair and maintenance - Others | 10.66 | 11.70 |
| Traveling expenses | 186.08 | 101.97 |
| Communication expenses | 6.44 | 4.51 |
| Printing and stationery | 5.96 | 5.29 |
| Legal and professional fees | 494.91 | 393.37 |
| Director sitting fees | 16.25 | 15.00 |
| Payment to auditors (Refer Note 30.1) | 17.27 | 20.62 |
| Foreign exchange fluctuation(net) | 15.51 | - |
| Loss on disposal of property, plant and equipment | - | 4.74 |
| Provision for contract revenue in excess of billing | 256.49 | 1,328.78 |
| Provision for bad and doubtful debts | 4,012.87 | 782.51 |
| Provision for bad and doubtful loans, advances and other receivables | - | 230.65 |
| Fees and subscription / inspection charges | 2.18 | 0.34 |
| Business promotion | 9.25 | 9.48 |
| Commission & Brokerage | 0.05 | 9.10 |
| Warranty expense (Refer Note 19.i) | 112.28 | 273.49 |
| Account written off | 309.10 | - |
| Miscellaneous expenses | 43.12 | 24.83 |
| **Total** | **5,617.29** | **4,573.72** |

## *Note 30.1 :* Details of payment to auditors*

| **As Auditor** | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Statutory audit fee | 6.00 | 6.00 |
| Limited review fee | 9.00 | 9.00 |
| Certification fee | - | 1.45 |
| Other matters** | 2.27 | 4.17 |
| **Total** | **17.27** | **20.62** |

* Excluding Goods and Service Tax, as applicable.

** Including INR 2.27 lakhs as audit fee of branch auditor (March 31, 2023 INR 4.17 lakhs)

# Includes INR Nil (March 31, 2023 INR 1,250.00 lakhs) on account of goods & service tax expenses

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 31:*

The Company has incurred a net loss after tax of INR 871.27 lakhs for the year ended March 31, 2024 (March 31, 2023 INR 9,154.14 lakhs) and has accumulated losses amounting INR 1,07,546.89 lakhs as at March 31, 2024 (March 31, 2023 INR 1,06,842.29 lakhs). At present, company is facing acute liquidity issues on account of delayed realization of trade receivables from the clients. Also, certain lenders have filed an application with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal and other judicial authorities for recovery of its dues for which management believes that no additional liability shall devolve on the Company in addition to the carrying value of such liability as at March 31, 2024. Further, two parties have also filed applications with the National Company Law Tribunal (NCLT) for recovery of their dues. The said outstandings are disputed in nature, and Company is pursuing the same before the NCLT hence at present the said matters are sub-judice. Further, during the year ended March 31, 2020, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Company amounting to Rs. 6,500.00 lakhs and converted into cash security. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business in future. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders, including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the standalone financial statements and accordingly, these have been prepared on a going concern basis.

## *Note 32 :* TAX EXPENSE

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Current tax** | | |
| Current tax expense * | 8.70 | 0.54 |
| | **8.70** | **0.54** |
| **Deferred tax** | | |
| Deferred tax expenses (Refer Note 8) | 6.61 | 2,641.07 |
| **Tax expense** | **15.31** | **2,641.61** |

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Loss before tax | (855.96) | (6,512.53) |
| Corporate tax rate as per income tax act, 1961 | 25.17% | 25.17% |
| **Tax on accounting profit** | **(215.44)** | **(1,639.20)** |
| i) Tax effect on non deductible expenses/non taxable income | 7.39 | (693.09) |
| ii) Tax effect on temporary timing differences on which deferred tax not created | (1,254.29) | 459.42 |
| iii) Tax effect on losses of current year on which no deferred tax is created | 1,470.40 | 1,860.09 |
| iv) Tax effect on temporary timing differences on which deferred tax was created, now reversed during the year | - | 2,653.97 |
| v) Others | 7.25 | 0.41 |
| **Tax expense** | **15.31** | **2,641.61** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 32.1: a)** Detail of unused tax losses for which no deferred tax is recognised in balance sheet:

| | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Base amount | Deferred tax | Expiry date (Assessment year) | Base amount | Deferred tax | Expiry date (Assessment year) |
| **Tax losses** | | | | | | |
| Assessment Year 2015-16 | - | - | March 31, 2024 | 15,307.92 | 3,853.00 | March 31, 2024 |
| Assessment Year 2017-18 | 11,147.83 | 2,805.91 | March 31, 2026 | 11,147.83 | 2,805.91 | March 31, 2026 |
| Assessment Year 2018-19 | 3,352.60 | 843.85 | March 31, 2027 | 3,352.60 | 843.85 | March 31, 2027 |
| Assessment Year 2019-20 | 21,852.36 | 5,500.24 | March 31, 2028 | 21,852.36 | 5,500.24 | March 31, 2028 |
| Assessment Year 2020-21 | 5,846.44 | 1,471.55 | March 31, 2029 | 5,846.44 | 1,471.55 | March 31, 2029 |
| Assessment Year 2021-22 | 2,228.83 | 561.00 | March 31, 2030 | 2,228.83 | 561.00 | March 31, 2030 |
| Assessment Year 2023-24 | - | - | March 31, 2032 | 6,658.65 | 1,675.98 | March 31, 2032 |
| Assessment Year 2024-25 | 5,139.89 | 1,293.71 | March 31, 2033 | | | |
| **Total** | **49,567.95** | **12,476.26** | | **66,394.63** | **16,711.53** | |

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

| | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Base amount | Deferred tax | Expiry date (Assessment year) | Base amount | Deferred tax | Expiry date (Assessment year |
| Unabsorbed depreciation | 11,213.72 | 2,822.49 | Not applicable | 11,345.74 | 2,855.72 | Not applicable |
| Provision for doubtful advances and investments | 30,490.39 | 7,674.43 | Not applicable | 21,303.06 | 5,361.98 | Not applicable |
| Impairment loss on Capital work in progress | 26,788.49 | 6,742.66 | Not applicable | 26,788.49 | 6,742.66 | Not applicable |
| Provision for trade receivable | 23,483.56 | 5,910.81 | Not applicable | 19,470.68 | 4,900.77 | Not applicable |
| | 91,976.16 | 23,150.39 | | 78,907.98 | 19,861.13 | |

## *Note 33 :* EARNINGS PER SHARE (EPS)

Both the basic and diluted earnings per share have been calculated using the Profit/(loss) attributable to shareholders of the Company as the numerator, i.e. no adjustments to profit/(loss) were necessary in year ended March 31, 2024 or March 31, 2023.

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:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Weighted average number of shares used in basic earnings per share | 17,61,19,858 | 17,61,19,858 |
| 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 | **17,61,19,858** | **17,61,19,858** |

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

| | | | |
|---|---|---|---|
| (Loss)/Profit attributable to shareholders | INR in Lakhs | (871.27) | (9,154.14) |
| Weighted average number of equity shares outstanding during the year | Numbers | 17,61,19,858 | 17,61,19,858 |
| Nominal value of equity share | INR | 10.00 | 10.00 |
| Basic EPS | INR | (0.49) | (5.20) |
| Diluted EPS | INR | (0.49) | (5.20) |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 34*: INFORMATION ABOUT INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

**A) Interest in subsidiaries**

The Company's interest and share in subsidiaries including step down subsidiaries.

| S. No. | Name | Principal place of business | Proportion of ownership interest as at March 31, 2024 | Proportion of ownership interest as at March 31, 2023 |
|---|---|---|---|---|
| **I** | **Subsidiary companies** | | | |
| 1 | A2Z Infraservices Limited | India | 93.83% | 93.83% |
| 2 | A2Z Powercom Limited | India | 100.00% | 100.00% |
| 3 | Mansi Bijlee & Rice Mills Limited | India | 100.00% | 100.00% |
| 4 | Magic Genie Services Limited (Under Process of Striking off w.e.f. 01.03.2024) (Refer Note 34.4) | India | 0.00% | 75.00% |
| 5 | Blackrock Waste Processing Private Limited | India | 60.00% | 60.00% |
| 6 | A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person) | India | 60.00% | 60.00% |
| **II** | **Step down subsidiaries** | | | |
| **A** | **Subsidiaries of A2Z Infraservices Limited** | | | |
| 1 | Ecogreen Envirotech Solutions Limited (Refer note 34.3) | India | 49.00% | 49.00% |
| 2 | A2Z Waste Management (Aligarh) Limited | India | 80.00% | 80.00% |
| 3 | A2Z Waste Management (Ludhiana) Limited | India | 70.00% | 70.00% |
| 4 | Vsapients Techno Services Private Limited (w.e.f. 21.02.2023) | India | 100.00% | 100.00% |
| 5 | Vswach Enviroment (Aligarh) Private Limited (w.e.f. 09.12.2022) | India | 100.00% | 100.00% |
| **B** | **Subsidiary of A2Z Waste Management (Ludhiana) Limited** | | | |
| 1 | Magic Genie Smartech Solutions Limited | India | 100.00% | 100.00% |
| 2 | Rishikesh Waste Management Limited | India | 100.00% | 100.00% |

**B) Associates**

The Company's interest and share in Associate Companies

| S. No. | Name | Principal place of business | Proportion of ownership interest as at March 31, 2024 | Proportion of ownership interest as at March 31, 2023 |
|---|---|---|---|---|
| **I** | **Associate Companies** | | | |
| 1 | Greeneffect Waste Management Limited | India | 42.61% | 42.61% |
| 2 | A2Z Waste Management (Nainital) Private Limited (Refer Note 34.1) | India | 48.00% | 48.00% |
| 3 | A2ZWaste Management (Jaipur) Limited (Refer Note 34.2) | India | 20.00% | 20.00% |
| **II** | **Subsidiaries of Greeneffect Waste Management Limited** | | | |
| 1 | A2Z Waste Management (Moradabad) Limited | India | 80.00% | 80.00% |
| 2 | A2Z Waste Management (Merrut) Limited | India | 80.00% | 80.00% |
| 3 | A2Z Waste Management (Varanasi) Limited | India | 80.00% | 80.00% |
| 4 | A2Z Waste Management (Jaunpur) Limited | India | 100.00% | 100.00% |
| 5 | A2Z Waste Management (Badaun) Limited | India | 100.00% | 100.00% |
| 6 | A2Z Waste Management (Sambhal) Limited | India | 100.00% | 100.00% |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| No. | Name | Principal place of business | Proportion of ownership interest as at March 31, 2024 | Proportion of ownership interest as at March 31, 2023 |
|---|---|---|---|---|
| 7 | A2Z Waste Management (Mirzapur) Limited | India | 100.00% | 100.00% |
| 8 | A2Z Waste Management (Balia) Limited | India | 100.00% | 100.00% |
| 9 | A2Z Waste Management (Fatehpur) Limited | India | 100.00% | 100.00% |
| 10 | A2Z Waste Management (Ranchi) Limited | India | 100.00% | 100.00% |
| 11 | A2Z Waste Management (Dhanbad) Private Limited | India | 100.00% | 100.00% |
| 12 | Shree Balaji Pottery Private Limited | India | 100.00% | 100.00% |
| 13 | Shree Hari Om Utensils Private Limited | India | 100.00% | 100.00% |
| 14 | A2Z Waste Management (Jaipur) Limited (Refer Note 34.2) | India | 80.00% | 80.00% |
| 15 | A2Z Waste Management (Ahmedabad) Limited (Unde Process of Striking off w.e.f. February 01, 2024) | India | 0.00% | 100.00% |
| 16 | Earth Environment Management Services Private Limited | India | 100.00% | 100.00% |
| **III** | **Associate of Greeneffect Waste Management Limited** | | | |
| 1 | A2Z Waste Management (Ludhiana) Limited | India | 30.00% | 30.00% |
| 2 | A2Z Waste Management (Nainital) Private Limited (Refer Note 34.1) | India | 26.00% | 26.00% |
| **IV** | **Associate of A2Z Waste Management (Ludhiana) Limited** | | | |
| 1 | Ecogreen Envirotech Solutions Limited (Refer note 34.3) | India | 51.00% | 51.00% |

**Note 34.1:** The Company directly holds 48% (March 31, 2023 : 48%) of the share capital and 26% (March 31, 2023 : 26%) indirectly through its associate, Greeneffect Waste Management Limited .

**Note 34.2:** The Company directly holds 20% (March 31, 2023 20%) of the share capital and 80% (March 31, 2023 80%) indirectly through its associate, Greeneffect Waste Management Limited.

**Note 34.3:** Ecogreen Envirotech Solution Limited is direct subsidiary of A2Z Infraservices Limited as A2Z Infraservices Limited holds 49% shareholding in the Ecogreen Envirotech Solutions Limited along with management control and remaining 51% shares are held by A2Z Waste Management (Ludhiana) Limited.

**Note 34.4:** During the current year Magic Genie Services Limited (direct subsidairy) has been under the process of strike off w.e.f March 1, 2024.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**C) Interest in joint ventures**

The Company's interest and share in joint ventures in the jointly controlled operations as at March 31, 2024 and March 31, 2023 are as follows:

| S. No. | Name of joint venture partner | Description of interest | Nature of project | Ownership interest | Country of incorporation |
|---|---|---|---|---|---|
| 1 | M/s UB Engineering Limited (UBEL) | Jointly controlled operations | A Joint Venture Agreement effective from December 31, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Construction of 220/132KV Grid Sub-Station at Budgam (Pkg A) & Mir Bazar (Pkg B). | See Note 34(c) .1 below | * |
| 2 | M/s Southern Petrochemical Industries Corporation Limited (SPIC - SMO) | Jointly controlled operations | A Joint Venture Agreement effective from January 21, 2008. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package of 220kv D/C Wagoora-Budgam Zainakot Transmission Line in Kashmir Valley. | See Note 34(c). 1 below | * |
| 3 | M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO) | Jointly controlled operations | A Joint Venture Agreement effective from February 15, 2008. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package of Construction of 1x20 MVA, 132/33 KV Grid Sub-Station at Chandak, District Poonch (J&K). | See Note 34(c). 1 below | * |
| 4 | M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO) | Jointly controlled operations | A Joint Venture Agreement effective from November 15, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package for Survey, Engineering, Design, Fabrication of Lattice Type Structures Galvanisation Supply of Structures, Laying of foundation, Protection Works, Erection of Towers, laying & stringing of ACSR PANTHER Conductor, Testing and Commissioning of Transmission lines from Badampora – Bandipora and from Lassipora – Sopian. | See Note 34(c). 1 below | * |

*Country of Incorporation not applicable, as these are unincorporated Joint Ventures.

**Note 34(c).1:** As per joint venture agreements, the scope and value of work of each partner has been clearly defined and accepted by the clients. The Company's share in assets, liabilities, income and expenses are duly accounted for in the accounts of the Company in accordance with such division of work and therefore does not require separate disclosure. However, joint venture partners are jointly and severally liable to clients for any claims in these projects.

## *Note 35:* DISCLOSURE OF RELATED PARTIES /RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"

**A Name of the related parties and nature of the related party relationship:**

**1 Subsidiary companies**

a) A2Z Infraservices Limited
b) A2Z Powercom Limited
c) Mansi Bijlee & Rice Mills Limited
d) Magic Genie Services Limited (Under Process of Striking off w.e.f 01.03.2024)
e) Blackrock Waste Processing Private Limited
f) A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)

**2 Associate Companies**

a) Greeneffect Waste Management Limited
b) A2Z Waste Management (Nainital) Private Limited
c) A2Z Waste Management (Jaipur) Limited

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

3 **Subsidiaries of Greeneffect Waste Management Limited**

a) A2Z Waste Management (Merrut) Limited
b) A2Z Waste Management (Moradabad) Limited
c) A2Z Waste Management (Varanasi) Limited
d) A2Z Waste Management (Badaun) Limited
e) A2Z Waste Management (Balia) Limited
f) A2Z Waste Management (Fatehpur) Limited
g) A2Z Waste Management (Jaunpur) Limited
h) A2Z Waste Management (Mirzapur) Limited
i) A2Z Waste Management (Ranchi) Limited
j) A2Z Waste Management (Sambhal) Limited
k) A2Z Waste Management (Dhanbad) Private Limited
l) A2Z Waste Management (Jaipur) Limited
m) A2Z Waste Management (Ahmedabad) Limited (Under Process of Striking off w.e.f. February 01, 2024)
n) Earth Environment Management Services Private Limited
o) Shree Balaji Pottery Private Limited
p) Shree Hari Om Utensils Private Limited

4 **Subsidiaries of A2Z Infraservices Limited**

a) Ecogreen Envirotech Solutions Limited
b) A2Z Waste Management (Ludhiana) Limited
c) A2Z Waste Management (Aligarh) Limited
d) A2Z Infraservices Lanka Private Limited (till April 24, 2022)
e) Vswach Environment (Aligarh) Private Limited (w.e.f. December 09, 2022)
f) Vsapients Techno Services Private Limited (w.e.f. February 21, 2023)

5 **Subsidiaries of A2Z Waste Management (Ludhiana) Limited**

a) Magic Genie Smartech Solutions Limited
b) Rishikesh Waste Management Limited

6 **Joint Venture (unincorporated)**

a) M/s UB Engineering Limited
b) M/s Southern Petrochemical Industries Corporation Limited (SPIC - SMO)

7 **Key Management Personnel ('KMP')**

a) Mr. Amit Mittal (Managing Director cum Chief Executive Officer)
b) Mr. Surender Kumar Tuteja (Non- Executive Independent director) (till August 18, 2023)
c) Ms. Atima Khanna (Non-Executive Independent director)
d) Mr. Parmatma Singh Rathor (Non-Executive Independent Director) (w.e.f. August 11, 2023)
e) Ms. Ritu Goyal (Non-Executive Independent Director) (w.e.f. August 11, 2023)
f) Mrs. Dipali Mittal (Non-Executive Director)
g) Mr. Arun Gaur (Non-Executive Director)
h) Mr. Manoj Tiwari (Non-Executive Director) (w.e.f. July 20, 2022)
i) Mr. Ashok Kumar Saini (Non-Executive Director) (till July 20, 2022)
j) Mr. Atul Kumar Agarwal (Company Secretary)
k) Mr. Lalit Kumar (Chief Financial Officer) (w.e.f. May 18, 2022)

8 **Relatives of Key Management Personnel**

a) Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**B. Transactions with related parties:**
**The following transactions were carried out with the related parties in the ordinary course of business:**

| | For the year ended March 31, 2024 | | | | | For the year ended March 31, 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors |
| **Liability written back** | | | | | | | | | | |
| - A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP) | 8.50 | - | - | - | - | - | - | - | - | - |
| - A2Z Powercom Limited | 58.55 | - | - | - | - | - | - | - | - | - |
| - Greeneffect Waste Management Limited | - | 3,783.63 | - | - | - | - | - | - | - | - |
| - Mansi Bijlee & Rice Mills Limited | 2,563.93 | - | - | - | - | - | - | - | - | - |
| - A2Z Waste Management (Jaunpur) Ltd | - | - | - | - | - | - | 0.01 | - | - | - |
| - A2Z Waste Management (Jaipur) Limited | - | - | - | - | - | - | 227.00 | - | - | - |
| **Reversal of subcontractor expenses** | | | | | | | | | | |
| - A2Z Infraservices Limited | - | - | - | - | - | 1,902.48 | - | - | - | - |
| **Rent expense** | | | | | | | | | | |
| - Sudha Mittal | - | - | - | - | 5.28 | - | - | - | - | 5.28 |
| - Dipali Mittal | - | - | - | - | 12.00 | - | - | - | - | 10.90 |
| - A2Z Infraservices Limited | 10.80 | - | - | - | - | - | - | - | - | - |
| **Share based payment expenses (refer note 5.1.3)** | | | | | | | | | | |
| - A2Z Infraservices Limited | 3.17 | - | - | - | - | - | - | - | - | - |
| - A2Z Waste Management (Ludhiana) Limited | 0.13 | - | - | - | - | 0.26 | - | - | - | - |
| - A2Z Waste Management (Aligarh) Limited | - | - | - | - | - | 0.13 | - | - | - | - |
| - Mansi Bijlee & Rice Mills Limited | 0.13 | - | - | - | - | 0.26 | - | - | - | - |
| - Ecogreen Envirotech Solution Limited | - | - | - | - | - | 81.35 | - | - | - | - |
| -Magic Genie Smartech Solutions Limited | 0.06 | | | | - | 0.13 | | | | - |
| - Rajesh Jain | - | - | - | - | - | - | - | - | - | (67.83) |
| - Ashok Kumar Saini | - | - | - | - | - | - | - | - | - | (80.27) |
| - Atul Kumar Aggarwal | - | - | - | - | 5.65 | - | - | - | - | 3.00 |
| **Reversal of ESOP option to employees** | | | | | | | | | | |
| - A2Z Infraservices Limited | - | - | - | - | - | 27.55 | - | - | - | - |
| - Ecogreen Envirotech Solution Limited | 79.70 | - | - | - | - | - | - | - | - | - |
| - Rishikesh Waste Management Limited | - | - | - | - | - | 2.90 | - | - | - | - |
| - A2Z Waste Management (Aligarh) Limited | 0.17 | - | - | - | - | - | - | - | - | - |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## B. Transactions with related parties:

**The following transactions were carried out with the related parties in the ordinary course of business:**

| | For the year ended March 31, 2024 | | | | | For the year ended March 31, 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors |
| **Fund transferred / includes expenses incurred on behalf of related party** | | | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 351.78 | - | - | - | - | 388.03 | - | - | - |
| - A2Z Infraservices Limited | 225.94 | - | - | - | - | 3,957.47 | - | - | - | - |
| - A2Z Powercom Limited | 19.80 | - | - | - | - | - | - | - | - | - |
| - Mansi Bijlee & Rice Private Limited | 130.93 | - | - | - | - | 8.58 | - | - | - | - |
| - Atima Khanna | - | - | - | - | - | - | - | - | - | 0.12 |
| **Fund received / includes expenses incurred on behalf of Company** | | | | | | | | | | |
| - A2Z Infraservices Limited | - | - | - | - | - | 3,951.00 | - | - | - | - |
| - A2Z Waste Management (Jaipur) Limited | - | - | - | - | - | - | 227.00 | - | - | - |
| - Greeneffect Waste Management Limited | - | - | - | - | - | - | 3.25 | - | - | - |
| - A2Z Powercom Limited | 75.80 | - | - | - | - | 5.25 | - | - | - | - |
| **Rent expenses paid** | | | | | | | | | | |
| - Dipali Mittal | - | - | - | - | 13.95 | - | - | - | - | 6.48 |
| - Sudha mittal | - | - | - | - | 5.94 | - | - | - | - | 5.15 |
| - A2Z Infraservices Limited | 9.72 | - | - | - | - | - | - | - | - | - |
| **Provision Created/Write off of Loans and Advances** | | | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 6,789.87 | - | - | - | - | - | - | - | - |
| - Mansi Bijlee & Rice Mills Limited | 2,677.63 | - | - | - | - | - | - | - | - | - |
| **Provision write back of loans and advances** | | | | | | | | | | |
| - A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP) | - | - | - | - | - | 6.18 | - | - | - | - |
| - UB Engineering Limited | - | - | 140.22 | - | - | - | - | - | - | - |
| **Provision created for investments** | | | | | | | | | | |
| - Greeneffect Waste Management Limited | - | - | - | - | - | - | 9,058.00 | - | - | - |
| **Loan given / advances given** | | | | | | | | | | |
| - A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP) | 10.22 | - | - | - | - | - | - | - | - | - |
| - A2Z Waste Management (Ludhiana) Limited | - | - | - | - | - | 130.55 | - | - | - | - |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

### B. Transactions with related parties:

### The following transactions were carried out with the related parties in the ordinary course of business:

| | For the year ended March 31, 2024 | | | | | For the year ended March 31, 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors |
| **Loan / advances refunded** | | | | | | | | | | |
| - A2Z Waste Management (Jaunpur) Ltd | - | - | - | - | - | - | 0.50 | - | - | - |
| - A2Z Waste Management (Ludhiana) Limited | - | - | - | - | - | 5.00 | - | - | - | - |
| - A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP) | 8.50 | - | - | - | - | 10.00 | - | - | - | - |
| **Guarantees reduced on behalf of subsidiaries** | | | | | | | | | | |
| - A2Z Infraservices Limited | 554.00 | - | - | - | - | 4,569.10 | - | - | - | - |
| - Greeneffect Waste Management Limited | - | 7,000.00 | - | - | - | - | 9,310.00 | - | - | - |
| - A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP) | - | - | - | - | - | 580.00 | - | - | - | - |
| **Remuneration/sitting fee** | | | | | | | | | | |
| - Ashok Kumar Saini | - | - | - | - | - | - | - | - | - | 0.25 |
| - Dipali Mittal | - | - | - | - | 2.75 | - | - | - | - | 2.75 |
| - Surender Kumar Tuteja | - | - | - | - | 1.25 | - | - | - | - | 3.50 |
| - Arun Gaur | - | - | - | - | 3.75 | - | - | - | - | 3.50 |
| - Atima Khanna | - | - | - | - | 4.00 | - | - | - | - | 4.25 |
| - Manoj Tiwari | - | - | - | - | 1.25 | - | - | - | - | 0.75 |
| - Parmatma Singh Rathor | - | - | - | - | 1.50 | - | - | - | - | - |
| - Ritu Goyal | - | - | - | - | 1.75 | - | - | - | - | - |
| - Atul Kumar Agarwal | - | - | - | - | 49.70 | - | - | - | - | 45.12 |
| - Lalit Kumar | - | - | - | - | 32.84 | - | - | - | - | 26.66 |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## C. Balance outstanding at the end of the year

| | For the year ended March 31, 2024 | | | | | For the year ended March 31, 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors |
| **Loan/advances given** | | | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 84.67 | - | - | - | - | 84.67 | - | - | - |
| - Mansi Bijlee & Rice Mills Limited | 2,682.07 | - | - | - | - | - | - | - | - | - |
| - A2Z Waste Management (Ludhiana) Limited | 641.53 | - | - | - | - | 641.53 | - | - | - | - |
| - A2Z Waste Management (Dhanbad) Private Limited | - | 230.56 | - | - | - | - | 230.56 | - | - | - |
| - A2Z Waste Management (Ranchi) Limited | - | 350.00 | - | - | - | - | 350.00 | - | - | - |
| - A2Z Waste Management (Varanasi) Limited | - | 72.77 | - | - | - | - | 72.77 | - | - | - |
| - A2Z Powercom Limited | 7.80 | - | - | - | - | 5.25 | - | - | - | - |
| - A2Z Maintenance & Engineering Services Limited and Satya Builder - (AOP) | 914.03 | - | - | - | - | 912.31 | - | - | - | - |
| **Investment in equity shares (net of impairment)** | | | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 40.39 | - | - | - | - | 40.39 | - | - | - |
| - A2Z Infraservices Limited | 6,072.29 | - | - | - | - | 6,072.29 | - | - | - | - |
| - A2Z Powercom Limited | 10.00 | - | - | - | - | 10.00 | - | - | - | - |
| - Mansi Bijlee & Rice Mills Limited | 5.00 | - | - | - | - | 5.00 | - | - | - | - |
| - Blackrock Waste Processing Private Limited | 3.00 | - | - | - | - | 3.00 | - | - | - | - |
| **Investment in shares - ESOP Scheme** | | | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 10.45 | - | - | - | - | 10.45 | - | - | - |
| - A2Z Powercom Limited | 46.40 | - | - | - | - | 46.40 | - | - | - | - |
| - A2Z Infraservices Limited | 41.82 | - | - | - | - | 38.65 | - | - | - | - |
| - A2Z Waste Management (Ludhiana) Limited | 1.19 | - | - | - | - | 1.06 | - | - | - | - |
| - A2Z Waste Management (Merrut) Limited | - | 19.19 | - | - | - | - | 19.19 | - | - | - |
| - A2Z Waste Management (Balia) Limited | - | 12.11 | - | - | - | - | 12.11 | - | - | - |
| -Ecogreen Envirotech Solution Limited | 44.57 | - | - | - | - | 124.27 | - | - | - | - |
| - Rishikesh Waste Management Limited | 3.05 | - | - | - | - | 3.05 | - | - | - | - |
| - A2Z Waste Management (Aligarh) Limited | 1.52 | - | - | - | - | 1.69 | - | - | - | - |
| - Mansi Bijlee & Rice Mills Limited | 0.46 | - | - | - | - | 0.33 | - | - | - | - |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

### C. Balance outstanding at the end of the year

| | For the year ended March 31, 2024 | | | | | For the year ended March 31, 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors |
| - Magic Genie Smartech Solutions Limited | 0.23 | - | - | - | - | 0.17 | - | - | - | - |
| **Trade receivable / advances recoverable** | | | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 7,938.99 | - | - | - | - | 4,140.27 | - | - | - |
| - A2Z Waste Management (Merrut) Limited | - | 70.03 | - | - | - | - | - | - | - | - |
| - A2Z Waste Management (Varanasi) Limited | - | 218.85 | - | - | - | - | - | - | - | - |
| - A2Z Waste Management (Moradabad) Limited | - | 47.81 | - | - | - | - | - | - | - | - |
| - A2Z Waste Management (Ludhiana) Limited | 25.96 | - | - | - | - | 25.96 | - | - | - | - |
| - UB Engineering Limited | - | - | - | - | - | - | - | 240.22 | - | - |
| - SPIC-SMO | - | - | 25.07 | - | - | - | - | 47.94 | - | - |
| **Investment in preference shares (debt portion)** | | | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 3,802.39 | - | - | - | - | 3,802.39 | - | - | - |
| **Investment in preference shares (equity portion)** | | | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 4,139.61 | - | - | - | - | 4,139.61 | - | - | - |
| **Provision for doubtful debts/advances** | | | | | | | | | | |
| - UB Engineering Limited | - | - | - | - | - | - | - | 140.22 | - | - |
| - SPIC-SMO | - | - | 25.07 | - | - | - | - | 47.94 | - | - |
| - Greeneffect Waste Management Limited | - | 7,666.99 | - | - | - | - | 877.12 | - | - | - |
| **Provision created/write off of loans and advances** | | | | | | | | | | |
| - A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP) | 903.81 | - | - | - | - | 912.31 | - | - | - | - |
| - Mansi Bijlee & Rice Mills Limited | 2,677.63 | - | - | - | - | - | - | - | - | - |
| **Remuneration/sitting fees payable** | | | | | | | | | | |
| - Ashok Kumar Saini | - | - | - | - | - | - | - | - | - | 1.26 |
| - Dipali Mittal | - | - | - | - | 0.68 | - | - | - | - | - |
| - Ashok Kumar | - | - | - | - | - | - | - | - | - | 3.65 |
| - Lalit Kumar | - | - | - | - | 7.29 | - | - | - | - | 1.54 |
| - Atima khanna | - | - | - | - | 1.13 | - | - | - | - | - |
| - Atul Kumar Agarwal | - | - | - | - | 8.75 | - | - | - | - | 5.29 |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## C. Balance outstanding at the end of the year

| | For the year ended March 31, 2024 | | | | | For the year ended March 31, 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors | Subsidiary Companies | Associates Companies | Joint Ventures | Enterprise in control of Relatives of KMP | KMP/ Relative of KMP/ Directors |
| - Arun Gaur | - | - | - | - | 0.90 | - | - | - | - | 0.90 |
| - Manoj Tiwari | - | - | - | - | 0.23 | - | - | - | - | - |
| - Parmatma Singh Rathor | - | - | - | - | 0.68 | - | - | - | - | - |
| - Ritu Goyal | - | - | - | - | 0.90 | - | - | - | - | - |
| **Trade payable/imperest payable** | | | | | | | | | | |
| - A2Z Infraservices Limited | 872.67 | - | - | - | - | 1,098.61 | - | - | - | - |
| - Mansi Bijlee & Rice Private Limited | - | - | - | - | - | 12.79 | - | - | - | - |
| - Dipali Mittal | - | - | - | - | 1.80 | - | - | - | - | 4.95 |
| - Sudha Mittal | - | - | - | - | 1.19 | - | - | - | - | 2.38 |
| **Guarantees given on behalf of subsidiaries/ associates (Refer Note 40(a))** | | | | | | | | | | |
| - A2Z Infraservices Limited | 3,846.00 | - | - | - | - | 4,400.00 | - | - | - | - |
| - Greeneffect Waste Management Limited | - | 8,715.00 | - | - | - | - | 15,715.00 | - | - | - |
| - A2Z Waste Management (Merrut) Limited | - | 1,100.00 | - | - | - | - | 1,100.00 | - | - | - |
| - A2Z Waste Management (Moradabad) Limited | - | 480.00 | - | - | - | - | 480.00 | - | - | - |
| - A2Z Waste Management (Varanasi) Limited | - | 2,000.00 | - | - | - | - | 2,000.00 | - | - | - |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 35.1:** In the opinion of the management, the transactions reported herein are on arms' length basis.

**Note 35.2:** Details relating to persons referred to as key managerial personnel above:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Short term employee benefits | 82.54 | 71.78 |
| Defined contribution/ benefit plan* | - | - |
| Share-based payment expenses | 5.65 | 3.00 |
| Sitting fees | 16.25 | 15.00 |
| **Total compensation paid/payable to key management personnel** | **104.44** | **89.78** |

* In the absence of employee wise details of the defined contribution/ benefit plan, the amount considered is INR Nil (March 31, 2023: Nil)

## *Note 36* : FINANCIAL RISK MANAGEMENT

**(i) Financial instruments by category**
For amortised cost instruments, carrying value represents the best estimate of fair value.

| | As at March 31, 2024 | | |
|---|---|---|---|
| | FVTPL | FVTOCI | Amortised cost |
| **Financial assets** | | | |
| Investments in Preference shares | - | - | 9,336.12 |
| Trade receivables | - | - | 11,083.90 |
| Loans | - | - | 1,402.00 |
| Cash and cash equivalents | - | - | 61.60 |
| Other financial assets | - | - | 13,630.14 |
| **Total** | **-** | **-** | **35,513.76** |
| **Financial liabilities** | | | |
| Borrowings | - | - | 17,318.01 |
| Lease liability | - | - | 19.62 |
| Trade payables | - | - | 19,902.33 |
| Other financial liabilities | - | - | 3,507.72 |
| **Total** | **-** | **-** | **40,747.68** |

| | As at March 31, 2023 | | |
|---|---|---|---|
| | FVTPL | FVTOCI | Amortised cost |
| **Financial assets** | | | |
| Investments in Preference shares | - | - | 9,336.12 |
| Trade receivables | - | - | 25,105.25 |
| Loans | - | - | 1,384.78 |
| Cash and cash equivalents | - | - | 514.01 |
| Other financial assets | - | - | 23,462.57 |
| **Total** | **-** | **-** | **59,802.73** |
| **Financial liabilities** | | | |
| Borrowings | - | - | 26,198.37 |
| Lease liability | - | - | 34.11 |
| Trade payables | - | - | 27,607.17 |
| Other financial liabilities | - | - | 6,322.62 |
| **Total** | **-** | **-** | **60,162.27** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**(ii) Risk management**

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

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost | Aging analysis | Bank deposits, diversification of asset base, credit limits and collateral. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Analysis 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 | Risk limits |
| Market risk - interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Risk limits |
| Market risk - security price | Investments in equity securities | Sensitivity analysis | Risk limits |

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.

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 does not expect to receive future cash flows or recoveries from collection of cash flows from written off. The Company has certain trade receivables that have not been settled by the contractual due date, as given below:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Not more than 30 days | 3,026.48 | 583.23 |
| More than 30 days but not more than 60 days | 962.81 | 356.07 |
| More than 60 days but not more than 90 days | 0.83 | 743.74 |
| More than 90 days | 30,577.34 | 42,892.91 |
| | **34,567.46** | **44,575.94** |
| Less: Provision for impairment | (23,483.56) | (19,470.69) |
| **Total** | **11,083.90** | **25,105.25** |

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group 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 Company recognizes lifetime expected credit losses on specific trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables. The Company follows a single loss rate approach and estimates expected credit loss on trade receivables to be 7%. Further, specific provision is made for any individual debtors which are considered to be doubtful and non-recoverable in part or in full. The reconciliation of expected credit losses on trade receivables is given below.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Balance as at the beginning of the year** | **19,470.69** | **20,429.00** |
| **Changes in provisions** | | |
| Additional Provision | 4,012.87 | 782.51 |
| Reversal/Write-off | - | (1,740.82) |
| **Balance as at the end of the year** | **23,483.56** | **19,470.69** |

The credit risk for other financial assets is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings. However, specific provision is made in case a particular receivable is considered to be non-recoverable.

**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.

| As at March 31, 2024 | Less than 1 years | 1-2 year | 2-3 year | More than 3 years | Total |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | |
| Borrowings (including estimated future interest) | 17,354.01 | - | - | - | **17,354.01** |
| Trade payables | 19,902.33 | - | - | - | **19,902.33** |
| Lease liability | 13.32 | 8.00 | - | - | **21.32** |
| Other financial liabilities | 3,507.72 | - | - | - | **3,507.72** |
| **Total** | **40,777.38** | **8.00** | **-** | **-** | **40,785.38** |

| As at March 31, 2023 | Less than 1 years | 1-2 year | 2-3 year | More than 3 years | Total |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | |
| Borrowings (including estimated future interest) | 25,958.37 | 336.00 | - | - | **26,294.37** |
| Trade payables | 27,607.17 | - | - | - | **27,607.17** |
| Lease liability | 17.28 | 13.32 | 8.00 | - | **38.60** |
| Other financial liabilities | 6,322.62 | - | - | - | **6,322.62** |
| **Total** | **59,905.44** | **349.32** | **8.00** | **-** | **60,262.76** |

**C. Market risk**

**(a) Interest rate risk**

**(i) Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2024, 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.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Interest rate risk exposure**

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Variable rate borrowing | 17,018.01 | 22,173.37 |
| Fixed rate borrowing | 300.00 | 4,025.00 |
| **Total borrowings** | **17,318.01** | **26,198.37** |

**Sensitivity**

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Interest sensitivity* | | |
| Interest rates – increase by 100 basis points (100 bps) | (127.35) | (165.92) |
| Interest rates – decrease by 100 basis points (100 bps) | 127.35 | 165.92 |

* Holding all other variables constant

(**b**) **Foreign exchange risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Ugandan Shillings and Tanzania Shillings. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

**Unhedged foreign currency exposure**

The Company's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

| | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | **Currency** | **Amount in foreign currency** | **Exchange rate** | **Amount in INR** |
| **Trade receivables** | USD | 2.60 | 83.34 | 216.56 |
| Cash and cash equivalents | USD | 0.06 | 83.34 | 4.84 |
| | Uganda Shillings | 9.28 | 0.02 | 0.20 |
| | NPR | 0.32 | 0.62 | 0.20 |
| | Tanzania Shillings | 953.85 | 0.03 | 31.00 |
| Trade payables | USD | 0.08 | 83.34 | 6.58 |
| | Uganda Shillings | 581.80 | 0.02 | 12.61 |

| | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | **Currency** | **Amount in foreign currency** | **Exchange rate** | **Amount in INR** |
| **Trade receivables** | USD | 2.60 | 82.15 | 213.47 |
| Cash and cash equivalents | USD | 0.06 | 82.15 | 5.23 |
| | Uganda Shillings | 9.28 | 0.02 | 0.20 |
| | NPR | 0.90 | 0.62 | 0.56 |
| | Tanzania Shillings | 3,860.27 | 0.04 | 136.37 |
| Trade payables | USD | 0.02 | 82.15 | 2.02 |
| | Uganda Shillings | 581.80 | 0.02 | 12.43 |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024 (Unless otherwise stated, all amounts are in INR Lakhs)**

**Sensitivity**

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **USD sensitivity** | | |
| INR/USD- increase by 6.82% (for previous year - 6.82%) | 10.96 | 11.06 |
| INR/USD- decrease by 6.82%(for previous year - 6.82%) | (10.96) | (11.06) |
| **Uganda Shillings (UGX) sensitivity** | | |
| INR/UGX- increase by 6.05% (for previous year - 6.05%) | (0.56) | (0.55) |
| INR/UGX- decrease by 6.05% (for previous year - 6.05%) | 0.56 | 0.55 |
| NPR sensitivity | | |
| INR/NPR- increase by 12.26% (for previous year - 12.26%) | 0.02 | 0.05 |
| INR/NPR- decrease by 12.26% (for previous year - 12.26%) | (0.02) | (0.05) |
| TZS sensitivity | | |
| INR/TZS- increase by 6.41% (for previous year - 6.41%) | 1.49 | 6.54 |
| INR/TZS- decrease by 6.41% (for previous year - 6.41%) | (1.49) | (6.54) |

* Holding all other variables constant

## *Note 37 :* CAPITAL MANAGEMENT POLICIES AND PROCEDURES

For the purpose of the Company's capital management, capital includes issued equity share capital, security 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 includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Borrowings | 17,318.01 | 26,198.37 |
| Less: cash and cash equivalents | 61.60 | 514.01 |
| **Net debt** | 17,256.41 | 25,684.36 |
| Equity | 837.10 | 1,656.62 |
| **Capital and net debt** | **18,093.51** | **27,340.98** |
| **Gearing ratio** | **95.37%** | **93.94%** |

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.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 38 :* FINANCIAL RATIOS

| Particulars | Numerator | Denominator | 31-Mar-24 | 31-Mar-23 | Variance | Reason for variance |
|---|---|---|---|---|---|---|
| Current ratio | Current assets | Current liabilities | 0.67 | 0.80 | -16.18% | No Major Variance |
| Debt-equity ratio | Total debt | Shareholder's equity | 20.69 | 15.81 | 30.82% | Due to reduction of equity due to loss reported in current year. |
| Debt service coverage ratio | Earnings available for debt service* | Debt Service** | (0.07) | (3.12) | -97.61% | Due to repayment of debt by way of one time settlement in current year. |
| Return on equity ratio | Net profit after taxes | Average shareholder's equity | (0.70) | (1.48) | -52.80% | Due to higher loss in previous year majorly on account of provision for investments and impairment of CWIP. |
| Inventory turnover ratio | Cost of goods sold or sales | Average Inventory | NA | NA | NA | NA |
| Trade receivables turnover ratio | Sales | Average Trade Receivables | 0.48 | 0.20 | 133.09% | Due to higher decrease in trade receivables in current year as compared to sales ratio. |
| Trade payables turnover ratio | Purchases | Average Trade Payables | 0.30 | 0.14 | 116.49% | Due to higher decrease in trade payables in current year as compared to cost. |
| Net capital turnover ratio | Sales | Working Capital | (0.55) | (0.49) | 14.01% | No Major Variance |
| Net profit ratio | Net profit after tax | Sales | (0.10) | (1.32) | -92.30% | Due to reduction in loss in current year as compared to sales. |
| Return on capital employed | Earnings before interest and Taxes | Capital employed**** | (0.20) | (0.02) | 1026.05% | Due to higher loss in previous year majorly on account of provision for investments and impairment of CWIP. |
| "Return on Investment (%)" | Current value of investment - Cost of investment | Cost of investment | 1 | 1 | 0.00% | No Major Variance |

* Earning for Debt Service = Net Profit after taxes*** + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

** Debt service = Interest & Lease Payments + Principal Repayments

*** “Net Profit after tax” means reported amount of “Profit / (loss) for the period” and it does not include items of other comprehensive income.

**** Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 39 :* SEGMENT REPORTING

In line with the provisions of Ind AS 108 — Operating Segments and on the basis of review of operations being done by the management of the company, the operations of the company falls under Engineering services, which is considered to be the only reportable segment by the management.

The revenue from customers (having more than 10% of total revenue) during the year is INR 8,360.91 lakhs (March 31, 2023 INR 6,575.43 lakhs) arising from revenue from engineering services.

## *Note 40 :* CONTINGENT LIABILITIES AND COMMITMENTS

**a) The details of contingent liabilities are as follows:**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Corporate guarantees given to banks on account of facilities granted by said banks to subsidiaries, associates | 16,141.00 | 23,695.00 |
| Litigations under workmen compensation act* | 17.46 | 4.53 |
| Litigations with contractors and others* | 39.69 | 102.75 |
| Sales tax demand under dispute* | 9,008.53 | 8,852.03 |
| GST demand under dispute (net of amount paid under protest) | 12,840.13 | 2,793.28 |
| Income tax demand under dispute** | 2,371.38 | 2,371.38 |
| | **40,418.18** | **37,818.96** |

*Based on discussions with the solicitors / favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

"**The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability. During the year ended March 31, 2015 the Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Company. The Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters, where the CIT(A) has not accepted the Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Company.

Further, during the year ended March 31, 2018, the Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of INR 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Company.

During the year ended March 31, 2019, the Company has received orders from CIT (Appeals) quashing the penalty orders aggregating INR 477.71 lakhs out of the aforementioned and upholding the rest. During the previous year, the company has received order from ITAT quashing the penalty order and quantum order is still pending at ITAT level.

Based on their assessment, the management believes that the Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending the final decision on the matter, no further adjustment has been made in the standalone financial statements. The auditors have expressed an emphasis of matter on the same."

**b) Commitments outstanding:**

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Commitments | 12,386.34 | 17,958.00 |
| | **12,386.34** | **17,958.00** |

(ii) The management is committed to provide continued operational and financial support to its associate companies for meeting their working capital and other financing requirements.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 41 :* DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

(a) Disaggregation of revenue into operating segments and geographical areas

**i. For the year ended March 31, 2024 :**

| Segment | Revenue as per Ind AS 115 | Total |
|---|---|---|
| **Operating revenues:** | | |
| **Sale/rendering of services** | | |
| Revenue from engineering services | 8,599.77 | **8,599.77** |
| **Total** | **8,599.77** | **8,599.77** |

**ii. For the year ended March 31, 2023:**

| Segment | Revenue as per Ind AS 115 | Total |
|---|---|---|
| **Operating revenues:** | | |
| **Sale/rendering of services** | | |
| Revenue from engineering services | 6,940.80 | **6,940.80** |
| **Other operating revenues:** | | |
| Sale of traded goods | 17.85 | **17.85** |
| **Total** | **6,958.65** | **6,958.65** |

(b) **Out of the total revenue recognised under IND AS-115 during the year, INR 8,599.77 lakhs (March 31, 2023 : INR 6,940.80 lakhs) is recognised over a period of time and INR Nil (March 31, 2023 : INR 17.85 lakhs) is recognised at a point in time.**

**(c) Movement in expected Credit loss during the year**

| Particulars | Provision on Trade receivables covered under Ind AS 115 | | Provision on Contract assets | |
|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Opening balance as at April 1** | **19,470.69** | **20,429.00** | **42.99** | **759.31** |
| Changes in allowance for expected credit loss: | | | | |
| Provision/(reversal) of allowance for expected credit loss | 4,012.87 | 782.51 | 256.49 | 1,328.78 |
| Write off as bad debts (Refer Note-36 (ii) (A)) | - | (1,740.82) | (30.00) | (2,045.10) |
| **Closing balance as at March 31** | **23,483.56** | **19,470.69** | **269.48** | **42.99** |

**(d) Contract Balance**

(i) Movement in Contract balances during the year

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Trade Receivable | Contract assets * | Contract liabilities | Trade Receivable* | Contract assets * | Contract liabilities |
| Opening balance as at April 1 | 25,105.25 | 10,422.34 | 4,443.56 | 43,150.81 | 14,109.94 | 7,865.60 |
| Closing balance as at March 31 | 11,083.90 | 3,440.83 | 4,675.37 | 25,105.25 | 10,422.34 | 4,443.56 |
| **Net (decrease)/ increase** | **(14,021.35)** | **(6,981.51)** | **231.81** | **(18,045.56)** | **(3,687.60)** | **(3,422.04)** |

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to INR 1,060.55 lakhs (March 31, 2023: INR 1,834.76 lakhs)

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

(iii) Revenue recognised during the year from the performance obligation satisfied in previous year (arising out of contract modifications) amounts to Nil (March 31, 2023: NIL)

**(e) Cost to obtain the contract :**

(i) Amount of amortisation recognised in Profit and Loss : NIL (March 31, 2023: NIL)

(ii) Amount recognised as assets as at March 31, 2024: NIL (March 31, 2023: NIL)

**(f) Reconciliation of contracted price with revenue during the year:**

| Particulars | March 31, 2024 | March 31,2023 |
|---|---|---|
| **Opening contracted price of orders as at April 1*** | **2,17,313.18** | **2,17,313.18** |
| **Add:** | | |
| Fresh orders/change orders received (net) | - | 17.85 |
| Annual Maintenance Order | 1,580.17 | - |
| **Less:** | | |
| Orders completed during the year | 1,580.17 | 17.85 |
| **Closing contracted price of orders as at March 31*** | **2,17,313.18** | **2,17,313.18** |
| Total Revenue recognised during the year: | 8,599.77 | 6,958.65 |
| Less: Revenue out of orders completed during the year | 1,709.59 | 83.26 |
| Revenue out of orders under execution at the end of the year (I) | 6,890.18 | 6,875.39 |
| Revenue recognised upto previous year (from orders pending completion at the end of the year) (II) | 1,97,022.62 | 1,88,567.06 |
| Balance revenue to be recognised in future viz. Order book (III) | 13,400.38 | 21,870.73 |
| **Closing contracted price of orders as at March 31* (I+II+III)** | **2,17,313.18** | **2,17,313.18** |

*including full value of partially executed contracts.

**(g) Remaining performance obligations**

The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows:

**As at March 31, 2024**

| Particulars | Total | Expected conversion in revenue | |
|---|---|---|---|
| | | Upto 1 Year | More than 1 Year |
| Transaction price allocated to remaining performance obligation | 13,400.38 | 13,400.38 | - |

**As at March 31, 2023**

| Particulars | Total | Expected conversion in revenue | |
|---|---|---|---|
| | | Upto 1 Year | More than 1 Year |
| Transaction price allocated to remaining performance obligation | 21,870.73 | 21,870.73 | - |

**(h)** The Company has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under the law/accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 42 :* DISCLOSURE PURSUANT TO IND AS 116 "LEASES"

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Gross rental expenses aggregate to INR 61.87 Lakhs (March 31, 2023: INR 45.12 Lakhs).

**Lease payments not included in measurement of lease liability:**

**The expense relating to payments not included in the measurement of the lease liability is as follows:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Short-term leases | 61.87 | 45.12 |
| Leases of low value assets | - | - |
| Variable lease payments | - | - |
| **Closing Balance** | **61.87** | **45.12** |

**The changes in the carrying value of ROU assets for the year ended March 31, 2024 are as follows:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Opening Balance | 33.57 | 915.49 |
| Addition during the year | - | 28.69 |
| Depreciation during the year | 15.02 | 115.56 |
| Deletion during the year | - | 795.05 |
| **Closing Balance** | **18.55** | **33.57** |

**The movement in lease liabilities during the year ended March 31, 2024 is as follows:**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Opening Balance | 34.11 | 887.86 |
| Addition during the year | - | 28.69 |
| Finance cost accrued during the year | 2.80 | 87.58 |
| Payment of lease liabilities | 17.29 | 148.30 |
| Deletion during the year | - | 821.73 |
| **Closing Balance** | **19.62** | **34.11** |

**The break-up of current and non-current lease liabilities as at March 31, 2024 is as follows:**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Current lease liabilities | 11.92 | 14.48 |
| Non-current lease liabilities | 7.70 | 19.63 |
| **Total** | **19.62** | **34.11** |

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**The details of the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis are as follows:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Less than one year | 13.32 | 17.28 |
| One to five years | 8.00 | 21.32 |
| More than five years | - | - |
| **Total** | **21.32** | **38.60** |

**The information about extension and termination options are as follows:**

| Particulars | Office premises |
|---|---|
| Number of leases | 2.00 |
| Range of remaining term (in years) | 0.25-1.67 |
| Average remaining lease term (in years) | 0.96 |
| Number of leases with extension option | Nil |
| Number of leases with purchase option | Nil |
| Number of leases with termination option | 1.00 |

## *Note 43:* EXCEPTIONAL ITEMS

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| One time settlement with banks and financial institutions (refer note 43.1) | 2,425.00 | 2,775.44 |
| Liabilites written back | 16,819.44 | 9,598.99 |
| Loan settled on behalf of subsidiary and associate on account of corporate guarantee | 6,347.55 | - |
| Provision on debtors written back | 435.00 | - |
| Unbilled provision/write off | (7,998.13) | (2,500.24) |
| Capital assets impaired/written off (refer note 3.1) | - | (6,128.77) |
| Trade receivable written off | (4,332.05) | - |
| Loans and advances provision | (1,143.69) | - |
| Provison on loans and advances from associates and subsidiary | (9,467.51) | - |
| Investment provision/written off | - | (9,058.00) |
| **Total** | **3,085.61** | **(5,312.58)** |

**Note 43.1:** Gain on one time settlement agreements with banks and financial institutions for borrowings pertains to excess of outstanding loan liabilities against the settlement consideration paid/to be paid under the settlement agreement entered by the Company.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 44 :* DISCLOSURE PURSUANT TO IND AS - 7 "STATEMENT OF CASH FLOWS"- CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

| | Non-Current borrowings (Including current maturities) (Refer Note 17 & 22) | Current borrowings (Refer Note 20) | Interest accrued on borrowings (Refer Note 22) | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2022** | **6,266.33** | **25,571.92** | **1,693.73** | **33,531.98** |
| (a) Changes from financing cash flow | (1,160.25) | (1,189.35) | (59.01) | **(2,408.61)** |
| (b) Other changes | | | | |
| (i) Reclassification within categories | 4,449.60 | (4,866.41) | 416.81 | **-** |
| (ii) Interest charge to statement of profit and loss | - | - | 295.30 | **295.30** |
| (iii) Reclassification with other liabilities/assets | (60.48) | (37.55) | - | **(98.03)** |
| (iv) One time settlement | | | | |
| Gain on one time settlement with banks of borrowing and financial institutions | (2,775.44) | - | - | **(2,775.44)** |
| **Balance as at March 31, 2023** | **6,719.76** | **19,478.61** | **2,346.83** | **28,545.20** |
| (a) Changes from financing cash flow | (3,544.66) | (2,775.36) | (79.21) | **(6,399.23)** |
| (b) Other changes | | | | |
| (i) Reclassification within categories | 971.64 | (516.43) | (455.21) | **-** |
| (ii) Interest charges to statement of profit and loss | - | - | 204.45 | **204.45** |
| (iii) Reclassification with other liabilities/assets | (34.98) | (555.57) | 19.71 | **(570.84)** |
| (iv) One time settlement (Refer Note 43.1) | | | | |
| Gain on one time settlement with banks of borrowing and financial institutions | (2,425.00) | - | - | **(2,425.00)** |
| (iv) Liabilities written back (Refer Note 43) | | - | (134.06) | **(134.06)** |
| **Balance as at March 31, 2024** | **1,686.76** | **15,631.25** | **1,902.51** | **19,220.52** |

## *Note 45 :* OTHER STATUTORY INFORMATION

(i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iii) During the current year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(iv) During the current year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**Summary of significant accounting policies and other explanatory information to standalone financial Statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(vii) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(ix) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

(x) The Company has not had any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(xi) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(xii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained

## *Note 46 :* CORPORATE SOCIAL RESPONSIBILITY (CSR)

Company is not fulfilling the criteria as specified under Section 135 of the Companies Act, 2013 in the preceding financial year i.e. 2022-2023. Hence, the provisions of Section 135 are not applicable on the Company for the Financial year 2023-2024.

## *Note 47* :

Figures for the previous year have been regrouped/reclassified to confirm to the figures of the current year.

## *Note 48 :* POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the March 31, 2024 reporting date and the date of authorisation May 15, 2024.

## *Note 49 :* AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended March 31, 2024 (including comparatives) were approved by the board of directors on May 15, 2024.

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For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N
Sd/-
**Saurabh Kuchhal**
Partner
Membership No. 512362

**For and on behalf of the Board of Directors**

Sd/-
**Amit Mittal**
Managing Director and CEO
(DIN 00058944)

Sd/-
**Dipali Mittal**
Non Executive Director
(DIN 00872628)

Sd/-
**Lalit Kumar**
Chief Financial Officer

Sd/-
**Atul Kumar Agarwal**
Company Secretary
M. No.: FCS - 6453

**Place** : Gurugram
**Date** : May 15, 2024

# Independent Auditor's Report

**To the Members of A2Z Infra Engineering Limited**

**Report on the Audit of the Consolidated financial statements**

**Disclaimer of Opinion**

1. We were engaged to audit the accompanying consolidated financial statements of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates, as listed in Annexure 1, which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. We do not express an opinion on the accompanying consolidated financial statements of the Group and its associate companies. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

**Basis for Disclaimer of Opinion**

3. a. As stated in Note 51 to the accompanying consolidated financial statements, the Holding Company has incurred a net loss after tax of Rs. 871.27 lakhs during the year ended 31 March 2024, and as of that date, the Holding Company's accumulated losses amount to Rs. 1,07,546.89 lakhs, which have resulted in substantial erosion of its net worth, and the current liabilities exceed current assets by Rs. 15,546.05 lakhs. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in Note 51. The Holding Company has also delayed in repayment of borrowings as further detailed in Note 50. As confirmed by the management, the Holding Company has been in discussions with the lenders regarding settlement of their outstanding borrowings/dues, the resolution for which is yet to be finalised. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Holding Company is in discussions is uncertain in the absence of any confirmations from such customers. Such events and conditions & its possible impact of the associated uncertainties on management's assumptions, and other matters as set forth in the Note 51, cast significant doubt on the Holding Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the management's assessment with respect to restructuring of borrowings/dues and availability of funds, we are unable to comment on the ability of the Holding Company to continue as a going concern. Further, as detailed in Note 44, Management indicates that a material uncertainty exists that may cast significant doubt on Tanzania Branch's ability to continue as going concern. Our report on the consolidated financial statements for the year ended 31 March 2023 also included a disclaimer of opinion in respect of this matter.

3. b. As stated in 50 to the accompanying consolidated financial statements, the Holding Company has borrowings from banks (referred to as 'the Lenders') which have been classified as non-performing assets ('NPA borrowings'). In respect of the aforementioned NPA borrowings, the Holding Company has not recognised interest for the year ended 31 March 2024 aggregating to Rs. 2,983.20 lakhs (accumulated interest as at 31 March 2024 being Rs. 5,279.89 lakhs) payable under the terms of the said agreements, as estimated by the management, on the basis of expected re-negotiation with the Lenders.

   Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreements, and the consequential impact of such adjustments on the accompanying consolidated financial statements. Our report on the consolidated financial statements for the year ended 31 March 2023 also included a disclaimer of opinion in respect of this matter.

3. c. As stated in Note 6.2 to the accompanying consolidated financial statements, the Holding Company's non-current investment Rs. 7,992.84 Lakhs (net of impairment) in its associate Company namely Greeneffect Waste Management Limited and its current financial assets-loan Rs. 84.67 Lakhs which include amounts dues from such associate company as on 31 March 2024. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints. Based upon the valuation report of an independent valuer, arbitration awarded in favor of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if

any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying consolidated financial statement. Our report on the consolidated financial statements for the year ended 31 March 2023 also included a disclaimer of opinion in respect of this matter.

**Emphasis of Matters**

4. We draw attention to:

   a. Note 3.1 to the accompanying consolidated financial statements, which describes the uncertainties relating to the outcome of the pending various litigations in respect of the three cogeneration power plants of the Company, for which the Company has filled petitions and appeals at various forums. The final outcome of these matters is presently unascertainable. Further, the said note also describes that these three cogeneration power plants has been fully impaired in its books of accounts during the year ended 31 March 2023. Hence, the management has recorded an impairment of INR 35,665.04 lakhs in the present value of the power plant as at March 31, 2024.

   b. Note 42.2 to the accompanying consolidated financial statements, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Holding Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.

**Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements**

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, changes in equity and cash flows of the Group and its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associates are responsible for assessing the ability of the Group and of its associates continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

**Auditor's Responsibilities for the Audit of the Consolidated financial statements**

8. Our responsibility is to conduct an audit of the accompanying consolidated financial statements in accordance with Standards on Auditing specified under section 143(10) of the Act, and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

**Other Matter**

9. We did not audit the financial statements of twelve subsidiaries, whose financial statements reflect total assets of Rs. 34,157.94 lakhs and net assets of Rs. 8,019.55 lakhs as at 31 March 2024, total revenues of Rs. 33,151.41 lakhs and net cash outflows amounting to Rs. (467.63) lakhs for the year ended on that date, as considered in the consolidated financial statements. We also did not audit the financial statements of one branch included in the standalone audited financial statements of Holding Company, whose financial statements reflects total assets and net assets of Rs. 527.76 lakhs and Rs. 366.64 lakhs respectively as at 31 March 2024, total revenues of Rs. Nil, total net profit after tax of Rs. 9.74 lakhs, total comprehensive income of Rs. 9.74 lakhs, and net cash inflows (net) of Rs. Nil lakhs for the year ended on that date, as considered in the standalone audited financial statements of the Holding Company. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 3,421.85 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in

respect of eighteen associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, are based solely on the reports of the other auditors.

Further, of these subsidiaries/ associates/ branches, one branch are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited branch auditors under generally accepted auditing standards specified in Annexure 2, as applicable in their respective countries. The Holding Company's management has converted the financial statements of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. This report, in so far as it relates to the balances and affairs of these branches, is based on the audit report of branch auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The standalone audited financial statements of Holding Company, includes the financial statement and information of two branches, which has not been audited by branch auditor, and whose financial information reflects total revenues of Rs. 48.25 lakhs, total net loss after tax of Rs. 24.17 lakhs and total comprehensive loss of Rs. 24.17 lakhs for the year ended 31st March 2024, as considered in the standalone audited financial statements of Holding Company. This report, in so far as it relates to the balances and affairs of this branch, is based solely on such financial statement and information, as certified and provided by the management. According to the information and explanations given to us by the management, their would not be consequential material impact on the financial statements of the Company.

**Report on Other Legal and Regulatory Requirements**

10. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 9 above, on separate financial statements of the subsidiaries and associates, we report that two subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that Holding company, eleven subsidiary companies and eighteen associate companies, have not paid or provided for any managerial remuneration during the year above the limit prescribed under section 197(16) of the Act.

11. With respect to matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, according to the information and explanations given to us and based on the CARO reports issued by the respective auditors of companies included in the consolidated financial statements, to which reporting under CARO is applicable, we report as under:

    Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

| S. No. | Name of Company | Holding/subsidiary/ associate/ | Clause number of the CARO report which is qualified or is adverse |
|---|---|---|---|
| 1. | A2Z Infra Engineering Limited | Holding | vii(a), ix(a), xix |
| 2. | A2Z Powercom Limited | Subsidiary | vii(a) |
| 3. | A2Z Waste Management (Ludhiana) Limited | Subsidiary | vii(a) |
| 4. | A2Z Waste Management (Aligarh) Limited | Subsidiary | vii(a) |
| 5. | Magic Genie Smartech Solutions Limited | Subsidiary | vii(a) |
| 6. | Mansi Bijlee & Rice Mills Limited | Subsidiary | vii(a) |
| 7. | Rishikesh Waste Management Limited | Subsidiary | vii(a) |
| 8. | Ecogreen Envirotech Solutions Limited | Subsidiary | vii(a) |
| 9. | A2Z Waste Management (Jaipur) Limited | Associate | vii(a) |
| 10. | A2Z Waste Management (Badaun) Limited | Associate | vii(a) |
| 11. | A2Z Waste Management (Dhanbad) Private Limited | Associate | vii(a) |
| 12. | A2Z Waste Management (Fatehpur) Limited | Associate | vii(a) |
| 13. | Shree Balaji Pottery Private Limited | Associate | vii(a) |
| 14. | Shree Hari Om Utensils Private Limited | Associate | vii(a) |
| 15. | A2Z Waste Management (Jaunpur) Limited | Associate | vii(a) |

| S. No. | Name of Company | Holding/subsidiary/ associate/ | Clause number of the CARO report which is qualified or is adverse |
|---|---|---|---|
| 16. | A2Z Waste Management (Mirzapur) Limited | Associate | vii(a) |
| 17. | A2Z Waste Management (Nainital) Private Limited | Associate | vii(a) |
| 18. | A2Z Waste Management (Ranchi) Limited | Associate | vii(a) |
| 19. | A2Z Waste Management (Sambhal) Limited | Associate | vii(a) |
| 20. | Earth Environment Management Services Private Limited | Associate | vii(a) |
| 21. | A2Z Waste Management (Merrut) Limited | Associate | vii(a), ix(a) |
| 22. | A2Z Waste Management (Moradabad) Limited | Associate | vii(a), ix(a) |
| 23. | A2Z Waste Management (Varanasi) Limited | Associate | vii(a), ix(a) |
| 24. | Greeneffect Waste Management Limited | Associate | ix(a) |
| 25. | A2Z Waste Management (Balia) Limited | Associate | vii(a) |

12. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates, we report, to the extent applicable, that:

   a) as described in the Basis for Disclaimer of Opinion section, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books and the reports of the other auditors. Proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

   c) the reports on the accounts of the one branch office of the Holding Company audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

   d) the consolidated financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

   e) due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;

   f) the matters described in Paragraph 3 and 4 in the Basis for Disclaimer of Opinion / Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Holding Company;

   g) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies covered under the Act, none of the directors of the Group companies and its associate companies covered under the Act, are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act;

   h) the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section, read with paragraph 11(b) above;

   i) we were also engaged to audit the internal financial controls with reference to consolidated financial statements of the Holding Company as on 31 March 2024 in conjunction with our audit of the consolidated financial statements of the Holding Company, its subsidiary companies and associate companies for the year ended on that date and our report dated 15 May 2024 as per Annexure A expressed disclaimer of opinion; and

   j) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates:

      i. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the consolidated financial statements disclose fully the impact of pending litigations on the consolidated financial position of the Group and its associates as at 31 March 2024;

      ii. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the Group and its associates has made adequate provision as at 31 March 2024, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies covered under the Act during the year ended 31 March 2024; and

iv. (a) The respective managements of the Holding Company, its subsidiaries and associates, have represented to us and the other auditors of such subsidiaries and associates respectively that to the best of its knowledge and belief, as disclosed in note no. 40(iii) to the consolidated financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associates to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company, its subsidiaries and associates, have represented to us and the other auditors of such subsidiaries and associates respectively that to the best of its knowledge and belief, as disclosed in note no. 40(iv), to the consolidated financial statement, no funds have been received by the Holding Company or any of such subsidiaries and associates from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The Group has not declared/paid dividend during the year, accordingly compliance u/s 123 of the Act is not applicable to the Group.

vi. The reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014 is applicable from 1st April, 2023. Based on our examination, which includes test checks, the group has used the accounting software for maintaining its books of account which has a feature of recording audit trail / edit log facility and the same has been operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered.

**For MRKS AND ASSOCIATES**
Chartered Accountants
(ICAI Registration No. 023711N)

**Sd/-**
**Saurabh Kuchhal**
Partner
Membership No. 512362

**Date**: 15.05.2024
**Place**: Gurgaon
**UDIN**: 24512362BKFCDR7136

**Annexure 1**

**List of entities included in the Consolidated financial statements**

| S. No. | Name | Relation |
|---|---|---|
| 1 | A2Z Infraservices Limited | Subsidiary |
| 2 | A2Z Powercom Limited | Subsidiary |
| 3 | Rishikesh Waste Management Limited (formerly known as A2Z Powertech Limited) | Subsidiary |
| 4 | Mansi Bijlee & Rice Mills Limited | Subsidiary |
| 5 | Magic Genie Services Limited | Subsidiary (Under process of striking off w.e.f. 01.03.2024) |
| 6 | Blackrock Waste Processing Private Limited | Subsidiary |
| 7 | A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person) | Subsidiary |
| 8 | Ecogreen Envirotech Solutions Limited | Subsidiary |
| 9 | A2Z Waste Management (Aligarh) Limited | Subsidiary |
| 10 | A2Z Waste Management (Ludhiana) Limited | Subsidiary |
| 11 | Magic Genie Smartech Solutions Limited | Subsidiary |
| 12 | Vswach Environment (Aligarh) Private Limited | Subsidiary with effect from 9th Dec 2022 |
| 13 | Vsapients Techno Services Private Limited | Subsidiary with effect from 21st Feb 2023 |
| 14 | Greeneffect Waste Management Limited | Associate |
| 15 | A2Z Waste Management (Nainital) Private Limited | Associate |
| 16 | A2Z Waste Management (Moradabad) Limited | Associate |
| 17 | A2Z Waste Management (Meerut) Limited | Associate |
| 18 | A2Z Waste Management (Varanasi) Limited | Associate |
| 19 | A2Z Waste Management (Jaunpur) Limited | Associate |
| 20 | A2Z Waste Management (Badaun) Limited | Associate |
| 21 | A2Z Waste Management (Sambhal) Limited | Associate |
| 22 | A2Z Waste Management (Mirzapur) Limited | Associate |
| 23 | A2Z Waste Management (Balia) Limited | Associate |
| 24 | A2Z Waste Management (Fatehpur) Limited | Associate |
| 25 | A2Z Waste Management (Ranchi) Limited | Associate |
| 26 | A2Z Waste Management (Dhanbad) Private Limited | Associate |
| 27 | Shree Balaji Pottery Private Limited | Associate |
| 28 | Shree Hari Om Utensils Private Limited | Associate |
| 29 | A2Z Waste Management (Jaipur) Limited | Associate |
| 30 | A2Z Waste Management (Ahmedabad) Limited | Associate (Under process of striking off w.e.f. 01.02.2024) |
| 31 | Earth Environment Management Services Private Limited | Associate |

**Annexure 2**

| S. No | Name | Country of Operations | Name of auditing standard |
|---|---|---|---|
| 1 | A2Z Infra Engineering Limited (Tanzania Branch) | Tanzania | International Standards Auditing |
| 2 | A2Z Infra Engineering Limited (Nepal Branch) | Nepal | Nepal Standards Auditing |
| 3 | A2Z Infra Engineering Limited (Uganda Branch) | Uganda | International Standards Auditing |

**Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. We were engaged to audit the internal financial controls with reference to consolidated financial statements of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as at 31 March 2024 in conjunction with our audit of the consolidated financial statements of the Group and its associates as at and for the year ended on that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated financial statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI.

4. Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to consolidated financial statements of the Group and its associates.

**Meaning of Internal Financial Controls with Reference to Consolidated financial statements**

5. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Disclaimer of Opinion**

6. Because of the matters described below, according to the information and explanations given to us, and based on our audit and consideration of the report of the other auditor on internal financial controls with reference to financial statements of subsidiaries and associates, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Holding company's internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2024:

   The Holding Company's internal financial controls with reference to financial statements with respect to (a) financial statements closure process towards assessing the Holding Company's ability to continue as going concern were not operating effectively, which could lead to potential material misstatements in the carrying value and classification of assets and liabilities; (b) accrual of interest expenditure in accordance with Ind AS 23 'Borrowing Costs' and reconciliation of outstanding borrowings with lenders, were not operating effectively, which has resulted in a material misstatement in the amount of finance costs and other financial liabilities; and (c) estimating the fair value of its investment in an associate company GWML, including dues recoverable from such associate company in accordance with Ind AS 109 'Financial Instruments', were not operating effectively, which could lead to potential material misstatements in the carrying values of investments and current financial assets – loans; in the accompanying consolidated financial statements.

7. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group and its associates as at and for the year ended 31 March 2024, and the disclaimer has affected our opinion on the consolidated financial statements of the

Group and its associates and we have issued a disclaimer of opinion on such consolidated financial statements.

**Other Matter**

8. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 12 subsidiary companies, which are companies covered under the Act, whose financial statements reflects total assets of Rs. 34,157.94 lakhs and net assets of Rs. 8,019.55 lakhs as at 31 March 2024, total revenues of Rs. 33,151.41 lakhs and cash flows (net) amounting to Rs. (467.63) lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 3,421.85 lakhs for the year ended 31 March 2024, in respect of 18 associate companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements for the Holding Company, its subsidiary companies and its associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and associate companies is based solely on the reports of the auditors of such companies.

**For MRKS AND ASSOCIATES**
Chartered Accountants
(ICAI Registration No. 023711N)

**Sd/-**
**Saurabh Kuchhal**
Partner
Membership No. 512362

**Date**: 15.05.2024
**Place**: Gurgaon
**UDIN**: 24512362BKFCDR7136

# Consolidated Balance Sheet as at March 31, 2024
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS:** | | | |
| **Non-current assets:** | | | |
| Property, plant and equipment | 3 | 3,954.80 | 3,673.04 |
| Right to use asset | 3 | 18.57 | 33.58 |
| Capital work-in-progress | 3 | 5,765.88 | 5,475.97 |
| Goodwill | 4 | 3,563.65 | 3,563.65 |
| Intangible assets | 4 | 1.76 | 3.79 |
| Intangible assets under development | 4 | - | - |
| Investments accounted for using the equity method | 6 | 3,561.13 | 6,978.24 |
| Financial assets: | | | |
| Other financial assets | 8 | 1,299.98 | 1,460.53 |
| Deferred tax assets (net) | 9 | 1,284.59 | 1,087.23 |
| Non-current tax assets (net) | 10 | 4,840.64 | 5,751.27 |
| Other non-current assets | 11 | 438.59 | 497.54 |
| **Total non-current assets** | | **24,729.59** | **28,524.84** |
| **Current assets:** | | | |
| Inventories | 12 | - | 462.00 |
| Financial assets: | | | |
| Trade receivables | 13 | 15,619.26 | 32,491.42 |
| Cash and cash equivalents | 14 | 144.06 | 1,064.09 |
| Other bank balances | 15 | 141.98 | 141.98 |
| Loans | 7 | 2,915.20 | 1,546.35 |
| Other financial assets | 8 | 18,096.04 | 27,110.31 |
| Other current assets | 11 | 6,649.72 | 7,732.09 |
| **Total current assets** | | **43,566.26** | **70,548.24** |
| **Total assets** | | **68,295.85** | **99,073.08** |
| **EQUITY AND LIABILITIES:** | | | |
| **Equity**: | | | |
| Equity share capital | 16 | 17,611.99 | 17,611.99 |
| Other equity | | (14,394.04) | (13,806.98) |
| **Equity attributable to equity holders of the Company** | | **3,217.95** | **3,805.01** |
| Non-controlling interests | | (1,131.49) | (931.70) |
| Total equity | | **2,086.46** | **2,873.31** |
| **Liabilities:** | | | |
| **Non-current liabilities:** | | | |
| Financial liabilities: | | | |
| Borrowings | 17 | 90.22 | 398.48 |
| Lease liability | 18 | 7.70 | 19.63 |
| Provisions | 20 | 2,968.00 | 3,632.47 |
| Deferred tax liabilities (net) | 9 | 0.04 | - |
| Other non-current liabilities | 21 | 2,809.24 | 2,852.60 |
| **Total non-current liabilities** | | **5,875.20** | **6,903.18** |
| **Current liabilities:** | | | |
| Financial liabilities: | | | |
| Borrowings | 22 | 19,685.26 | 30,910.93 |
| Lease liability | 18 | 11.92 | 14.48 |
| Trade payables | 23 | | |
| Total outstanding dues of micro and small enterprises | | 200.91 | 16.30 |
| Total outstanding dues of creditors other than micro and small enterprises | | 27,567.75 | 36,171.19 |
| Other financial liabilities | 19 | 4,752.05 | 8,612.19 |
| Other current liabilities | 21 | 8,082.90 | 13,513.55 |
| Provisions | 20 | 21.29 | 45.84 |
| Current tax liabilities (net) | 24 | 12.11 | 12.11 |
| **Total current liabilities** | | **60,334.19** | **89,296.59** |
| **Total liabilities** | | **66,209.39** | **96,199.77** |
| **Total equity and liabilities** | | **68,295.85** | **99,073.08** |
| Summary of significant accounting policies | 2 | | |

**The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.**

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N
Sd/-
**Saurabh Kuchhal**
Partner
Membership No. 512362

**For and on behalf of the Board of Directors**

Sd/-
**Amit Mittal**
Managing Director and CEO
(DIN 00058944)

Sd/-
**Dipali Mittal**
Non Executive Director
(DIN 00872628)

Sd/-
**Lalit Kumar**
Chief Financial Officer

Sd/-
**Atul Kumar Agarwal**
Company Secretary
M. No.: FCS - 6453

**Place** : Gurugram
**Date** : May 15, 2024

# Consolidated Statement of Profit and Loss for the year ended March 31, 2024
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Income:** | | | |
| Revenue from operations | 25 | 38,848.80 | 34,944.16 |
| Other income | 26 | 3,777.01 | 3,261.41 |
| **Total income** | | **42,625.81** | **38,205.57** |
| **Expenses:** | | | |
| Cost of materials consumed | 27 | 16,965.08 | 13,386.48 |
| Change in inventories | 28 | 439.76 | (5.88) |
| Employee benefits expenses | 29 | 16,907.65 | 15,522.37 |
| Finance costs | 30 | 622.54 | 1,329.49 |
| Depreciation and amortisation expenses | 31 | 518.39 | 883.24 |
| Other expenses | 32 | 9,973.20 | 5,899.81 |
| **Total expenses** | | **45,426.62** | **37,015.51** |
| **(Loss)/Profit before exceptional items, share of loss from associates and tax** | | **(2,800.81)** | **1,190.06** |
| Add: (Loss)/Profit share from associate accounted through equity method | | (3,421.85) | 396.16 |
| **(Loss)/Profit before exceptional items and tax** | | **(6,222.66)** | **1,586.22** |
| Exceptional items | 43 | 5,763.24 | (12,204.13) |
| **Loss before tax** | | **(459.42)** | **(10,617.91)** |
| **Tax expense** | 33 | | |
| Current tax | | 498.32 | 61.40 |
| Deferred tax (net) | | (221.26) | 1,926.17 |
| | | **277.06** | **1,987.57** |
| **Loss for the year** | | **(736.48)** | **(12,605.48)** |
| **Other comprehensive income:** | | | |
| **Items that will not be reclassified to profit and loss** | | | |
| a) Remeasurement of defined benefit obligations | | (103.58) | 101.36 |
| b) Income tax relating to items that will not be reclassified to profit or loss | | (23.85) | (5.20) |
| **Total other comprehensive income for the period** | | **(127.43)** | **96.16** |
| **Total comprehensive income for the year** | | **(863.91)** | **(12,509.32)** |
| **Loss is attributable to:** | | | |
| Equity holders of the Company | | (569.18) | (12,292.03) |
| Non-controlling interests | | (167.30) | (313.45) |
| **Other comprehensive income is attributable to:** | | | |
| Equity holders of the Company | | (94.94) | 75.59 |
| Non-controlling interests | | (32.49) | 20.57 |
| **Total comprehensive income is attributable to:** | | | |
| Equity holders of the Company | | (664.12) | (12,216.44 |
| Non-controlling interests | | (199.79) | (292.88) |
| **Loss per equity share (INR) :** | 34 | | |
| (Nominal value of shares INR 10) | | | |
| Basic | | (0.32) | (6.98) |
| Diluted | | (0.32) | (6.98) |
| Summary of significant accounting policies | 2 | | |

**The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.**

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N
Sd/-
**Saurabh Kuchhal**
Partner
Membership No. 512362

For and on behalf of the Board of Directors

Sd/-
**Amit Mittal**
Managing Director and CEO
(DIN 00058944)

Sd/-
**Dipali Mittal**
Non Executive Director
(DIN 00872628)

Sd/-
**Lalit Kumar**
Chief Financial Officer

Sd/-
**Atul Kumar Agarwal**
Company Secretary
M. No.: FCS - 6453

**Place** : Gurugram
**Date** : May 15, 2024

# Consolidated Statement of Change in Equity for the year ended March 31, 2024
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | Note No. | Number of Share | Amount |
|---|---|---|---|
| **A. Equity share capital** | | | |
| **Issued, subscribed and fully paid up** | | | |
| Equity shares of INR 10 each | | | |
| **Balance as at April 1, 2022** | 16 | **17,61,19,858** | **17,611.99** |
| Changes during the year | | - | - |
| **Balance as at March 31, 2023** | 16 | **17,61,19,858** | **17,611.99** |
| Changes during the year | | - | - |
| **Balance as at March 31, 2024** | 16 | **17,61,19,858** | **17,611.99** |

## B. Other equity

| | Attributable to equity holders of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Reserves and Surplus* | | | | | | | |
| | Equity component of compound financial instruments | Securities premium account | Capital reserve | General reserve | Employee stock option plan reserve | Retained earnings | Total other equity | Non-controlling interests | Total |
| **Balance as at April 1, 2022** | **465.54** | **9,586.56** | **14.57** | **640.14** | **812.64** | **(93,217.36)** | **(1,697.91)** | **(638.82)** | **(2,336.73)** |
| (Loss) for the year | - | - | - | - | - | (12,292.03) | **(12,292.03)** | (313.45) | **(12,605.48)** |
| Other comprehensive income (net of tax) | - | - | - | - | - | 75.59 | **75.59** | 20.57 | **96.16** |
| **Total comprehensive income** | - | - | - | - | - | **(12,216.44)** | **(12,216.44)** | **(292.88)** | **(12,509.32)** |
| Transactions with owners in their capacity as owners: | | | | | | | | | |
| Employee stock option (ESOP) expense for the year (Refer Note 29.2) | - | - | - | - | 107.37 | - | **107.37** | - | **107.37** |
| **Balance as at March 31, 2023** | **465.54** | **89,586.56** | **14.57** | **640.14** | **660.22** | **(1,05,174.01)** | **(13,806.98)** | **(931.70)** | **(14,738.68)** |
| (Loss) for the period | - | - | - | - | - | (569.18) | **(569.18)** | (167.30) | **(736.48)** |
| Other comprehensive income (net of tax) | - | - | - | - | - | (94.94) | **(94.94)** | (32.49) | **(127.43)** |
| **Total comprehensive income** | - | - | - | - | - | **(664.12)** | **(664.12)** | **(199.79)** | **(863.91)** |
| Transfer from Employee stock option plan reserve on lapse | - | - | - | - | (191.98) | 191.98 | - | - | - |
| Transactions with owners in their capacity as owners: | | | | | | | | | - |
| Employee stock option (ESOP) expense for the year (Refer Note 29.2) | - | - | - | - | 77.06 | - | **77.06** | - | **77.06** |
| **Balance as at March 31, 2024** | **465.54** | **89,586.56** | **14.57** | **640.14** | **545.30** | **(1,05,646.15)** | **(14,394.04)** | **(1,131.49)** | **(15,525.53)** |

*Refer Note 2(j) for nature and purpose of reserves.

**The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.**

This is the consolidated statement of changes in equity referred to in our report of even date.

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N
Sd/-
**Saurabh Kuchhal**
Partner
Membership No. 512362

**For and on behalf of the Board of Directors**

Sd/-
**Amit Mittal**
Managing Director and CEO
(DIN 00058944)

Sd/-
**Dipali Mittal**
Non Executive Director
(DIN 00872628)

Sd/-
**Lalit Kumar**
Chief Financial Officer

Sd/-
**Atul Kumar Agarwal**
Company Secretary
M. No.: FCS - 6453

**Place** : Gurugram
**Date** : May 15, 2024

# Consolidated Cash Flow Statement for the year ended March 31, 2024
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **A. Cash flows from operating activities :** | | |
| Net loss before tax and non-controlling interest (after exceptional items) | **(459.42)** | **(10,617.91)** |
| **Adjustments :** | | |
| Exceptional items - (profit)/loss | (5,763.24) | 12,204.13 |
| Share of associates | 3,421.85 | (396.16) |
| Depreciation and amortisation expense | 518.39 | 883.24 |
| Interest expense | 522.27 | 1,195.55 |
| Interest income | (7.21) | (61.15) |
| (Gain)/loss on sale of property, plant and equipment (net) | (0.10) | 4.74 |
| Provision for contract revenue in excess of billing | 648.34 | 1,328.78 |
| Gain on modification of lease contract | - | (61.68) |
| Provision for bad and doubtful debts, loans, advances and other receivables (net) | 5,839.84 | 1,013.16 |
| Advances written off | 514.22 | 41.94 |
| Provision for warranty | 112.28 | 273.49 |
| Provisions/liabilities written back | (3,625.40) | (2,914.73) |
| Remeasurement of defined benefit obligations | (103.58) | 101.36 |
| Recognition of share based payments at fair value | 77.06 | 107.37 |
| Subsidy amortised | (48.07) | (48.07) |
| Rental income | (2.10) | (28.72) |
| **Operating profit before working capital changes** | **1,645.13** | **3,025.34** |
| **Net changes in working capital** | | |
| Change in inventories | 462.00 | (11.62) |
| Change in trade receivables | 7,800.63 | 16,363.75 |
| Change in loans | (1,370.35) | 209.95 |
| Change in other financial assets | (1,216.42) | (2,680.52) |
| Change in other assets | 749.94 | (464.20) |
| Change in trade payables | 2,432.28 | (6,134.59) |
| Change in other financial liabilities | (1,792.66) | 537.99 |
| Change in other liabilities | 1,224.04 | (3,946.84) |
| Change in provisions | (814.22) | (1,160.07) |
| **Net changes in working capital:** | **7,475.24** | **2,713.85** |
| **Cash flow from operations** | **9,120.37** | **5,739.19** |
| Current taxes paid/(refund) | 412.40 | (229.96) |
| **Net cash flow from operating activities (A)** | **9,532.77** | **5,509.23** |

## Consolidated Cash Flow Statement for the year ended March 31, 2024
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **B** | **Cash flows from investing activities:** | | |
| | Payments for property, plant and equipment (including capital work in progress) | (1,065.59) | (652.82) |
| | Purchase for intangible asset | (0.78) | (2.50) |
| | Proceeds from sale of property, plant and equipment | 0.10 | 122.18 |
| | Fixed deposits matured - (net) | - | (239.86) |
| | Rental income | 2.10 | 28.72 |
| | Interest received | 11.30 | 43.70 |
| | **Net cash used in investing activities (B)** | **(1,052.87)** | **(700.58)** |
| **C** | **Cash flows from financing activities:** | | |
| | Proceeds from long term borrowings | 6.72 | - |
| | Repayment of long term borrowings | (3,544.67) | (1,387.90) |
| | Repayments of short term borrowings (net) | (4,692.17) | (2,526.45) |
| | Principal payment of lease liabilities | (14.50) | (60.73) |
| | Interest payment of lease liabilities | (2.80) | (87.58) |
| | Interest paid | (1,152.51) | (593.59) |
| | **Net cash used in financing activities (C)** | **(9,399.93)** | **(4,656.25)** |
| | **Net (decrease)/increase in cash and cash equivalents ( A+B+C)** | **(920.03)** | **152.40** |
| | Cash and cash equivalents at the beginning of the year | 1,064.09 | 911.69 |
| | **Cash and cash equivalents at the end of the year** | **144.06** | **1,064.09** |

**Reconciliation of cash and cash equivalents as per the cash flow statement (Refer Note 14)**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Cash and cash equivalents as per above comprises of the following : | | |
| a. Cash in hand | 18.97 | 4.80 |
| b. Balances with banks | | |
| - in current account | 118.18 | 1,052.37 |
| - in fixed deposit account (less than 3 month maturity) | 6.91 | 6.92 |
| | **144.06** | **1,064.09** |

**Note:** All figures in brackets are outflows.

**The summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.**

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N
Sd/-
**Saurabh Kuchhal**
Partner
Membership No. 512362

**For and on behalf of the Board of Directors**

Sd/-
**Amit Mittal**
Managing Director and CEO
(DIN 00058944)

Sd/-
**Dipali Mittal**
Non Executive Director
(DIN 00872628)

Sd/-
**Lalit Kumar**
Chief Financial Officer

Sd/-
**Atul Kumar Agarwal**
Company Secretary
M. No.: FCS - 6453

**Place** : Gurugram
**Date** : May 15, 2024

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**

## 1. CORPORATE INFORMATION

A2Z Infra Engineering Limited (‘A2Z or the Holding Company’) was incorporated at National Capital Territory of Delhi and Haryana on January 7, 2002 for providing maintenance and engineering services. The Holding Company commenced its business with the facility management services and entered into engineering business during the year 2005-06. The Holding Company has also entered into collaboration with sugar mills for setting up 3 Cogeneration (Cogen) power plants on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years.

The Group’s engineering business segment primarily includes supply, erection and maintenance of electrical transmission lines including laying and maintenance of Optic Fiber Cable (OFC) and allied services to power distribution companies.

These consolidated financial statements for the year ended March 31, 2024 were authorized and approved for issue by the Board of Directors on May15, 2024.The revisions to the consolidated financial statements are permitted by the Board of Directors of the Holding Company after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

## 2. SIGNIFICANTACCOUNTINGPOLICIESANDKEYACCOUNTINGESTIMATESANDJUDGEMENTS

### 2.1 Statement of compliance

These financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies act, 2013 (“The Act”) read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 issued by Ministry of Corporate Affairs (‘MCA’). All other relevant provisions of the Act, as amended, are also complied with in these financial Statements.The Group has prepared these financial statements which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2024, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as ‘Consolidated financial statements’).

The consolidated financial statements have been prepared on going concern basis using a historical cost convention, except certain financial assets and financial liabilities which are measured at fair value as explained in relevant accounting policies.

The consolidated financial statements are presented in INR which is assessed to be the functional currency of the Group in accordance with Ind AS. All values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The Group has uniformly applied the accounting policies during the period presented.

### 2.2 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant judgements and areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

**Significant management judgements**

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

- **Recognition of deferred tax assets -** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group’s future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Classification of leases –** The Group enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to extend/terminate etc. After the commencement date, the Group reassesses

the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

- **Contingencies**

  In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. A tax provision is recognised when the Group has a present obligation as a result of a past event; it is probable that the Group will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

  When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

  Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability.

- **Provisions**

  At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

- **Going Concern**

  The management has made an assessment of the Group's ability to continue as going concern and is satisfied that the Group has resources to continue in business for the foreseeable future. Further, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as going concern, read with note 31.

**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.

- **Recoverability of advances/ receivables –** At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.
- **Classification of assets and liabilities into current and non-current –** The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities.
- **Warranty provision –** The management makes estimate of costs that would be incurred with respect to warranties given on products. The provision requires use of several estimates based on past data and expectations of future.
- **Impairment of non-financial assets –**The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Impairment of financial assets –** The Group estimates the recoverable amount of trade receivables and other financial assets where collection of the full amount is expected to be no longer probable. For individually significant amounts, this estimation is performed on an individual basis considering the length of time past due, financial condition of the counter-party, impending legal disputes, if any and other relevant factors.
- **Useful lives of depreciable/ amortisable assets (Property plant and equipment and intangible) –**Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.
- **Revenue recognition –**The Group uses the Input method (percentage completion method) in accounting for its revenue from construction services. The use of percentage-of-completion method requires the Group to estimate costs expended to date as a proportion of the total costs to be expended. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and output.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**

- **Contract estimates –** The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- **Recoverability of claims –** The Group has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/ discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.
- **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, trends, 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 measurements –** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). 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.

**2.3 Significant accounting policies**

**a) Revenue recognition**

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in the Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

- Determining the revenue to be recognised in case of performance obligation satisfied over a period of time. Revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
- Determining the estimated losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

**i. Revenue from engineering services**

Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Impairment loss (termed as provision for foreseeable losses) is recognised in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Group expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations). In addition, the Group recognises impairment loss (termed as provision for expected credit loss in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

Contract revenue earned in excess of billing has been reflected under “Other financial assets” and billing in excess of contract revenue has been reflected under “Other current liabilities” in the Balance Sheet. As the outcome of the contracts cannot be measured reliably during the early stages of the project, contract revenue is recognised only to the extent of costs incurred in the statement of profit and loss unless the actual cost reaches a minimum threshold of 10% of total estimated cost of the project.

Liquidated damages/ penalties, interest, warranties and contingencies are provided for, based on management’s assessment of the estimated liability, as per contractual terms and/or acceptance.

**ii. Revenue from operation and maintenance services**

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

**iii. Income from professional and data processing services**

Income from professional and data processing services is recognized as and when the customer receives the benefit of the Group’s performance and the Group has an enforceable right to payment for services transferred.

**iv. Revenue from operation of plant**

Revenue from operation of plant is recognised on transfer of significant risks and rewards of ownership to the buyer, which is when delivered, and measured on an accrual basis based on the rates in accordance with the provisions of the Power Purchase Agreements (PPAs) entered into by the Group with the procurer’s of power. Claims for delayed payment charges and other claims are accounted by the Group on accrual basis in accordance with the provisions of the PPAs only when it is reasonable to expect ultimate collection. Excise Duty is not applicable on generation and sale of power. Sales exclude sales tax and value added tax, where applicable.

**v. Revenue from sale of goods**

Revenue is recognised when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contracts for sale of goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the Group does not have either explicit or implicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the Group has either explicit or implicit right of payment considering legal precedents, performance obligation is considered as satisfied over a period of time and revenue is recognized over time. The Group collects goods and service tax (GST) (as applicable) on behalf of the government and, therefore, these are not economic benefits flowing to the Group.

**vi. Other income**

- Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
- Dividend income is accounted in the period in which the right to receive the same is established.
- Income from export incentives such as duty drawback is recognized on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.
- Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

**b) Foreign currencies and operations**

**i. Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is the Group’s functional and presentation currency. All amounts have been rounded off to the nearest lakhs, unless otherwise stated.

**ii. Foreign currency transactions and balances**

Foreign currency transactions are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction (spot exchange rate).

All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.

Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

**c) Joint operations**

The Group enters into certain joint arrangements when the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Such arrangements are considered to be joint operations, and the Group the entities recognises the following in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

**d) Property, plant and equipment (PPE)**

**i. Initial recognition**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses.

When significant components of property, plant and equipment are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation as if these components are initially recognized as separate asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in profit or loss as incurred

**ii. Subsequent measurement**

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for leasehold land which is amortised over the lease term on straight line basis.

| Particulars | Useful life (Straight line method) |
|---|---|
| Building | 10-60 Years |
| Office equipment | 5 Years |
| Plant and equipment | 8-25 Years |
| Computers | 3-6 Years |
| Furniture and fixtures | 8-10 Years |
| Vehicles | 8-10 Years |
| Leasehold land | Over the lease term on straight line basis. |

Depreciation method, useful life and residual value are reviewed periodically.

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 recognized in profit or loss within 'other income' or 'other expenses' respectively.

**e) Intangible assets**

Intangible assets include Computer software which is stated at cost less accumulated amortisation. This software is amortised on a straight line basis over the estimated useful life of five to six years, as determined by the management.

**f) Investments**

Investment in equity instruments of subsidiaries and associates are measured at cost as per Ind AS 27 'Separate Consolidated financial statements'.

**g) Leases**

**i. Where the Group is lessee – Right of use assets and lease liabilities**

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in notes). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

**Classification of leases**

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/ purchase etc.

**Recognition and initial measurement**

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received)

**Subsequent measurement**

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

**ii. Where the Group is lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease, except when the lease rentals, increase are in line with general inflation index. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**h) 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.

**i. Initial measurement, recognition and derecognition**

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (1) the Group has transferred substantially all the risks and rewards of the asset, or (2) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**ii. Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Debt instruments at Amortised cost
- Debt instruments at Fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at Fair value through profit or loss (FVTPL)
- Equity instruments measured at Fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at Fair value through profit or loss (FVTPL)

➢ **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

➢ **Debt instruments at fair value through other comprehensive income**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

➢ **Debt instruments at fair value through profit or loss**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

➢ **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

**iii. Classification and subsequent measurement of financial liabilities**

All financial liabilities are recognised initially at its fair value adjusted by directly attributable transaction costs.

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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

The Group has not designated any financial liability as at fair value through profit and loss.

➢ **Financial liabilities measured at amortised cost**

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.

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.

➢ **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.

**iv. Impairment of financial assets**

In accordance with Ind AS 109, the Group 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.

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

c) Loan commitments which are not measured as at FVTPL

d) Financial guarantee contracts which are not measured as at FVTPL

The Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and the application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises 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 Group 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 entity reverts to recognising impairment loss allowance based on 12-month ECL.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

**i) Equity shares**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**j) Reserve and surplus**

Nature and purpose of reserves;

**i. General reserve**

General reserves can be used for the purpose and as per guidelines prescribes in the Companies Act, 2013.

**ii. Securities premium reserve**

Securities premium is used to record the premium on issue of shares or debentures. The reserve will be utilised in accordance with the provisions of the Act.

**iii. Net gain on fair value of defined benefit plans**

The Group has recognised premeasurement gains/ (loss) on defined benefit plans in Other Comprehensive Income (OCI). These changes are accumulated within the OCI reserve within other equity. The Group transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

**iv. Employee stock option plan reserves**

The Group has six types of Option schemes under which options to subscribe for the Group's share have been granted to certain employees. The Employee Stock Option Plan Reserves is used to recognise the value of equity settled share based payments provided to employees. Refer note 27.2 for further details of these plans.

**k) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

**l) Income taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group'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. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**m) Fair value measurement**

The Group measures financial instruments at fair value on initial recognition

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**n) Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit (CGU) is estimated. If such recoverable amount of the asset or CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Consolidated Statement of Profit and Loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Consolidated Statement of Profit and Loss. An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.

**o) Inventories**

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

**p) Provisions, contingent liabilities and contingent assets**

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

A provision is recognised when:

- The Group has a present obligation as a result of a past event;

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**

- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

The Group does not recognise contingent liabilities but it is disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**q) Employee benefits**

**i. Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognised at actual amounts due in the period in which the employee renders the related service.

**ii. Post-employment benefits**

1. **Defined contribution plans:**The Group makes payments made to defined contribution plans such as provident fund and employees' state insurance.The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.
2. **Defined benefit plans:**The liability is accounted for on the basis of actuarial valuation as per Ind AS 19 'Employee Benefits'. Liability recognized in the Consolidated Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation.

   The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

   Actuarial gain / loss pertaining to gratuity, post separation benefits are accounted for as OCI. All remaining components of costs are accounted for in Consolidated Statement of Profit and Loss.
3. **Other long-term employee benefits:**Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Group determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

**r) Borrowing costs**

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred. Also, the effective interest rate (EIR) amortization is included in finance costs.

**s) Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**t) Segment reporting**

The Group's operating businesses are organized and managed separately according to the nature of services, with each segment representing a strategic business unit that offers different services to different markets. The Group has three operating/reportable segments, i.e., engineering services, Power generation projects and others represents trading of goods, and renting of equipments.

The operating segments are managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in consolidated sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

No asymmetrical allocations have been applied between segments.

**u) Share based payments**

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

**v) Current/non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**w) Exceptional items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

**2.4 Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024 (Unless otherwise stated, all amounts are in INR Lakhs)**

## Note 3: *PROPERTY, PLANT AND EQUIPMENT, RIGHT TO USE OF ASSET AND CAPITAL WORK IN PROGRESS*

| | Freehold land | Lease-hold improve-ment | Compu-ters | Buildings | Plant and equip-ment | Furniture and fixtures | Vehicles | Tools and equip-ment | Office equip-ment | Total | Right to use of Asset (Refer Note 53) | Capital work in progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount:** | | | | | | | | | | | | |
| **Balance as at April 1, 2022** | **635.10** | **73.47** | **925.81** | **5,250.69** | **16,631.98** | **322.96** | **2,971.85** | **275.40** | **737.08** | **27,824.34** | **997.99** | **31,216.90** |
| Additions | - | - | 9.62 | - | 24.51 | - | 84.48 | 2.50 | 7.55 | **128.66** | 28.70 | 539.25 |
| Disposals/adjustment | (126.92) | - | - | - | - | - | (38.65) | - | - | **(165.57)** | (913.46) | - |
| **Balance as at March 31, 2023** | **762.02** | **73.47** | **935.43** | **5,250.69** | **16,656.49** | **322.96** | **3,094.98** | **277.90** | **744.63** | **27,787.43** | **113.23** | **31,756.15** |
| Additions | - | - | 9.91 | 626.45 | 25.71 | 3.88 | 111.68 | - | 4.69 | **782.32** | 0.01 | 289.91 |
| Disposals/adjustment | - | - | - | - | 13.96 | - | (5.43) | - | (13.96) | **(5.43)** | - | - |
| **Balance as at March 31, 2024** | **762.02** | **73.47** | **945.34** | **5,877.14** | **16,696.16** | **326.84** | **3,201.23** | **277.90** | **735.36** | **28,564.32** | **113.24** | **32,046.06** |
| **Accumulated depreciation, amortisation and impairment:** | | | | | | | | | | | | |
| **Balance as at April 1, 2022** | **-** | **73.47** | **919.86** | **3,929.02** | **12,813.73** | **308.63** | **2,611.86** | **270.99** | **708.63** | **21,636.19** | **81.70** | **21,905.41** |
| Depreciation | - | - | 5.99 | 56.70 | 596.73 | 3.63 | 93.37 | 0.40 | 6.03 | **762.85** | 116.36 | - |
| Impairment (Refer Note 3.1) | - | - | - | - | 1,754.00 | - | - | - | - | **1,754.00** | - | 4,374.77 |
| Disposals/adjustment | - | - | - | - | | - | (38.65) | - | - | **(38.65)** | (118.41) | - |
| **Balance as at March 31, 2023** | **-** | **73.47** | **925.85** | **3,985.72** | **15,164.46** | **312.26** | **2,666.58** | **271.39** | **714.66** | **24,114.39** | **79.65** | **26,280.18** |
| Depreciation | - | - | 7.26 | 64.35 | 321.11 | 3.43 | 98.84 | 0.47 | 5.10 | **500.56** | 15.02 | - |
| Impairment (Refer Note 3.1) | - | - | - | - | - | - | - | - | - | **-** | - | - |
| Disposals/adjustment | - | - | 1.52 | - | (1.52) | - | (5.43) | - | - | **(5.43)** | - | - |
| **Balance as at March 31, 2024** | **-** | **73.47** | **934.63** | **4,050.07** | **15,484.05** | **315.69** | **2,759.99** | **271.86** | **719.76** | **24,609.52** | **94.67** | **26,280.18** |
| **Net carrying amount:** | | | | | | | | | | | | |
| **Balance as at March 31, 2024** | **762.02** | **-** | **10.71** | **1,827.07** | **1,212.11** | **11.15** | **441.24** | **6.04** | **15.60** | **3,954.80** | **18.57** | **5,765.88** |
| **Balance as at March 31, 2023** | **762.02** | **-** | **9.58** | **1,264.97** | **1,492.03** | **10.70** | **428.40** | **6.51** | **29.97** | **3,673.04** | **33.58** | **5,475.97** |

### Note 3.1 : Impairment

In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Holding Company had filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that “there appears to be force in the submissions and the issue requires scrutiny.

Further during the year ended March 31, 2021, the Holding Company had also challenged the mandate of the arbitrator under section 14 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Holding Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc amounting to INR 7,234.73 lakhs and interest thereon. The Holding Company has challenged afore mentioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has filed police complaint against the same.

Considering the facts explained above, management has decided to fully impair three cogeneration power plants in its books of accounts set up with respective sugar mills on Build, Own, Operate and Transfer (BOOT) basis. Hence, the management has recorded an impairment of INR 35,665.04 lakhs in the present value of the power plant as at March 31, 2024.

Out of the aforementioned impairment as at March 31, 2024 INR 26,788.49 lakhs pertain to, two power plants, which were yet to be capitalised and INR 8,876.56 lakhs are for power plant which has already been capitalised.

### Note 3.2: Contractual commitments

The Group does not have any outstanding contractual commitments to purchase any items of property, plant and equipment (including capital work in progress).

**Note 3.3:** Property, plant and equipment are pledged as collateral for borrowings from banks (Refer Note 17 and Note 22).

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

### Note 3.4: Capital work in progress

Assets under construction comprises of expenditure in the course of construction. The amount of expenditure recognised in carrying amount of capital work in progress are as under.

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Buildings under construction | 1,302.02 | 1,302.02 |
| Power plant equipment's under erection | 20,863.76 | 20,573.85 |
| Borrowing costs capitalised | 184.87 | 184.87 |
| Other expenses (directly attributable to construction/erection of assets) | | |
| Employee benefit expense | 1,099.37 | 1,099.37 |
| Depreciation | 491.36 | 491.36 |
| Other directly attributable expenses (including trial/test run expenses) | 8,828.45 | 8,828.46 |
| Less:- Revenue recognised during trial run period | (215.47) | (215.47) |
| Less:- Impairment (Refer Note 3.1) | (26,788.49) | (26,788.49) |
| **Total** | **5,765.87** | **5,475.97** |

**Capital work-in-progress ageing schedule for the year ended March 31, 2024 is as follows:**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 289.91 | 538.76 | 139.71 | - | **968.38** |
| Projects temporarily suspended | - | - | 134.12 | 4,663.38 | **4,797.30** |
| **Total** | **289.91** | **538.76** | **273.83** | **4,663.38** | **5,765.87** |

**Capital work-in-progress ageing schedule for the year ended March 31, 2023 is as follows:**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 538.76 | 273.84 | - | 1.85 | **814.44** |
| Projects temporarily suspended | - | - | 4.50 | 4,657.02 | **4,661.53** |
| **Total** | **538.76** | **273.84** | **4.50** | **4,658.87** | **5,475.97** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 4 :* OTHER INTANGIBLE ASSETS

| | Computer Software | Intangibles assets under development | Goodwill (Refer Note 5) |
|---|---|---|---|
| **Gross carrying amount:** | | | |
| **Balance as at April 01, 2022** | **794.27** | **41.94** | **3,563.65** |
| Additions | 2.50 | - | - |
| Disposal/adjustments | - | (41.94) | - |
| **Balance as at March 31, 2023** | **796.77** | **-** | **3,563.65** |
| Additions | 0.78 | - | - |
| Disposal/adjustments | - | - | - |
| **Balance as at March 31, 2024** | **797.55** | **-** | **3,563.65** |
| **Amortisation and impairment:** | | | |
| Balance as at April 1, 2022 | 788.60 | - | - |
| Amortisation | 4.38 | - | - |
| Disposal/adjustments | - | - | - |
| **Balance as at March 31, 2023** | **792.98** | **-** | **-** |
| Amortisation | 2.81 | - | - |
| Disposal/adjustments | - | - | - |
| **Balance as at March 31, 2024** | **795.79** | **-** | **-** |
| **Net carrying amount:** | | | |
| **Balance as at March 31, 2024** | **1.76** | **-** | **3,563.65** |
| **Balance as at March 31, 2023** | **3.79** | **-** | **3,563.65** |

**Note 4.1:** The Group Company does not have any outstanding contractual commitments to purchase any items of intangible assets.
**Note 4.2**: All amortisation is included in depreciation and amortisation expenses.

## *Note 5 :* IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations has been allocated to the four cash generating units (CGU) below, which are also operating and reportable segments, for impairment testing:

(i) Facility management services (FMS)

Carrying amount of goodwill allocated to each CGUs are as under;

| | As at March 31, 2024 | As at March31, 2023 |
|---|---|---|
| **(i)** Facility management services (FMS) | 3,563.65 | 3,563.65 |
| | **3,563.65** | **3,563.65** |

The Group performed its impairment test for the goodwill assessment. The Group considers the relationship between recoverable value which is calculated based on future discounted cash flows/net sale price, as applicable and its book value, among other factors, when reviewing for indicators of impairment.

**Facility management services (FMS)**

The recoverable amount of this segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 6:* INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | As at March 31, 2024 | As at March31, 2023 |
|---|---|---|
| **Carrying amount** | | |
| I. Investments in equity instruments | 1,502.79 | 3,142.67 |
| II. Investments in preference shares (Debt portion) | 2,020.42 | 3,802.39 |
| III. Investments in debentures (Debt portion) | 37.92 | 33.18 |
| **Total** | **3,561.13** | **6,978.24** |
| Details of investments: | | |
| **I. Investment in equity instruments [Valued at cost]:** | | |
| **Associate companies [Unquoted]:** | | |
| **a. In fully paid-up equity shares :** | | |
| 9,693,987 (March 31, 2023 9,693,987) equity shares of INR 10 each in Greeneffect Waste Management Limited | 969.40 | 969.40 |
| 10,000 (March 31, 2023 10,000) equity shares of INR 10 each in A2Z Waste Management (Jaipur) Limited | 1.00 | 1.00 |
| 24,000 (March 31, 2023 24,000) equity shares of INR 10 each in A2Z Waste Management (Nainital) Private Limited | 2.40 | 2.40 |
| | **972.80** | **972.80** |
| **b. Investment in preference shares (Equity portion)** | | |
| 171,200,000 (March 31, 2023 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in Greeneffect Waste Management Limited | 13,197.61 | 13,197.61 |
| | **13,197.61** | **13,197.61** |
| **c. Investment in debentures (Equity portion)** | | |
| 1,475,000 (March 31, 2023 1,475,000) fully paid-up, Zero Coupon debenture of INR 10 each in Greeneffect Waste Management Limited | 1,461.04 | 1,461.04 |
| | **1,461.04** | **1,461.04** |
| **d. Investment in Associate, other than in shares (Refer Note 6.1)** | 41.75 | 41.75 |
| | **41.75** | **41.75** |
| **Less:** Share of loss from associate accounted through equity method | (4,180.00) | (2,540.12) |
| **Less:** Provision for impairment in value of non-current investments | | |
| A2Z Waste Management (Nainital) Private Limited | (2.40) | (2.40) |
| Greeneffect Waste Management Limited | (9,987.01) | (9,987.01) |
| A2Z Waste Management (Jaipur) Limited | (1.00) | (1.00) |
| | **1,502.79** | **3,142.67** |
| **II. Investment in preference shares (Debt portion) [Valued at amortised cost]:** | | |
| **Subsidiary companies [Unquoted]:** | | |
| 171,200,000 (March 31, 2023 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in Greeneffect Waste Management Limited | 9,024.63 | 9,024.63 |
| **Less:** Provision for impairment in value of non-current investments and share of profit | (7,004.21) | (5,222.24) |
| | **2,020.42** | **3,802.39** |
| **III. Investment in debentures (Debt portion) [Valued at amortised cost]:** | | |
| 1,475,000 (March 31, 2023 1,475,000) fully paid-up, Zero Coupon debenture of INR 10 each in Greeneffect Waste Management Limited | 37.92 | 33.18 |
| | **37.92** | **33.18** |
| Aggregate amount of unquoted investments | **3,561.13** | **6,978.24** |
| Aggregate amount of impairment in value of investment | **(9,990.41)** | **(9,990.41)** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 6.1** Investment in associates, other than in shares, represents employee stock option exercised by employees of associates. This amount pertains to employee stock option granted to employees of the Group which were earlier subsidiaries and now have become associates of the Group.

**Note 6.2** The Holding Company, as at March 31, 2024, has non-current investments (net of impairment) amounting to INR 7,992.84 lakhs (March 31, 2023 : INR 7,992.84 lakhs), other current financial assets (net of impairment) amounting to INR Nil (March 31, 2023 : INR 2,826.46 lakhs) and current financial assets-loan amounting to INR 84.67 lakhs (March 31, 2023 : INR 84.67 lakhs) in its associate company Greeneffect Waste Management Limited which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). During the previous year, Holding Company has provided provision of INR 9,058.00 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2024 has been completely eroded. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.

**Note 6.3** The management has committed to provide continued operational and financial support to its subsidiaries/associates for meeting their working capital and other financial requirements and based upon approved future projections of the associates, believes that no impairment exist in excess of the provision already created and accordingly, no further adjustment is considered necessary in respect of carrying value of investments.

**Note 6.4** The Group does not have any quoted investments.

## *Note 7 :* LOANS

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| [Unsecured considered good, unless otherwise stated] | | |
| Loan to employees | 0.10 | 0.87 |
| Loans to associate companies (Refer Note 7.1 and Note 7.2) | 2,895.41 | 1,524.29 |
| Loans to others | 19.69 | 21.19 |
| **Total** | **2,915.20** | **1,546.35** |

**Note 7.1 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances to in nature of loans:**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Amount outstand-ing*" | Maximum amount out-standing during the year | Amount outstand-ing*" | Maximum amount out-standing during the year |
| Greeneffect Waste Management Limited | 839.29 | 843.48 | 843.17 | 4,447.57 |
| A2Z Waste Management (Dhanbad) Private Limited | 230.56 | 230.56 | 230.56 | 230.56 |
| A2Z Waste Management (Ranchi) Limited | 350.48 | 350.48 | 350.48 | 350.48 |
| A2Z Waste Management (Varanasi) Limited | 83.25 | 83.25 | 83.25 | 83.42 |
| A2Z Waste Management (Merrut) Limited | 8.92 | 8.92 | 8.92 | 8.92 |
| Shree Balaji Pottery Private Limited | 0.25 | 0.25 | 0.25 | 0.25 |
| Shree Hari Om Utensils Private Limited | 1.02 | 1.02 | 1.02 | 1.02 |
| A2Z Waste Management (Jaunpur) Limited | - | - | - | 0.49 |
| Earth Environment Management Services Private Limited | 1,375.00 | 1,375.00 | - | - |
| A2Z Waste Management (Moradabad) Limited | 6.64 | 6.64 | 6.64 | 6.64 |
| | **2,895.41** | **2,899.60** | **1,524.29** | **5,129.36** |

* net of impairment

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 7.2 :* Disclosure pursuant to section 186(4) of the Companies Act 2013:

**Nature of the transactions (loans given/investment made/guarantee given/security provided) #**

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (A) | **Loan and advances:** | | |
| | **Associates:** | | |
| | Greeneffect Waste Management Limited | 839.29 | 843.17 |
| | A2Z Waste Management (Dhanbad) Private Limited | 230.56 | 230.56 |
| | A2Z Waste Management (Ranchi) Limited | 350.48 | 350.48 |
| | A2Z Waste Management (Varanasi) Limited | 83.25 | 83.25 |
| | A2Z Waste Management (Merrut) Limited | 8.92 | 8.92 |
| | Shree Balaji Pottery Private Limited | 0.25 | 0.25 |
| | Shree Hari Om Utensils Private Limited | 1.02 | 1.02 |
| | Earth Environment Management Services Private Limited | 1,375.00 | - |
| | A2Z Waste Management (Moradabad) Limited | 6.64 | 6.64 |
| | **Total** | **2,895.41** | **1,524.29** |
| **(B)** | **Guarantees:*** | | |
| | **Associates**: | | |
| | Greeneffect Waste Management Limited | 8,715.00 | 15,715.00 |
| | A2Z Waste Management (Merrut) Limited | 1,100.00 | 1,100.00 |
| | A2Z Waste Management (Moradabad) Limited | 480.00 | 480.00 |
| | A2Z Waste Management (Varanasi) Limited | 2,000.00 | 2,000.00 |
| | | **12,295.00** | **19,295.00** |

# All transactions are in ordinary course of business.

* Also Refer Note 42(a)

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| **Type of Borrower** | **Amount of loan or advance in the nature of loan outstanding** | **Percentage to the total Loan and Advances in the nature of loans** | **Amount of loan or advance in the nature of loan outstanding** | **Percentage to the total Loans and Advances in the the nature of loan** |
| Promoter | - | 0.0% | - | 0.0% |
| Directors | - | 0.0% | - | 0.0% |
| KMPs | - | 0.00% | - | 0.00% |
| Related Parties | 2,895.41 | 99.3% | 1,524.29 | 98.6% |
| **Total** | **2,895.41** | **99.3%** | **1,524.29** | **98.6%** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 8 : OTHER FINANCIAL ASSETS*

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Current** | **Non - Current** | **Current** | **Non - Current** |
| (Unsecured, considered good unless otherwise stated) | | | | |
| Deferred purchase consideration against sale of investment | | | | |
| Considered doubtful | - | - | - | 146.00 |
| Less: Provisions for doubtful assets | - | - | - | (146.00) |
| | - | - | - | - |
| Earnest money deposit | | | | |
| Considered good | 197.29 | - | 241.12 | - |
| Considered doubtful | 226.88 | - | 226.88 | - |
| Less: Provisions for doubtful assets | (226.88) | - | (226.88) | - |
| | **197.29** | **-** | **241.12** | **-** |
| Other assets | | | | |
| Considered good | 9,948.34 | 466.27 | 10,152.68 | 466.27 |
| Considered doubtful | 590.98 | - | 611.65 | 99.00 |
| Less: Provisions for doubtful assets | (590.98) | - | (611.65) | (99.00) |
| | **9,948.34** | **466.27** | **10,152.68** | **466.27** |
| Contract revenue in excess of billings (Refer Note 8.1) | | | | |
| Considered good | 4,781.93 | - | 11,900.54 | - |
| Considered doubtful assets | 661.33 | - | 42.99 | - |
| Less: Provisions for doubtful assets | (661.33) | - | (42.99) | - |
| | **4,781.93** | **-** | **11,900.54** | **-** |
| Amount recoverable from associates and subsidiaries | | | | |
| Considered good | 1,791.41 | - | 3,975.35 | - |
| Considered doubtful | 7,666.99 | - | 877.12 | - |
| Less: Provisions for doubtful assets | (7,666.99) | - | (877.12) | - |
| | **1,791.41** | **-** | **3,975.35** | **-** |
| Security deposits | | | | |
| Considered good | 1,368.08 | 353.23 | 822.81 | 407.75 |
| Credit impaired | 169.48 | 50.30 | 169.48 | 50.30 |
| Less: Provisions for impairment | (169.48) | (50.30) | (169.48) | (50.30) |
| | **1,368.08** | **353.23** | **822.81** | **407.75** |
| Interest accrued on fixed deposits | 8.98 | 0.14 | 17.81 | 0.14 |
| Bank deposits with more than 12 months maturity** | - | 480.34 | - | 586.37 |
| **Total** | **18,096.04** | **1,299.98** | **27,110.31** | **1,460.53** |

** Held as margin money against bank guarantees, letter of credit and as debt service reserve account against term loan from banks.

**Note 8.1:** Contract revenue in excess of billings, pertain to revenue recognized by the Holding Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Holding Company in accordance with the terms implicit in the contract. The delay in billing these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussion with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to recover the amounts owing to completion of certain administrative and contractual matters, the current carrying value is representative of the amount considered realisable.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 9:* DEFERRED TAX ASSETS

| | | As at March 31, 2022 | Credit /Charge to statement of profit and loss and comprehensive income | As at March 31, 2023 | Credit /Charge to statement of profit and loss and comprehensive income | As at March 31, 2024 |
|---|---|---|---|---|---|---|
| a) | **Deferred tax assets (net)** | | | | | |
| | **Deferred tax liabilities/ (assets)** | | | | | |
| | Property, plant and equipment | (859.18) | 898.45 | 39.27 | (11.18) | 28.09 |
| | | **(859.18)** | **898.45** | **39.27** | **(11.18)** | **28.09** |
| | **Deferred tax assets** | | | | | |
| | Unabsorbed losses and depreciation | 14.64 | 1.02 | 15.66 | (15.66) | - |
| | Provision for doubtful advances and others* | 96.47 | 775.62 | 872.09 | 0.03 | 872.12 |
| | Provision for doubtful debts and unbilled receivables | 1,383.12 | (1,314.36) | 68.76 | 75.22 | 143.98 |
| | Other provisions for expense allowance on payment basis under income tax act (net) | 665.33 | (495.34) | 169.99 | 126.59 | 296.58 |
| | | **2,159.56** | **(1,033.06)** | **1,126.50** | **186.18** | **1,312.68** |
| | **Total** | **3,018.74** | **(1,931.51)** | **1,087.23** | **197.36** | **1,284.59** |
| | * Includes deferred tax charged to other comprehensive income INR 23.85 lakhs (March 31, 2023 : INR 5.20 lakhs) | | | | | |
| b) | **Deferred tax liabilities (net)** | | | | | |
| | **Deferred tax liabilities** | | | | | |
| | Depreciation | 0.14 | (0.14) | - | 0.04 | 0.04 |
| | **Total** | **0.14** | **(0.14)** | **-** | **0.04** | **0.04** |

The group has not recognised deferred tax asset in respect of losses and unabsorbed depreciation & other items of INR 50,922.57 lakhs and INR 12,636.71 lakhs, respectively (March 31, 2023: INR 68,449.45 lakhs and INR 13,259.03 lakhs respectively) as there is no reasonable certainty supported by convincing evidences of their recoverability in the near future. (Refer Note 33.1)

## *Note 10 :* NON-CURRENT TAX ASSETS (NET)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Tax deposited (net of provision) | 4,840.64 | 5,751.27 |
| **Total** | **4,840.64** | **5,751.27** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 11 :* OTHER ASSETS

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Current** | **Non - Current** | **Current** | **Non - Current** |
| [Unsecured, considered good unless otherwise stated] | | | | |
| Capital advances | | | | |
| Considered good | - | 438.59 | - | 446.86 |
| Considered doubtful | - | 12.60 | - | 12.60 |
| Less: Provision for doubtful advances | - | (12.60) | - | (12.60) |
| | - | **438.59** | - | **446.86** |
| Other advances | | | | |
| Considered good | 4,890.48 | - | 5,555.03 | - |
| Considered doubtful | 1,381.98 | - | 1,381.98 | - |
| Less: Provision for doubtful advances | (1,381.98) | - | (1,381.98) | - |
| | **4,890.48** | **-** | **5,555.03** | - |
| Prepaid expenses | 58.13 | - | 67.05 | - |
| Balances with government authorities | | | | |
| Considered good | 1,701.11 | 50.68 | 2,110.01 | 50.68 |
| Considered doubtful | 2,735.68 | - | 1,591.98 | - |
| Less: Provision for doubtful advances | (2,735.68) | (50.68) | (1,591.98) | - |
| **Total** | **6,649.72** | **438.59** | **7,732.09** | **497.54** |

## *Note 12 :* INVENTORIES

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| [Valued at lower of cost or net realisable value] | | |
| Project stores and spares | - | 2.36 |
| Raw material | - | 19.88 |
| Finished goods | - | 439.76 |
| **Total** | **-** | **462.00** |

**Note 12.1 :** Inventories are pledged as collateral for borrowings from banks (Refer Note 17 & Note 22)

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 13 :* TRADE RECEIVABLES

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Trade receivables - (Unsecured):** | | |
| From other than related parties | | |
| Considered good | 15,330.17 | 31,955.20 |
| Credit impaired | 25,474.49 | 19,522.24 |
| | **40,804.66** | **51,477.44** |
| From related parties | | |
| Considered good | 289.09 | 536.22 |
| Credit impaired | 25.07 | 188.16 |
| | **314.16** | **724.38** |
| Less: Loss allowance (Refer Note 13.3) | (25,499.56) | (19,710.40) |
| **Total** | **15,619.26** | **32,491.42** |

**Note 13.1 :** Trade receivables include retention money of INR 17,512.21 lakhs (March 31, 2023 INR 28,679.97 lakhs) which are due on completion of erection / contracts / final acceptance by the customers. The management is confident of recovering these amounts (net of provision) upon erection / contract completion.

**Note 13.2 :** All trade receivables are short-term. The effect of any difference between the effective interest rate applied and the estimated current market rate is not significant. Allowance for credit losses has been recorded accordingly within other expenses, and is based on the expected credit loss methodology. The doubtful trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

**Note 13.3 :** The movements in the loss allowance is presented below:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Balance as at the beginning of the year** | 19,710.40 | 20,781.08 |
| Changes in loss allowance:- | | |
| Add: Provided during the year | 5,789.16 | 782.51 |
| Less: Receivables written off during the year | - | 1,853.19 |
| **Balance as at the end of the year** | **25,499.56** | **19,710.40** |

**Note 13.4 : Ageing of trade receivables**

**Ageing of trade receivables at March 31, 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Undisputed trade receivables** | | | | | | |
| - considered good | 5,841.33 | 1,059.79 | 1,878.27 | 1,718.20 | 13,794.99 | **24,292.58** |
| - which have significant increase in credit risk | 11.83 | 57.97 | 72.04 | 124.83 | 10,031.17 | **10,297.84** |
| - credit impaired | - | - | - | - | 710.88 | **710.88** |
| **Disputed trade receivables** | | | | | | |
| - considered good | - | - | - | - | 405.74 | **405.74** |
| - which have significant increase in credit risk | - | - | 21.71 | 1.32 | 415.03 | **438.06** |
| - credit impaired | 1,409.62 | - | - | 191.15 | 3,372.95 | **4,973.72** |
| | **7,262.78** | **1,117.76** | **1,972.02** | **2,035.50** | **28,730.76** | **41,118.82** |
| **Less - Loss Allowances** | | | | | | 25,499.56 |
| **Total** | | | | | | **15,619.26** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024 (Unless otherwise stated, all amounts are in INR Lakhs)**

**Ageing of trade receivables at March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Undisputed trade receivables** | | | | | | |
| - considered good | 5,856.77 | 1,425.80 | 2,871.36 | 4,402.89 | 23,239.51 | **37,796.33** |
| - which have significant increase in credit risk | 22.28 | 58.33 | 127.43 | 174.52 | 8,686.85 | **9,069.41** |
| - credit impaired | - | - | 191.15 | 1,210.42 | 733.76 | **2,135.33** |
| **Disputed trade receivables** | | | | | | |
| - considered good | - | - | - | - | 463.37 | **463.37** |
| - which have significant increase in credit risk | - | 22.02 | 3.50 | 8.66 | 511.24 | **545.42** |
| - credit impaired | - | - | - | 2.67 | 2,189.28 | **2,191.95** |
| | **5,879.05** | **1,506.15** | **3,193.44** | **5,799.16** | **35,824.01** | **52,201.82** |
| Less - Loss Allowances | | | | | | 19,710.40 |
| **Total** | | | | | | **32,491.42** |

## *Note 14 :* CASH AND CASH EQUIVALENTS

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balances with banks in current account(Refer Note 14.1) | 125.09 | 1,059.29 |
| Cash in hand | 18.97 | 4.80 |
| **Total** | **144.06** | **1,064.09** |
| **Note 14.1** Balances with banks include: | | |
| i Balance in current account | 118.18 | 1,052.37 |
| ii Balances with Banks in deposits account having original maturity of less than three months | 6.91 | 6.92 |
| | **125.09** | **1,059.29** |

## *Note 15 :* OTHER BANK BALANCES

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Fixed deposit with bank having original maturity of more than three months less than a year [^] | 141.98 | 141.98 |
| **Total** | **141.98** | **141.98** |

[^] Fixed deposits with banks held as margin money for issue of bank guarantees and as debt service reserve account against term loans from banks.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 16 :* EQUITY SHARE CAPITAL

| | | Number of Shares | Amount |
|---|---|---|---|
| **(i)** | **Authorised share capital** | | |
| | **Equity shares of INR 10 each** | | |
| | **Balance as at April 01, 2022** | **24,00,00,000** | **24,000.00** |
| | Changes in equity share capital | - | - |
| | **Balance as at March 31, 2023** | **24,00,00,000** | **24,000.00** |
| | Changes in equity share capital | - | - |
| | **Balance as at March 31, 2024** | **24,00,00,000** | **24,000.00** |
| **(ii)** | **Issued, subscribed and fully paid up** | | |
| | **Equity Shares of INR 10 each** | | |
| | **Balance as at April 01, 2022** | 17,61,19,858 | 17,611.99 |
| | Issue of equity share capital | - | - |
| | **Balance as at March 31, 2023** | **17,61,19,858** | **17,611.99** |
| | Issue of equity share capital | - | - |
| | **Balance as at March 31, 2024** | **17,61,19,858** | **17,611.99** |

**(iii) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:-**

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Number of Shares** | **Amount** | **Number of Shares** | **Amount** |
| **Balance as at the beginning of the year** | 17,61,19,858 | 17,611.99 | 17,61,19,858 | 17,611.99 |
| **Balance as at the end of the period** | **17,61,19,858** | **17,611.99** | **17,61,19,858** | **17,611.99** |

**(iv) Rights, preferences and restrictions attached to equity shares:**

**Terms/rights attached to equity shares**

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

**(v)** No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2024 and March 31, 2023.

**(vi)** No equity shares of INR 10.00 each bought back pursuant to Section 68, 69 and 70 of the Companies Act, 2013 for the period of 5 years immediately preceding March 31, 2024 and March 31, 2023.

**(vii) Shares reserved for issue under options**

Information relating to Employee option plan, including details of options issues, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 29.2

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**(viii) Details of shares held by shareholders holding more than 5% equity shares of the Company:**

| Equity shares of INR 10 each fully paid up | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Number of shares held | Holding | Number of shares held | Holding |
| Amit Mittal | 2,73,50,601 | 15.53% | 2,73,50,601 | 15.53% |
| Mestric Consultants Private Limited | 2,22,00,000 | 12.61% | 2,22,00,000 | 12.61% |
| | **4,95,50,601** | **28.13%** | **4,95,50,601** | **28.13%** |

**(ix) Shares held by promoters and promoter group at the end of the year:**

| | As at March 31, 2024 | | As at March 31, 2023 | | % Holding |
|---|---|---|---|---|---|
| | Number of shares held | Holding | Number of shares held | Holding | during the year |
| **Equity shares of INR 10 each fully paid up** | | | | | |
| Amit Mittal | 2,73,50,601 | 15.53% | 2,73,50,601 | 15.53% | 0.00% |
| Mestric Consultants Private Limited | 2,22,00,000 | 12.61% | 2,22,00,000 | 12.61% | 0.00% |
| Priya Goel | 10,382 | 0.01% | 10,382 | 0.01% | 0.00% |
| | **4,95,60,983** | **28.14%** | **4,95,60,983** | **28.14%** | **0.00%** |

## *Note 17 :* NON- CURRENT BORROWINGS*

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Current | Non - Current | Current | Non - Current |
| **Carried at amortised cost-secured** | | | | |
| **Term loans** | | | | |
| From banks (Refer Note 17.2 and Refer Note 17.9) | 723.22 | - | 1,931.22 | 300.00 |
| From financial institution (Refer Note 17.3 and Refer Note 17.9) | - | - | 3,525.00 | - |
| Working capital term loans | | | | |
| From banks (Refer Note 17.4 and Refer Note 17.9) | 354.30 | - | 354.30 | - |
| Funded interest term loans | | | | |
| From banks (Refer Note 17.5, 17.6 and 17.9) | 609.25 | - | 609.25 | - |
| Vehicle loans | | | | |
| From banks (Refer Note 17.7 and Refer Note 17.9) | - | - | 13.44 | - |
| From financial institution (Refer Note 17.7 and Refer Note 17.9) | 56.50 | 30.27 | 23.72 | 42.88 |
| **Carried at amortised cost - Unsecured** | | | | |
| Debt portion of debentures (Refer Note 17.8) | - | 59.95 | - | 55.60 |
| | **1,743.27** | **90.22** | **6,456.93** | **398.48** |
| Less: Amount disclosed under current borrowings as 'Current maturities of long-term borrowings' (Refer Note 22) | 1,743.27 | - | 6,456.93 | - |
| **Total** | **-** | **90.22** | **-** | **398.48** |

* Refer Note 50

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 17.1: Restructuring of borrowings under Corporate Debt Restructuring Scheme (CDR Scheme):**

The Corporate Debt Restructuring (CDR) proposal to re-structure the debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme") of the Holding Company, having January 01, 2013 as the "cut-off date", was approved by the CDR Cell vide its Letter of Approval (LOA) dated December 28, 2013 as further modified dated February 03, 2014. From the "cut-off date" the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR Scheme.

**Details of terms of repayment for the non-current borrowings (including current maturities) and security provided in respect of secured non-current borrowings:**

**Note 17.2: Term loans from banks:**

1) Term loans from banks amounting to INR 169.48 lakhs (March 31, 2023 INR 169.48 lakhs) having interest rate of 10.15% - 10.75% per annum during the year are repayable in 28 quarterly instalments, first installment was due in March 2016. The above loan is secured against:

   (i) First charge ranking pari passu on present and future fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

   (ii) Second charge ranking pari passu on present and future current assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

   (iii) Second charge ranking pari passu on both present and future current assets, as well as fixed assets of Company other than assets exclusively financed to other lenders.

2) Term loans from banks amounting to INR 253.74 lakhs (March 31, 2023 INR 1,561.74 lakhs) having interest rate from 10.15% - 10.75% per annum during the year are repayable in 21 quarterly instalments, first installment was due in March 2016.

   The above loan is secured against:

   (i) First charge ranking pari passu on both present and future current assets as well as fixed assets of the Company other than assets exclusively charged to other lenders.

   (ii) Second charge ranking pari passu on both present and future current assets of the power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

3) Term loans from bank amounting to INR 300.00 lakhs (March 31, 2023 INR 500.00 lakhs) having interest rate of 12% per annum, pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of facilities taken from bank. For DBS, it is repayable in 3 installments and the first installment was due in March 2023. (Refer Note: 43.1).

   The above mentioned loans of DBS Bank is secured against:-

   i) Equity shares of A2Z Infraservices Limited ("subsidiary company").

**Note 17.3: Term loans from financial institution:**

The loan amounting to INR Nil (March 31, 2023 INR 3,525.00 lakhs) was secured against first pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited.

The above loan was secured against

(i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

(ii) Second pari-passu charge on fixed assets and current assets on EPC business.

Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled and paid during financial year 2023-24.

**Note 17.4 : Working Capital Term Loan :**
Working capital term loans from bank amounting to INR 354.30 lakhs (March 31, 2023 INR 354.30 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly instalments. First instalment was due in March 2015.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

The above loan is secured against:

(i) First pari passu charge on both present and future fixed assets as well as current assets of the Company or Borrower other than assets exclusively charged to other lenders.

(ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

**Note 17.5 : Funded Interest Term Loan -1 (EPC)** :

Funded interest term loans from bank amounting to INR 298.01 lakhs (March 31, 2023 INR 298.01 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 25 quarterly instalments. First instalment was due in March 2015.

The above loan is secured against:

(i) First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders.

ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

**Note 17.6 : Funded Interest Term Loan -2 (EPC) :**

Funded interest term loans from bank amounting to INR 311.24 lakhs (March 31, 2023 INR 311.24 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in single instalment, which will due in March 2021.

The above loan is secured against:

(i) First charge pari passu on both present and future current asset as well as fixed assets of the EPC business other than assets exclusively charged to lenders.

(ii) Second charge pari passu on both current assets and fixed assets of the 3 biomass power plant projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. “

**Note 17.7: Vehicle loans:**

1) Vehicle loan outstanding of INR Nil (March 31, 2023 13.44 lakhs), in case of Ecogreen Envirotech Solutions Limited , from Bank of Baroda was secured by charge on all the respective vehicle. The loan was repayable in 60 equal monthly instalment and carried an interest rate of 9.10%.

2) Term loan outstanding of aggregate INR 86.77 lakhs (March 31, 2023 66.60 lakhs), in case of Ecogreen Envirotech Solutions Limited , from Kogta Financial (India) Limited is secured by charge on all the respective vehicle. The loan is repayable in 48 and 36 equal monthly instalment and carries an interest rate of 17.41% p.a. and 19.14% p.a.

**Note 17.8 Debt portion of debentures**

1. Zero coupon debentures issued by Rishikesh Waste Management Limited (subsidiary company) of INR 470.00 (March 31, 2023 INR 470.00 lakhs) lakhs issued to to Greeneffect Waste Management Limited (Formerly known as : A2Z Green Waste Management Limited) on April 1, 2016 till October 1, 2056. This being compound financial instrument, the same has been discounted and debt portion amounting INR 10.59 lakhs (March 31, 2023 INR 10.59 lakhs) is shown as borrowing in the consolidated financial statement.

2. Zero coupon debentures issued by A2Z Waste management (Aligarh) Limited (subsidiary company) of INR 630.00 (March 31, 2023 INR 630.00 lakhs) lakhs issued to A2Z Waste management (Ranchi) Limited on October 1, 2016 till October 1, 2056. This being compound financial instrument, the same has been discounted and debt portion amounting INR 49.36 lakhs (March 31, 2023 INR 45.01 lakhs) is shown as borrowing in the consolidated financial statement.

**Note 17.9: The Group has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below**:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Banks:** | | |
| -Principal | | |
| 0-3 Months | - | 6.05 |
| 3-6 Months | - | - |
| 6-12 Months | 6.05 | 58.98 |
| > 12 months | 1,380.78 | 2,176.39 |
| -Interest | | |
| 0-3 Months | 31.51 | 46.08 |
| 3-6 Months | 37.66 | 20.91 |
| 6-12 Months | 84.10 | 162.02 |
| > 12 months | 410.98 | 187.45 |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 18 :* LEASE LIABILITY

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non -Current |
| Lease liability (Refer Note 53) | 11.92 | 7.70 | 14.48 | 19.63 |
| | **11.92** | **7.70** | **14.48** | **19.63** |

## *Note 19 :* OTHER FINANCIAL LIABILITIES

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non -Current |
| Interest accrued (Refer Note 50) | 3,069.82 | - | 4,313.26 | - |
| Book overdrafts | 0.06 | - | 0.06 | - |
| Security deposits received | 928.81 | - | 3,325.84 | - |
| Payable against purchase of property, plant and equipment | 87.62 | - | 89.25 | - |
| Payable to others | 665.74 | - | 883.78 | - |
| **Total** | **4,752.05** | **-** | **8,612.19** | **-** |

## *Note 20:* PROVISIONS

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non -Current |
| **Provisions for employee benefit:** | | | | |
| Provision for gratuity (Refer Note 20 ii) | 21.29 | 935.63 | 14.10 | 640.82 |
| **Others** | | | | |
| Provision for warranty (Refer Note 20 i) | - | 2,032.37 | 31.74 | 2,991.65 |
| **Total** | **21.29** | **2,968.00** | **45.84** | **3,632.47** |

**Movements in provisions:**

**i) Movement in provision for warranty/liquidated damages during the financial year are as follows:**

| | Warranty |
|---|---|
| **As at April 01, 2022** | **3,803.76** |
| Charged/ (credited) to profit /loss | |
| Additional provision recognized | 273.49 |
| Unwinding of discount | 51.65 |
| Amount added / reversed during the year | (1,105.51) |
| **As at March 31, 2023** | **3,023.39** |
| Charged/ (credited) to profit /loss | |
| Additional provision recognized | 112.28 |
| Unwinding of the discounting | 12.92 |
| Amount added / reversed during the year | (1,116.22) |
| **As at March 31, 2024** | **2,032.37** |

A provision is recognised for expected warranty claims, based on past experience, for expected cost of meeting obligations of rectification/replacement. It is expected that most of these costs will be incurred in the next 1 year and all would have

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024 (Unless otherwise stated, all amounts are in INR Lakhs)**

been incurred within 2 years after the reporting date. The Group accounts for the provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates / trends. These estimates are established using historical information on the nature and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

**ii) Defined benefit plan and long term employment benefit**

**A General description:**

**Gratuity [Defined benefit plan]:**

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. The gratuity plan is governed by the Payment of Gratuity Act, 1972. 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. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

**A reconciliation of the Group's defined benefit obligation (DBO) and plan assets, i.e. the gratuity plan, to the amounts presented in the statement of financial position for each of the reporting periods is presented below:**

**Assets and liability (Balance sheet position)**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Present value of obligation | 969.77 | 667.26 |
| Fair value of plan assets | 12.85 | 12.34 |
| **Net liability** | **956.92** | **654.92** |

**Expenses recognised during the year**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| In statement of profit and loss | 320.62 | 310.45 |
| In other comprehensive income | 103.58 | (101.36) |
| **Total expenses recognized during the year** | **424.20** | **209.11** |

**Defined benefit obligation**

**The details of the Group's DBO are as follows:**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Present value of obligation as at the beginning** | **667.26** | **701.32** |
| Current service cost | 272.78 | 261.51 |
| Interest expense | 48.75 | 49.80 |
| Re-measurement or actuarial (gain) / loss arising from: | | |
| - change in demographic assumptions | - | - |
| - change in financial assumptions | 169.30 | (15.24) |
| - experience adjustments | (66.12) | (86.58) |
| Benefits paid | (122.20) | (243.55) |
| **Present value of obligation as at the year end** | **969.77** | **667.26** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Bifurcation of net liability**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Current liability | 21.29 | 14.10 |
| Non-current liability | 935.63 | 640.82 |
| **Net liability** | **956.92** | **654.92** |

**Plan assets**

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

**Changes in the fair value of plan assets**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Fair value of plan assets as at the beginning** | **12.34** | **11.95** |
| Investment Income | 0.91 | 0.85 |
| Employer's contribution | - | 19.67 |
| Benefits paid | - | (19.67) |
| Return on plan assets (excluding amount recognised in net interest expense) | (0.40) | (0.46) |
| **Fair value of plan assets as at the year end** | **12.85** | **12.34** |

**Expenses recognised in the profit and loss statement**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Current service cost | 272.78 | 261.51 |
| Net interest cost / (income) on the net defined benefit liability / (asset) | 47.84 | 48.95 |
| **Expenses recognised in the statement of profit and loss** | **320.62** | **310.46** |

**Other comprehensive income**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Actuarial (gains) / losses** | | |
| - change in financial assumptions | 169.30 | (15.24) |
| - experience variance (i.e. Actual experience vs assumptions) | (66.12) | (86.58) |
| Return on plan assets (excluding amount recognised in net interest expense) | 0.40 | 0.46 |
| **Components of defined benefit costs recognised in other comprehensive income** | **103.58** | **(101.36)** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Financial assumptions**

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Discount rate (per annum) | 7.15% - 7.30% | 7.30% |
| Salary growth rate (per annum) | 5% - 8% | 5.00% |

**Demographic assumptions**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Mortality Rate (% of IALM 06-08) | 100.00% | 100.00% |
| Normal Retirement age | 60 Years | 60 Years |
| Withdrawal rates, based on service years: (per annum) | | |
| 4 and below years | 2-20% | 2-20% |
| Above 4 years | 2.00% | 2.00% |

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

**Sensitivity analysis**

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Defined benefit obligation (Base) | 969.77 | 667.26 |

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Decrease** | **Increase** | **Decrease** | **Increase** |
| Discount Rate (- / + 1%) | 1,124.40 | 843.21 | 768.31 | 582.59 |
| (% change compared to base due to sensitivity) | 15.95% | -13.05% | 20.05% | -16.33% |
| Salary Growth Rate (- / + 1%) | 842.01 | 1,123.19 | 580.78 | 769.01 |
| (% change compared to base due to sensitivity) | -13.17% | 15.82% | -16.07% | 19.43% |
| Attrition Rate (- / + 50%) | 1,032.33 | 913.70 | 650.49 | 678.52 |
| (% change compared to base due to sensitivity) | 6.45% | -5.78% | -4.73% | 2.83% |
| Mortality Rate (- / + 10%) | 969.37 | 970.15 | 665.75 | 667.04 |
| (% change compared to base due to sensitivity) | -0.04% | 0.04% | -0.12% | 0.12% |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**The following payments are expected contributions to the defined benefit plan in future years:**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Within the next 12 months [next annual reporting period] | 21.64 | 22.59 |
| Between 2 and 5 years | 147.79 | 109.88 |
| Between 5 and 10 years | 343.88 | 245.58 |
| Beyond 10 years | 2,905.77 | 1,934.35 |
| **Total expected payments** | **3,419.08** | **2,312.40** |

The average duration of the defined benefit plan obligation at the end of reporting period is 5-20 years (March 31, 2023 7-20 years).

## *Note 21 :* OTHER LIABILITIES

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Current | Non - Current | Current | Non- Current |
| Advances from customers | 1,369.05 | - | 1,174.63 | - |
| Billing in excess of contract revenue | 3,437.70 | - | 3,400.51 | - |
| Statutory dues payable | 1,232.35 | - | 6,659.21 | - |
| Other payables | | | | |
| Subsidy (Refer Note 21.1) | - | 2,444.78 | - | 2,492.85 |
| Lease equalisation reserve | - | 364.46 | - | 359.75 |
| Others | 2,043.80 | - | 2,279.20 | - |
| **Total** | **8,082.90** | **2,809.24** | **13,513.55** | **2,852.60** |

**Note 21.1:** Government grants are related to setup of Collection, Transportation and Processing of Municipal and Solid waste at various locations in India. There are no unfulfilled conditions or other contingencies attached to these grants. The group did not benefit directly from any other forms of government assistance.

## *Note 22 :* CURRENT BORROWINGS *

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Carried at amortised cost** | | |
| **Secured borrowings from banks (Refer Note 22.1 and 22.3)** | | |
| Working capital loans | 832.47 | 881.21 |
| Cash credit facilities | 15,072.23 | 19,834.30 |
| Term loans | - | 2,685.36 |
| Current maturities of long term debt (Refer Note 17 and Note 50) | 1,743.27 | 6,456.93 |
| **Secured borrowings from related party (Refer Note 22.3)** | | |
| **Unsecured borrowings (Refer Note 22.2)** | | |
| From related parties | 1,531.41 | 897.25 |
| From others | 505.88 | 155.88 |
| **Total** | **19,685.26** | **30,910.93** |

* Refer Note 50

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 22.1: Working capital loans from banks and other secured loans**

a) The working capital loans of INR 832.47 lakhs (March 31, 2023 INR 881.21 lakhs) and Cash credit facilities of INR 14,798.78 lakhs (March 31, 2023 INR 18,597.40 lakhs) from banks are secured against whole of the assets (both current as well as fixed) of the Company, namely stock of raw material, stock in process, semi-finished and finished goods, stores and spares (consumable stores and spares), bills receivables and book debts and all other movables and fixed assets (except fixed assets exclusively financed by other lenders) both present and future stored or to be stored at the Company's godown, premises and division at O-116, First Floor Shopping mall, Arjun Marg, DLF City Phase - I, Gurugram or wherever else the same may be by way of first pari - passu charge amongst the consortium members. The charge is also additionally secured by first charge over immovable properties i.e.

I) Plot No. G-1030 A having 1500 sq mtr. area situated at Industrial Area, Bhiwadi PhaseIII, Bhiwadi, Rajasthan in the name of Shree Balaji Pottery Private Limited;

II) Plot No. G-1030 having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase III, Bhiwadi, Rajasthan in the name of Shree Hari Om Utensils Private Limited;

III) Office space on 7th Floor of a B+G+7 storied commercial building on east side of LA-VIDA Mall at CK-3,4, 48, 49 Salt Lake City, Sector-II, Kolkata

IV) Mortgage of following properties :

(a) Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab

(b) Land measuring about 5.309 Hectare situated at village Palsora, District Indore

(c) Land with Boundary wall, Khasra No. 70, Vill Sherpur Madho urf Ghania Khera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 1.465 Hectare or 3.62 acre

V) Additionally, the following properties in the name of personal guarantor's has also been secured by way of first charge:

(a) Flat, 401, Block A-3, Unitech Apartment, Unitech World, Gurgaon
(b) Flat, A-126, Type Chancellor on 12th Floor in Regency Park I along with PA-114, DLF City Gurgaon
(c) Flat, 1706 located at valley view Apartments, Gurgaon
(d) Flat, 1606 located at valley view Apartments, Gurgaon
(e) O-116, Shopping Mall, DLF Phase -1, Arjun Marg, Gurgaon

Further secured by Corporate Guarantees of Shree Hariom Utensils Private Limited and Balaji Pottery Private Limited. The rate of interest vary from 10.15% - 13.25% per annum and these loans are repayable on demand.

b) Second charge on pari-passu basis over all rights, titles, interest, benefits, claims and demands in respect of projects and insurance contracts and over all movable and immoveable properties, accounts, plant and machinery, all other tangible moveable assets both present and future, project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature in respect of project.

2. Cash credit facility from banks amounting to INR 273.45 lakhs (March 31, 2023 INR 1,236.90 lakhs), in case of A2Z Infraservices Limited, are secured by first pari passu charge on the current assets of subsidiary company including book debts and other receivable and fixed assets of the subsidiary company and also by Corporate Guarantee of the Holding Company and personal guarantee of Mr. Amit Mittal (Managing Director) and Ms. Dipali Mittal (Director) of the Company.

3. Term loan from Yes Bank amounting to INR Nil (March 31, 2023 INR 2,685.36 lakhs), in case of Mansi Bijlee & Rice Mills Limited, was repayable in 4 structured Instalments starting after a moratorium period of 14 Months from the date of disbursement. The loan carried an interest rate of 1.05% (""spread"") over and above 6 Months MCLR.

The above loan was secured against:

(i) Exclusive charge on all current and movable fixed assets (both present and future) of the Borrower to remain valid during entire tenor of Yes bank facilities.

(ii) Exclusive charge over all cash flows (both present and future) of the Borrower to remain valid during entire tenor of Yes bank facilities.

(iii) Unconditional & Irrevocable Personal Guarantee of Mr. Amit Mittal (Managing Director) of the Company to remain valid during the entire tenor of Yes bank facilities.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during financial year 2023-24.

**Note 22.2:** The unsecured borrowing from others and related parties is repayable on demand and having an interest rate of 10.75% - 19.14 % per annum.

**Note 22.3:** The Group has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Banks:** | | |
| **-Principal** | | |
| 0-3 Months | - | - |
| 3-6 Months | - | - |
| 6-12 Months | - | - |
| > 12 months | 7,673.71 | 8,362.33 |
| **-Interest** | | |
| 0-3 Months | 375.52 | 625.97 |
| 3-6 Months | 571.86 | 399.40 |
| 6-12 Months | 1,234.72 | 1,353.34 |
| > 12 months | 4,969.10 | 4,505.80 |
| **Financial institutions:** | | |
| **-Principal** | | |
| 0-3 Months | - | 1,000.00 |
| 3-6 Months | - | 100.00 |
| 6-12 Months | - | 1,450.00 |
| > 12 months | - | 975.00 |
| **-Interest** | | |
| 0-3 Months | - | 140.71 |
| 3-6 Months | - | 81.88 |
| 6-12 Months | - | 152.10 |
| > 12 months | - | 124.48 |

## *Note 23 :* TRADE PAYABLES

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer note 23.1) | 200.91 | 16.30 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 27,567.75 | 36,171.19 |
| **Total** | **27,768.66** | **36,187.49** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## Note 23.1 Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 *

The micro and small enterprises have been identified by the Group from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| 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 | 196.86 | 11.88 |
| - interest amount | 1.07 | 1.35 |
| 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 | 4.05 | 4.42 |
| 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 | - | - |

* The information has been given in respect of such vendors to the extent they could be identify as "Micro, Small & Medium Enterprises" on the basis of information available with the Company.

## Note 23.2 Ageing of trade payables

**Ageing of trade payables as at March 31, 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSMED | 0.47 | 189.14 | 3.24 | 0.44 | 7.62 | **200.91** |
| (ii) Others | 13,205.27 | 6,060.36 | 3,465.14 | 1,190.64 | 3,617.34 | **27,538.75** |
| (iii) Disputed dues – MSME | - | - | - | - | - | **-** |
| (iv) Disputed dues - Others | - | - | - | - | 29.00 | **29.00** |
| **Total** | **13,205.74** | **6,249.50** | **3,468.38** | **1,191.08** | **3,653.96** | **27,768.66** |

**Ageing of trade payables as at March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSMED | 0.47 | - | 7.28 | 0.42 | 8.13 | **16.30** |
| (ii) Others | 23,883.17 | 5,051.22 | 2,020.73 | 678.29 | 4,508.78 | **36,142.19** |
| (iii) Disputed dues – MSME | - | - | - | - | - | **-** |
| (iv) Disputed dues - Others | - | - | - | - | 29.00 | **29.00** |
| **Total** | **23,883.64** | **5,051.22** | **2,028.01** | **678.71** | **4,545.91** | **36,187.49** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 24 :* CURRENT TAX LIABILITIES

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Current tax liabilities (net of advance tax) | 12.11 | 12.11 |
| | **12.11** | **12.11** |

## *Note 25 :* REVENUE FROM OPERATIONS*

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Sale/rendering of services | | |
| Revenue from engineering services | 8,599.77 | 6,940.80 |
| Revenue from facility management services | 22,011.20 | 19,765.24 |
| Revenue from collection and transportation of municipal solid waste | 8,231.78 | 8,184.26 |
| Sale of products | | |
| Compost sale | 2.11 | 33.05 |
| Miscellaneous sale | 3.94 | 2.96 |
| Other operating revenues: | | |
| Sale of traded goods | - | 17.85 |
| **Total** | **38,848.80** | **34,944.16** |

*Refer Note 45

## *Note 26 :* OTHER INCOME

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Interest income | | |
| on fixed deposits | 25.44 | 52.63 |
| on income tax refund | 10.08 | 0.10 |
| on others | 8.15 | 8.42 |
| Other non-operating income | | |
| Rental income | 2.10 | 28.72 |
| Foreign exchange fluctuation (net) | - | 11.08 |
| Subsidy amortised | 48.07 | 48.07 |
| Liabilities written back | 3,625.40 | 2,914.73 |
| Profit from sale of property, plant and equipment | 0.10 | - |
| Miscellaneous | 57.67 | 197.66 |
| **Total** | **3,777.01** | **3,261.41** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 27:* COST OF MATERIALS CONSUMED

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Opening inventory - project | 22.24 | 16.50 |
| Add: Raw material purchased | 4,449.53 | 1,893.59 |
| Less: Closing inventory - raw material | - | 19.88 |
| Less: Closing inventory - project | - | 2.36 |
| **Material consumed** | **4,471.77** | **1,887.85** |
| Freight and cartage | 157.95 | 53.00 |
| Sub contractor / erection expenses and technical consultancy for projects | 8,656.19 | 7,666.23 |
| Labour charges | 2.16 | 170.56 |
| Site expenditure | 163.31 | 107.19 |
| Other direct cost | 3,513.70 | 3,501.65 |
| **Total** | **16,965.08** | **13,386.48** |

## *Note 28 :* CHANGE IN INVENTORIES

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Opening inventory of finished goods | 439.76 | 433.88 |
| Less: Closing inventory of finished goods | - | 439.76 |
| **(Increase)/Decrease in inventory** | **439.76** | **(5.88)** |

## *Note 29 :* EMPLOYEE BENEFITS EXPENSE

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Salaries and bonus including directors' remuneration | 15,163.42 | 13,823.64 |
| Contribution to provident and other funds (Refer Note 29.1) | 1,323.73 | 1,251.44 |
| Gratuity (Refer Note 20 ii) | 320.62 | 310.45 |
| Compensated absences benefits | - | (20.11) |
| Share-based payments (Refer Note 29.2) | 77.06 | 107.79 |
| Staff welfare expenses | 22.82 | 49.16 |
| **Total** | **16,907.65** | **15,522.37** |

**Note 29.1 : Defined contribution plan**

The Group has certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basis salary as per regulations. The contribution are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards the defined contribution plan is INR 1,323.73 lakhs (March 31, 2023 INR 1,251.44 lakhs)

**Note 29.2 : Share-based employee remuneration**

**(a) A2Z Employees Stock Option Plan, 2013- Tranche II**

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on July 3, 2014 has granted 1,905,000 number of stock options convertible into equivalent number of equity shares of INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 19.95 each which is BSE closing market price on July 02, 2014 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**(b) A2Z Employees Stock Option Plan, 2014**

The members of the Company vide special resolution at the Annual General Meeting held on September 27, 2014 had approved the A2Z Employees Stock Option Plan, 2014. The ESOP Compensation Committee in its meeting held on July 6, 2015 has granted 4,500,000 number of stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 15.50 each which is NSE closing market price on July 03, 2015 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then.

(c) **A2Z Employees Stock Option Plan, 2013 & 2014 (Regrant I)**

The Nomination and remuneration Committee in its meeting held on August 17, 2017 has regranted 1,760,000 number of stock options (788,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 972,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 36.90 each which is NSE closing market price on August 16, 2017 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

**(d) A2Z Employees Stock Option Plan, 2018- Tranche I**

The members of the Company vide special resolution at the Annual General Meeting held on September 29, 2018 had approved the A2Z Employees Stock Option Plan, 2018. The ESOP Compensation Committee in its meeting held on October 24, 2018 has granted 3,800,000 stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/ Directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each . The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

**(e) A2Z Employees Stock Option Plan, 2018- Tranche II**

The members of the Company vide special resolution at the Annual General Meeting held on September 29, 2018 had approved the A2Z Employees Stock Option Plan, 2018. The ESOP Compensation Committee in its meeting held on April 8, 2019 has granted 1,200,000 stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/Directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each . The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

**(f) A2Z Employees Stock Option Plan, 2013 & 2014 (Regrant II)**

The Nomination and remuneration Committee in its meeting held on January 3, 2022 has regranted 1,098,000 number of stock options (105,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 993,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

**(g) A2Z Employees Stock Option Plan, 2018 (Regrant I)**

The Nomination and remuneration Committee in its meeting held on January 3, 2022 has regranted 3,50,000 number of stock options against stock options lapses under A2Z Employee Stock Options Plan, 2018 convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

**(h) A2Z Employees Stock Option Plan, 2013 & 2014 (Regrant III)**

The Nomination and remuneration Committee in its meeting held on February 14, 2023 has regranted 1,735,000 number of stock options (367,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 1,368,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024 (Unless otherwise stated, all amounts are in INR Lakhs)**

### (i) A2Z Employees Stock Option Plan, 2018 (Regrant II)

The Nomination and remuneration Committee in its meeting held on February 14, 2023 has regranted 7,55,000 number of stock options against stock options lapses under A2Z Employee Stock Options Plan, 2018 convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

| | ESOP 2013-II Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2014 Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2013 & 2014 (Regrant I) Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2018-I Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2018-II Plan (Number of shares) |
|---|---|---|---|---|---|---|---|---|---|
| **Outstanding as at April 1, 2022** | **2,62,000** | **19.95** | **14,35,000** | **15.50** | **9,75,000** | **36.90** | **34,50,000** | **10.00** | **12,00,000** |
| Granted | - | - | - | - | - | - | - | - | - |
| Lapsed/forfeited | 2,62,000 | 19.95 | 6,95,000 | 15.50 | 1,55,000 | 36.90 | 6,00,000 | 10.00 | - |
| Exercised | - | - | - | - | - | - | - | - | - |
| **Outstanding as at March 31, 2023** | **-** | **-** | **7,40,000** | **15.50** | **8,20,000** | **36.90** | **28,50,000** | **10.00** | **12,00,000** |
| Granted | - | - | - | - | - | - | - | - | - |
| Lapsed/forfeited | - | - | 7,40,000 | 15.50 | 3,12,500 | 36.90 | 5,00,000 | 10.00 | - |
| Exercised | - | - | - | - | - | - | - | - | - |
| **Outstanding as at March 31, 2024** | **-** | **-** | **-** | **-** | **5,07,500** | **36.90** | **23,50,000** | **10.00** | **12,00,000** |
| Exercisable at March 31, 2023 | - | - | 7,40,000 | 15.50 | 8,20,000 | 36.90 | 28,50,000 | 10.00 | 12,00,000 |
| Exercisable at March 31, 2024 | - | - | - | - | 5,07,500 | 36.90 | 23,50,000 | 10.00 | 12,00,000 |

| | Programme weighted average exercise price per share | ESOP 2013 & 2014 (Regrant II) Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2018 (Regrant I) Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2013 & 2014 (Regrant III) Plan (Number of shares) | Programme weighted average exercise price per share | ESOP 2018 (Regrant II) Plan (Number of shares) | Programme weighted average exercise price per share |
|---|---|---|---|---|---|---|---|---|---|
| **Outstanding as at April 1, 2022** | **10.00** | **10,35,000** | **10.00** | **2,20,000** | **10.00** | **-** | **-** | **-** | **-** |
| Granted | - | - | - | - | - | 17,35,000 | 10.00 | 7,55,000 | 10.00 |
| Lapsed/forfeited | - | 65,000 | 10.00 | 30,000 | 10.00 | - | - | - | - |
| Exercised | - | - | - | - | - | - | - | - | - |
| **Outstanding as at March 31, 2023** | **10.00** | **9,70,000** | **10.00** | **1,90,000** | **10.00** | **17,35,000** | **10.00** | **7,55,000** | **10.00** |
| Granted | - | - | - | - | - | 17,35,000 | 10.00 | 7,55,000 | 10.00 |
| Lapsed/forfeited | - | 40,000 | 10.00 | 5,000 | 10.00 | - | - | - | |
| Exercised | - | - | - | - | - | - | - | - | - |
| **Outstanding as at March 31, 2024** | **10.00** | **9,30,000** | **10.00** | **1,85,000** | **10.00** | **17,35,000** | **10.00** | **7,55,000** | **10.00** |
| Exercisable at March 31, 2023 | 10.00 | 9,70,000 | 10.00 | 1,90,000 | 10.00 | 17,35,000 | 10.00 | 7,55,000 | 10.00 |
| Exercisable at March 31, 2024 | 10.00 | 9,30,000 | 10.00 | 1,85,000 | 10.00 | 17,35,000 | 10.00 | 7,55,000 | 10.00 |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

### The following table lists the inputs to the models used for the plans as at March 31, 2024

| | ESOP 2013-II Plan | ESOP 2014 Plan | ESOP 2013 & 2014 (Regrant I) Plan | ESOP 2018-I Plan | ESOP 2018-II Plan | ESOP 2013 & 2014 (Regrant II) Plan | ESOP 2018 (Regrant I) Plan | ESOP 2013 & 2014 (Regrant III) Plan | ESOP 2018 (Regrant II) Plan |
|---|---|---|---|---|---|---|---|---|---|
| Grant date | July 3, 2014 | July 6, 2015 | August 17, 2017 | October 24, 2018 | April 8, 2019 | January 3, 2022 | January 3, 2022 | February 14, 2023 | February 14, 2023 |
| Vesting period ends | July 2, 2017 | July 5, 2018 | August 16, 2020 | October 23, 2021 | April 7, 2021 | January 2, 2025 | January 2, 2025 | February 13, 2025 | February 13, 2025 |
| Share price at date of grant | INR 14.52 | INR 10.48 | INR 39.40 | INR 10.40 | INR 18.75 | INR 9.95 | INR 9.95 | INR 8.45 | INR 8.45 |
| Volatility | 67.05% | 65.50% | 50.14% | 61.62% | 58.73% | 58.74% | 58.74% | 50.14% | 50.14% |
| Option life | 8 years | 8 years | 8 years | 8 years | 7 years | 8 years | 8 years | 7 years | 7 years |
| Dividend yield | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Risk-free investment rate | 8.64% | 8.19% | 6.74% | 7.38% | 6.67% | 5.20% | 5.20% | 6.96% | 6.96% |
| Fair value at grant date | INR 14.52 | INR 11.15 | INR 24.81 | INR 6.09 | INR 12.81 | INR 5.11 | INR 5.11 | INR 3.67 | INR 3.67 |
| Exercise price at date of grant | INR 19.95 | INR 15.50 | INR 36.90 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 |
| Exercisable from | July 3, 2017 | July 6, 2018 | August 17, 2020 | October 24, 2021 | April 8, 2021 | January 3, 2025 | January 3, 2025 | February 14, 2025 | February 14, 2025 |
| Exercisable till | July 2, 2022 | July 5, 2023 | August 16, 2025 | October 23, 2026 | April 7, 2026 | January 2, 2030 | January 2, 2030 | February 13, 2030 | February 13, 2030 |
| Weighted average remaining contractual life (In Years) | - | - | 0.66 | 1.66 | 1.52 | 4.86 | 4.86 | 5.38 | 5.38 |
| Model used | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes |

### The following table lists the inputs to the models used for the plans as at March 31, 2023

| | ESOP 2013-II Plan | ESOP 2014 Plan | ESOP 2013 & 2014 (Regrant I) Plan | ESOP 2018-I Plan | ESOP 2018-II Plan | ESOP 2013 & 2014 (Regrant II) Plan | ESOP 2018 (Regrant I) Plan | ESOP 2013 & 2014 (Regrant III) Plan | ESOP 2018 (Regrant II) Plan |
|---|---|---|---|---|---|---|---|---|---|
| Grant date | July 3, 2014 | July 6, 2015 | August 17, 2017 | October 24, 2018 | April 8, 2019 | January 3, 2022 | January 3, 2022 | February 14, 2023 | February 14, 2023 |
| Vesting period ends | July 2, 2017 | July 5, 2018 | August 16, 2020 | October 23, 2021 | April 7, 2021 | January 2, 2025 | January 2, 2025 | February 13, 2025 | February 13, 2025 |
| Share price at date of grant | INR 14.52 | INR 10.48 | INR 39.40 | INR 10.40 | INR 18.75 | INR 9.95 | INR 9.95 | INR 8.45 | INR 8.45 |
| Volatility | 67.05% | 65.50% | 50.14% | 61.62% | 58.73% | 58.74% | 58.74% | 50.14% | 50.14% |
| Option life | 8 years | 8 years | 8 years | 8 years | 7 years | 8 years | 8 years | 7 years | 7 years |
| Dividend yield | 0.00% | 0.00% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Risk-free investment rate | 8.64% | 8.19% | 6.74% | 7.38% | 6.67% | 5.20% | 5.20% | 6.96% | 6.96% |
| Fair value at grant date | INR 14.52 | INR 11.15 | INR 24.81 | INR 6.09 | INR 12.81 | INR 5.11 | INR 5.11 | INR 3.67 | INR 3.67 |
| Exercise price at date of grant | INR 19.95 | INR 15.50 | INR 36.90 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 | INR 10.00 |
| Exercisable from | July 3, 2017 | July 6, 2018 | August 17, 2020 | October 24, 2021 | April 8, 2021 | January 3, 2025 | January 3, 2025 | February 14, 2025 | February 14, 2025 |
| Exercisable till | July 2, 2022 | July 5, 2023 | August 16, 2025 | October 23, 2026 | April 7, 2026 | January 2, 2030 | January 2, 2030 | February 13, 2030 | February 13, 2030 |
| Weighted average remaining contractual life (In Years) | - | 0.26 | 1.48 | 2.66 | 2.52 | 5.86 | 5.86 | 6.38 | 6.38 |
| Model used | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 30 :* FINANCE COSTS

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Interest expense [*] [^] | 522.27 | 1,195.55 |
| Other borrowing costs | | |
| Bank commission and charges | 100.27 | 133.94 |
| **Total** | **622.54** | **1,329.49** |
| [*]The break up of interest expense into major heads is given below: | | |
| On term loans | 23.29 | 102.67 |
| On other bank loans | 340.35 | 554.10 |
| On loan from others | 4.36 | 3.96 |
| On others | 154.27 | 534.82 |
| **Total** | **522.27** | **1,195.55** |

[^] Refer Note 50

## *Note 31 :* DEPRECIATION AND AMORTISATION EXPENSES

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (Refer Note 3) | 500.56 | 762.50 |
| Depreciation of right to use asset (Refer Note 3) | 15.02 | 116.36 |
| Amortisation of intangible assets (Refer Note 4) | 2.81 | 4.38 |
| **Total** | **518.39** | **883.24** |

## *Note 32 :* OTHER EXPENSES

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Electricity | 92.65 | 103.10 |
| Rent (Refer Note 53) | 204.60 | 158.79 |
| Rates and taxes* | 64.71 | 1,287.86 |
| Freight outward expenses | 0.01 | 11.39 |
| Insurance | 77.86 | 11.44 |
| Repair and maintenance | | |
| - Plant & machinery | 18.77 | 29.56 |
| - Vehicles | 40.20 | 55.15 |
| - Others | 11.03 | 12.57 |
| Brokerage | 0.05 | 9.10 |
| Travelling expenses | 599.53 | 431.49 |
| Communication expenses | 27.00 | 21.69 |
| Printing and stationery | 20.08 | 23.98 |
| Legal and Professional fees | 1,007.83 | 685.39 |
| Director sitting fees | 18.75 | 15.50 |
| Loss on disposal of property, plant and equipment | - | 4.74 |
| Provision for contract revenue in excess of billing | 648.34 | 1,328.78 |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Provision for bad and doubtful debts | 5,789.16 | 782.51 |
| Fees and subscription / inspection charges | 2.88 | 2.97 |
| Business promotion expenses | 10.84 | 9.97 |
| Watch and ward expenses | - | 1.44 |
| Warranty expense | 112.28 | 273.49 |
| Hiring charges | 109.92 | 58.50 |
| Provision for bad and doubtful advance | 50.68 | 230.65 |
| Advances written off | 514.22 | 41.94 |
| Donation and Corporate social responsibility | 50.99 | 13.00 |
| Foreign exchange fluctuation (net) | 15.51 | - |
| Liquidated charges | 228.64 | 131.46 |
| Miscellaneous expenses | 256.67 | 163.35 |
| **Total** | **9,973.20** | **5,899.81** |

* Includes INR Nil (March 31, 2023 INR 1,250.00 lakhs) on account of goods & service tax expenses

## *Note 33:* TAX EXPENSE

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Current tax expense | 498.32 | 61.40 |
| Deferred tax charge (Refer Note 9) | (221.26) | 1,926.17 |
| **Tax expense** | **277.06** | **1,987.57** |

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Loss before tax | (459.42) | (10,617.91) |
| Corporate tax rate as per income tax act, 1961 | 25.17% | 25.17% |
| **Tax on accounting profit** | **(115.63)** | **(2,672.53)** |
| i) Tax effect on non deductible expenses/ non-taxable income | **188.09** | **(728.23)** |
| ii) Tax effect on temporary timing differences on which deferred tax not created | (1,029.41) | 485.94 |
| iii) Tax effect on losses of current year on which no deferred tax is created | 1,331.15 | 2,249.41 |
| iv) Tax effect on other adjustment | (97.14) | (0.99) |
| v) Tax effect on temporary timing differences on which deferred tax was created, now reversed during the year | - | 2,653.97 |
| **Tax expense** | **277.06** | **1,987.57** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 33.1: a)** Detail of unused tax losses for which no deferred tax is recognised in balance sheet:

| | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | **Base amount** | **Deferred tax** | **Expiry date (Assessment year)** | **Base amount** | **Deferred tax** | **Expiry date (Assessment year)** |
| **Tax losses** | | | | | | |
| Assessment Year 2015-16 | - | - | March 31, 2024 | 15,585.64 | 3,922.90 | March 31, 2024 |
| Assessment Year 2016-17 | 74.16 | 18.66 | March 31, 2025 | 35.97 | 9.35 | March 31, 2025 |
| Assessment Year 2017-18 | 11,292.19 | 2,842.24 | March 31, 2026 | 11,480.44 | 2,892.39 | March 31, 2026 |
| Assessment Year 2018-19 | 3,794.83 | 955.15 | March 31, 2027 | 3,875.65 | 979.85 | March 31, 2027 |
| Assessment Year 2019-20 | 22,021.98 | 5,542.93 | March 31, 2028 | 21,969.36 | 5,530.66 | March 31, 2028 |
| Assessment Year 2020-21 | 6,127.99 | 1,542.41 | March 31, 2029 | 6,352.02 | 1,603.00 | March 31, 2029 |
| Assessment Year 2021-22 | 2,310.61 | 577.97 | March 31, 2030 | 2,262.08 | 569.63 | March 31, 2030 |
| Assessment Year 2022-23 | 161.19 | 37.14 | March 31, 2031 | 168.77 | 43.88 | March 31, 2031 |
| Assessment Year 2023-24 | 168.47 | 40.46 | March 31, 2032 | 6,719.52 | 1,691.77 | March 31, 2032 |
| Assessment Year 2024-25 | 4,971.15 | 1,252.97 | March 31, 2033 | | | |
| | **50,922.57** | **12,809.93** | | **68,449.45** | **17,243.43** | |

**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, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | **Base amount** | **Deferred tax** | **Expiry date (Assessment year)** | **Base amount** | **Deferred tax** | **Expiry date (Assessment year)** |
| Unabsorbed depreciation | 12,636.71 | 3,180.66 | Not applicable | 13,259.03 | 3,353.10 | Not applicable |
| Impairment loss on Capital work in progress | 26,788.49 | 6,742.66 | Not applicable | 26,788.49 | 6,742.66 | Not applicable |
| Provision for doubtful advances and investments | 28,709.25 | 7,226.12 | Not applicable | 20,422.63 | 5,140.38 | Not applicable |
| Provision for trade receivables | 24,952.53 | 6,280.55 | Not applicable | 19,488.50 | 4,905.26 | Not applicable |
| | **93,086.98** | **23,429.99** | | **79,958.64** | **20,141.40** | |

## *Note 34 :* EARNINGS PER SHARE (EPS)

Both the basic and diluted earnings per share have been calculated using the Profit/(loss) attributable to equity holders of the parent as the numerator, i.e. no adjustments to profit/loss were necessary in the year ended March 31, 2024 or March 31, 2023.

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:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Weighted average number of shares used in basic earnings per share | 17,61,19,858 | 17,61,19,858 |
| 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 | **17,61,19,858** | **17,61,19,858** |

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

| | | | |
|---|---|---|---|
| (Loss)/Profit attributable to equity holders of the company | INR in lakhs | (569.18) | (12,292.03) |
| Weighted average number of equity shares outstanding during the year | Numbers | 17,61,19,858 | 17,61,19,858 |
| Nominal value of equity share | INR | 10.00 | 10.00 |
| Basic EPS | INR | (0.32) | (6.98) |
| Diluted EPS | INR | (0.32) | (6.98) |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 35 :* INTEREST IN JOINT VENTURES

**The Group's interest and share in joint ventures in the jointly controlled operations as at March 31, 2024 and March 31, 2023 are as follows:**

| S.No. | Name of joint venture partner | Description of interest | Nature of project | Ownership interest | Country of incorporation |
|---|---|---|---|---|---|
| 1 | M/s UB Engineering Limited (UBEL) | Jointly Controlled Operations | A Joint Venture Agreement effective from December 31, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Construction of 220/132KV Grid Sub-Station at Budgam (Pkg A) & Mir Bazar (Pkg B). | See Note 35(a).1 below | * |
| 2 | M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO) | Jointly Controlled Operations | A Joint Venture Agreement effective from January 21, 2008. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package of 220kv D/C Wagoora-Budgam Zainakot Transmission Line in Kashmir Valley. | See Note 35(a).1 below | * |
| 3 | M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO) | Jointly Controlled Operations | A Joint Venture Agreement effective from February 15, 2008. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package of Construction of 1x20 MVA, 132/33 KV Grid Sub-Station at Chandak, District Poonch (J&K). | See Note 35(a).1 below | * |
| 4 | M/s Southern Petrochemical Industries Corporation Limited (SPIC-SMO) | Jointly Controlled Operations | A Joint Venture Agreement effective from November 15, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package for Survey, Engineering, Design, Fabrication of Lattice Type Structures Galvanisation Supply of Structures, Laying of foundation, Protection Works, Erection of Towers, laying & stringing of ACSR PANTHER Conductor, Testing and Commissioning of Transmission lines from Badampora – Bandipora and from Lassipora – Sopian. | See Note 35(a).1 below | * |

*Country of Incorporation not applicable, as these are unincorporated Joint Ventures.

**Note 35(a).1:** As per joint venture agreements, the scope and value of work of each partner has been clearly defined and accepted by the clients. The Company's share in assets, liabilities, income and expenses are duly accounted for in the accounts of the Company in accordance with such division of work and therefore does not require separate disclosure. However, joint venture partners are jointly and severally liable to clients for any claims in these projects.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 36 :* DISCLOSURE OF RELATED PARTIES /RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"

**A Name of the related parties and nature of the related party relationship:**

**1 Associate Companies**

a) Greeneffect Waste Management Limited
b) A2Z Waste Management (Nainital) Private Limited
c) A2Z Waste Management (Jaipur) Limited

**2 Subsidiaries of Greeneffect Waste Management Limited**

a) A2Z Waste Management (Merrut) Limited
b) A2Z Waste Management (Moradabad) Limited
c) A2Z Waste Management (Varanasi) Limited
d) A2Z Waste Management (Badaun) Limited
e) A2Z Waste Management (Balia) Limited
f) A2Z Waste Management (Fatehpur) Limited
g) A2Z Waste Management (Jaunpur) Limited
h) A2Z Waste Management (Mirzapur) Limited
i) A2Z Waste Management (Ranchi) Limited
j) A2Z Waste Management (Sambhal) Limited
k) A2Z Waste Management (Dhanbad) Private Limited
l) A2Z Waste Management (Jaipur) Limited
m) A2Z Waste Management (Ahmedabad) Limited (Under process of Strike off w.e.f. February 01, 2024)
n) Earth Environment Management Services Private Limited
o) Shree Balaji Pottery Private Limited
p) Shree Hari Om Utensils Private Limited

**3 Joint Venture (unincorporated)**

a) M/s UB Engineering Limited
b) M/s Southern Petrochemical Industries Corporation Limited (SPIC - SMO)

**4 Key Management Personnel ('KMP')**

a) Mr. Amit Mittal (Managing Director cum Chief Executive Officer)
b) Mr. Surender Kumar Tuteja (Non- Executive Independent director) (till August 18, 2023)
c) Ms. Atima Khanna (Non-Executive Independent director)
d) Mr. Parmatma Singh Rathor (Non-Executive Independent Director) (w.e.f. August 11, 2023)
e) Ms. Ritu Goyal (Non-Executive Independent Director) (w.e.f. August 11, 2023)
f) Mrs. Dipali Mittal (Non-Executive Director)
g) Mr. Arun Gaur (Non-Executive Director)
h) Mr. Manoj Tiwari (Non-Executive Director) (w.e.f. July 20, 2022)
i) Mr. Ashok Kumar Saini (Non-Executive Director) (till July 20, 2022)
j) Mr. Atul Kumar Agarwal (Company Secretary)
k) Mr. Lalit Kumar (Chief Financial Officer) (w.e.f. May 18, 2022)

**5 Relatives of Key Management Personnel**

a) Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## B. Transactions with related parties during the year

**The following transactions were carried out with the related parties in the ordinary course of business:**

| | For the year ended March 31, 2024 | | | | For the year ended March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Joint Ventures | Associate companies | Enterprise in control of Relatives of KMP | KMP / Relative of KMP | Joint Ventures | Associate companies | Enterprise in control of Relatives of KMP | KMP / Relative of KMP |
| **Liability written back** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 3,783.63 | - | - | - | - | - | - |
| **Interest income** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 4.75 | - | - | - | 4.14 | - | - |
| **Interest expense** | | | | | | | | |
| - A2Z Waste Management (Ranchi) Limited | - | 4.36 | - | - | - | 3.96 | - | - |
| **Rent expense / equipment hiring charges** | | | | | | | | |
| - Dipali Mittal | - | - | - | 12.00 | - | - | - | 10.90 |
| - Sudha Mittal | - | - | - | 5.28 | - | - | - | 5.28 |
| **Share based payment expense** | | | | | | | | |
| - Rajesh Jain | - | - | - | - | - | - | - | (67.83) |
| - Ashok Kumar Saini | - | - | - | - | - | - | - | (80.27) |
| - Atul Kumar Agarwal | - | - | - | 5.65 | - | - | - | 3.00 |
| **Provision created for investments** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | - | - | - | - | 9,058.00 | - | - |
| **Provision created/(reversed) for doubtful debts expense** | | | | | | | | |
| - UB Engineering Limited | - | - | - | - | | - | - | 112.22 |
| - SPIC-SMO | - | - | - | - | | - | - | 44.58 |
| **Remuneration** | | | | | | | | |
| - Dipali Mittal | - | - | - | 61.24 | - | - | - | 57.27 |
| - Ashok Kumar Saini | - | - | - | - | - | - | - | 0.25 |
| - Amit Mittal | - | - | - | 78.96 | - | - | - | 77.14 |
| - Surender Kumar Tuteja | - | - | - | 1.25 | - | - | - | 3.50 |
| - Atul Kumar Agarwal | - | - | - | 49.70 | - | - | - | 45.12 |
| - Manoj Tiwari | - | - | - | 29.32 | - | - | - | 14.79 |
| - Atima Khanna | - | - | - | 5.60 | - | - | - | 5.85 |
| - Lalit Kumar | - | - | - | 32.84 | - | - | - | 26.66 |
| - Chaitali Sharma | - | - | - | 0.90 | - | - | - | 0.80 |
| - Parmatma Singh Rathor | - | - | - | 1.50 | - | - | - | - |
| - Ritu Goyal | - | - | - | 1.75 | - | - | - | - |
| - Arun Gaur | - | - | - | 3.75 | - | - | - | 3.50 |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## C. Balance outstanding at the end of the year

| | Balance outstanding as at March 31, 2024 | | | | Balance outstanding as at March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Joint Ventures | Associate companies | Enterprise in control of Relatives of KMP | KMP / Relative of KMP | Joint Ventures | Associate companies | Enterprise in control of Relatives of KMP | KMP / Relative of KMP |
| **Investment in equity shares** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 969.40 | - | - | - | 969.40 | - | - |
| - A2Z Waste Management (Jaipur) Limited | - | 1.00 | - | - | - | 1.00 | - | - |
| - A2Z Waste Management (Nainital) Private Limited | - | 2.40 | - | - | - | 2.40 | - | - |
| **Provision on investment in equity shares** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | (929.01) | - | - | - | (929.01) | - | - |
| - A2Z Waste Management (Jaipur) Limited | - | (1.00) | - | - | - | (1.00) | - | - |
| - A2Z Waste Management (Nainital) Private Limited | - | (2.40) | - | - | - | (2.40) | - | - |
| | | | | | | | | |
| **Investment in preference shares/debentures (debt Portion)** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 9,062.55 | - | - | - | 9,057.81 | - | - |
| **Provision on investment in preferencce shares / debentures (Debt portion)** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | (7,004.21) | - | - | - | (5,222.24) | - | - |
| **Investment in preference shares/debentures (equity Portion)** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 14,658.65 | - | - | - | 14,658.65 | - | - |
| **Provision on Investment in preference shares/debentures (equity Portion)** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | (9,058.00) | - | - | - | (9,058.00) | - | - |
| **Investment in shares(ESOP scheme)** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 10.45 | - | - | - | 10.45 | - | - |
| - A2Z Waste Management (Merrut) Limited | - | 19.19 | - | - | - | 19.19 | - | - |
| - A2Z Waste Management (Balia) Limited | - | 12.11 | - | - | - | 12.11 | - | - |
| **Non-current borrowing(debt portion of preference shares)** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 10.60 | - | - | - | 10.59 | - | - |
| - A2Z Waste Management (Ranchi) Limited | - | 49.36 | - | - | - | 45.01 | - | - |
| | | | | | | | | |
| **Other equity(equity portion of preference shares)** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 465.54 | - | - | - | 465.54 | - | - |
| **Current borrowings** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 11.20 | - | - | - | 759.05 | - | - |
| - A2Z Waste Management (Jaunpur) Limited | - | 122.73 | - | - | - | 122.73 | - | - |
| - A2Z Waste Management (Nainital) Private Limited | - | 11.80 | - | - | - | 11.80 | - | - |
| - A2Z Waste Management (Ranchi) Limited | - | 3.68 | - | - | - | 3.68 | - | - |
| **Interest payable(other financial liabilities)** | | | | | | | | |
| - A2Z Waste Management (Merrut) Limited | - | 20.52 | - | - | - | 20.52 | - | - |
| - Greeneffect Waste Management Limited | - | 5.23 | - | - | - | 827.67 | - | - |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## C. Balance outstanding at the end of the year

| | Balance outstanding as at March 31, 2024 | | | | Balance outstanding as at March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Joint Ventures | Associate companies | Enterprise in control of Relatives of KMP | KMP / Relative of KMP | Joint Ventures | Associate companies | Enterprise in control of Relatives of KMP | KMP / Relative of KMP |
| - A2Z Waste Management (Balia) Limited | - | 0.04 | - | - | - | 0.04 | - | - |
| - A2Z Waste Management (Ranchi) Limited | - | 2.68 | - | - | - | 2.68 | - | - |
| - A2Z Waste Management (Moradabad) Limited | - | 0.15 | - | - | - | 0.15 | - | - |
| - A2Z Waste Management (Nainital) Private Limited | - | 8.49 | - | - | - | 8.49 | - | - |
| - Mestric Consultants Private Limited | - | 0.02 | | - | - | 0.02 | | - |
| - A2Z Waste Management (Jaunpur) Limited | - | 15.65 | - | - | - | 15.65 | - | - |
| - Amit Mittal | - | - | - | 37.49 | - | - | - | - |
| - Dipali Mittal | - | - | - | 0.71 | - | - | - | - |
| **Interest receivable (loans)** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 301.35 | - | - | - | 301.36 | - | - |
| - Shree Balaji Pottery Private Limited | - | 0.13 | - | - | - | 0.13 | - | - |
| - Shree Hari Om Utensils Private Limited | - | 0.13 | - | - | - | 0.13 | - | - |
| - A2Z Waste Management (Moradabad) Limited | - | 6.64 | - | - | - | 6.64 | - | - |
| - A2Z Waste Management (Varanasi) Limited | - | 5.77 | - | - | - | 5.77 | - | - |
| - A2Z Waste Management (Ranchi) Limited | - | 0.48 | - | - | - | 0.48 | - | - |
| **Trade receivable / other recoverable** | | | | | | | | |
| - UB Engineering Limited | - | - | - | - | 240.22 | - | - | - |
| - SPIC-SMO | 25.07 | - | - | - | 47.94 | - | - | - |
| - A2Z Waste Management (Varanasi) Limited | - | 15.74 | - | - | - | 15.74 | - | - |
| - Greeneffect Waste Management Limited | - | 249.02 | - | - | - | 396.16 | - | - |
| - A2Z Waste Management (Balia) Limited | - | 9.02 | - | - | - | 9.02 | - | - |
| - A2Z Waste Management (Mirzapur) Limited | - | 4.33 | - | - | - | 4.33 | - | - |
| - A2Z Waste Management (Fatehpur) Limited | - | 2.12 | - | - | - | 2.12 | - | - |
| - A2Z Waste Management (Badaun ) Limited | - | 1.57 | - | - | - | 1.57 | - | - |
| - A2Z Waste Management (Sambhal) Limited | - | 2.00 | - | - | - | 2.00 | - | - |
| - A2Z Waste Management (Dhanbad) Private Limited | - | 0.82 | - | - | - | 0.82 | - | - |
| - A2Z Waste Management (Moradabad) Limited | - | 0.74 | - | - | - | 0.74 | - | - |
| - A2Z Waste Management (Jaunpur) Limited | - | 3.72 | - | - | - | 3.72 | - | - |
| **Other recoverable** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 1,791.41 | - | - | - | 3,975.35 | - | - |
| **Provision for doubtful debts** | | | | | | | | |
| - UB Engineering Limited | - | - | - | - | 140.22 | - | - | - |
| - SPIC-SMO | 25.07 | - | - | - | 47.94 | - | - | - |
| - Greeneffect Waste Management Limited | - | 7,666.99 | - | - | - | 877.12 | - | - |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

### C. Balance outstanding at the end of the year

| | Balance outstanding as at March 31, 2024 | | | | Balance outstanding as at March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Joint Ventures | Associate companies | Enterprise in control of Relatives of KMP | KMP / Relative of KMP | Joint Ventures | Associate companies | Enterprise in control of Relatives of KMP | KMP / Relative of KMP |
| **Remuneration/ sitting fees payable** | | | | | | | | |
| -Dipali Mittal | - | - | - | 22.56 | - | - | - | 10.90 |
| - Ashok Kumar | - | - | - | - | - | - | - | 3.65 |
| -Amit Mittal | - | - | - | 32.67 | | | | 20.36 |
| -Ashok Saini | - | - | - | - | - | - | - | 1.26 |
| - Manoj Tiwari | - | - | - | 6.85 | - | - | - | 9.36 |
| - Atul Kumar Agarwal | - | - | - | 8.75 | - | - | - | 5.29 |
| - Lalit Kumar | - | - | - | 7.29 | - | - | - | 1.54 |
| - Arun Gaur | - | - | - | 0.90 | - | - | - | 0.90 |
| - Parmatma Singh Rathor | - | - | - | 0.68 | - | - | - | - |
| - Ritu Goyal | - | - | - | 0.90 | - | - | - | - |
| - Atima Khanna | - | - | - | 3.07 | - | - | - | 1.60 |
| **Short term loans and advances** | | | | | | | | |
| - A2Z Waste Management (Varanasi) Limited | - | 77.48 | - | - | - | 77.48 | - | - |
| - Greeneffect Waste Management Limited | - | 3,953.86 | - | - | - | 3,957.75 | - | - |
| - Earth Environment Management Services Private Limited | - | 1,375.00 | - | - | - | - | - | - |
| - A2Z Waste Management (Dhanbad) Private Limited | - | 230.56 | - | - | - | 230.56 | - | - |
| - A2Z Waste Management (Ranchi) Limited | - | 350.00 | - | - | - | 350.00 | - | - |
| - A2Z Waste Management (Merrut) Limited | - | 8.92 | - | - | - | 8.92 | - | - |
| - Shree Balaji Pottery Private Limited | - | 0.13 | - | - | - | 0.13 | - | - |
| - Shree Hari Om Utensils Private Limited | - | 0.89 | - | - | - | 0.89 | - | - |
| - A2Z Waste Management (Jaunpur) Limited | - | - | - | - | - | - | - | - |
| **Trade payable/imprest payable** | | | | | | | | |
| - Dipali Mittal | - | - | - | 1.80 | - | - | - | 4.95 |
| - Sudha Mittal | - | - | - | 1.19 | - | - | - | 2.38 |
| - Greeneffect Waste Management Limited | - | 0.63 | - | - | - | 127.06 | - | - |
| - Atul Kumar Aggarwal | - | - | - | 1.95 | - | - | - | (0.45) |
| - A2Z Waste Management (Jaunpur) Limited | - | 158.27 | - | - | - | 158.27 | - | - |
| **Other financial liablility** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 468.32 | - | - | - | 686.37 | - | - |
| - A2Z Waste Management (Merrut) Limited | - | 59.33 | - | - | - | 59.33 | - | - |
| - A2Z Waste Management (Nainital) Private Limited | - | 5.00 | - | - | - | 5.00 | - | - |
| - A2Z Waste Management(Jaunpur) Limited | - | 123.74 | - | - | - | 123.74 | - | - |
| **Guarantees given on behalf of associates** | | | | | | | | |
| - Greeneffect Waste Management Limited | - | 8,715.00 | - | - | - | 15,715.00 | - | - |
| - A2Z Waste Management (Merrut) Limited | - | 1,100.00 | - | - | - | 1,100.00 | - | - |
| - A2Z Waste Management (Moradabad) Limited | - | 480.00 | - | - | - | 480.00 | - | - |
| - A2Z Waste Management (Varanasi) Limited | - | 2,000.00 | - | - | - | 2,000.00 | - | - |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**Note 36.1:** In the opinion of the management, the transactions reported herein are on arms' length basis.

**Note 36.2:** Details relating to persons referred to as key managerial personnel above:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Short term employee benefits | 107.85 | 103.17 |
| Share-based payment transactions | 8.94 | 3.26 |
| Sitting fees | 16.25 | 15.50 |
| **Total compensation paid/payable to key management personnel** | **133.04** | **121.93** |

## *Note 37:* FINANCIAL RISK MANAGEMENT

**(i) Financial instruments by category**

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

| | As at March 31, 2024 | | |
|---|---|---|---|
| | **FVPL** | **FVOCI** | **Amortised cost** |
| **Financial assets** | | | |
| Investment in Preference shares and debentures | - | - | 2,058.34 |
| Trade receivables | - | - | 15,619.26 |
| Loans | - | - | 2,915.20 |
| Cash and cash equivalents | - | - | 144.06 |
| Other bank balances | - | - | 141.98 |
| Other financial assets | - | - | 19,396.02 |
| **Total** | **-** | **-** | **40,274.86** |
| Financial liabilities | | | |
| Borrowings | - | - | 19,775.48 |
| Lease liability | - | - | 19.62 |
| Trade payables | - | - | 27,768.66 |
| Other financial liabilities | - | - | 4,752.05 |
| **Total** | **-** | **-** | **52,315.81** |

| | As at March 31, 2023 | | |
|---|---|---|---|
| | **FVPL** | **FVOCI** | **Amortised cost** |
| **Financial assets** | | | |
| Investment in Preference shares and debentures | - | - | 3,835.57 |
| Trade receivables | - | - | 32,491.42 |
| Loans | - | - | 1,546.35 |
| Cash and cash equivalents | - | - | 1,064.09 |
| Other bank balances | - | - | 141.98 |
| Other financial assets | - | - | 28,570.84 |
| **Total** | **-** | **-** | **67,650.25** |
| Financial liabilities | | | |
| Borrowings | - | - | 31,309.41 |
| Lease liability | - | - | 34.11 |
| Trade payables | - | - | 36,187.49 |
| Other financial liabilities | - | - | 8,612.19 |
| **Total** | **-** | **-** | **76,143.20** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**(ii) Risk management**

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

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost | Aging analysis | Bank deposits, diversification of asset base, credit limits and collateral. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Analysis 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 | Risk limits |
| Market risk - interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Risk limits |
| Market risk - security price | Investments in equity securities | Sensitivity analysis | Risk limits |

The Group's risk management is carried out by a central treasury department (of the Group) 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 Group. The Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, 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 Group's policy is to deal only with creditworthy counterparties

The Group's receivables comprises of trade receivables. During the periods presented, the group 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 Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired, as given below:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Not more than 30 days | 4,958.12 | 3,228.39 |
| More than 30 days but not more than 60 days | 1,500.18 | 1,055.79 |
| More than 60 days but not more than 90 days | 271.02 | 1,040.49 |
| More than 90 days | 34,389.50 | 46,877.15 |
| | **41,118.82** | **52,201.82** |
| Less: Provision for impairment | (25,499.56) | (19,710.40) |
| | **15,619.26** | **32,491.42** |

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty. 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 Group recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables. Further, spe-

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

cific provision is made for any individual debtors which are considered to be doubtful and non-recoverable in part or in full. The reconciliation of expected credit losses on trade receivables is given below.

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Balance as at the beginning of the year** | **19,710.40** | **20,781.08** |
| Changes in provision | | |
| Additional provision | 5,789.16 | 782.51 |
| Reversal of provision | - | (1,853.19) |
| **Balance as at the end of the year** | **25,499.56** | **19,710.40** |

The credit risk for other financial assets is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings. However, specific provision is made in case a particular receivable is considered to be non-recoverable.

**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 Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group'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 Group'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.

| As at March 31, 2024 | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | |
| Borrowings (including estimated future interest) | 19,721.26 | 43.94 | - | 1,100.00 | **20,865.20** |
| Lease liability | 13.32 | 8.00 | - | - | **21.32** |
| Trade payables | 27,768.66 | - | - | - | **27,768.66** |
| Other financial liabilities | 4,752.05 | - | - | - | **4,752.05** |
| **Total** | **52,255.29** | **51.94** | **-** | **1,100.00** | **53,407.23** |

| As at March 31, 2023 | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | |
| Borrowings (including estimated future interest) | 30,970.93 | 378.88 | - | 1,100.00 | 32,449.81 |
| Lease liability | 17.28 | 13.32 | 8.00 | - | 38.60 |
| Trade payables | 36,187.49 | - | - | - | 36,187.49 |
| Other financial liabilities | 8,612.19 | - | - | - | 8,612.19 |
| **Total** | **75,787.89** | **392.20** | **8.00** | **1,100.00** | **77,288.09** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**C. Market risk**

**(a) Interest rate risk**

**(i) Liabilities**

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2024, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits all pay fixed interest rates.

**Interest rate risk exposure**

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Variable rate borrowing | 19,475.48 | 25,802.04 |
| Fixed rate borrowing | 300.00 | 5,507.37 |
| **Total** | **19,775.48** | **31,309.41** |

**Sensitivity**

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Interest sensitivity*** | | |
| Interest rates – increase by 100 basis points (100 bps) | (145.74) | (193.08) |
| Interest rates – decrease by 100 basis points (100 bps) | 145.74 | 193.08 |

* Holding all other variables constant

**(b) Foreign exchange risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar (USD), Ugandan Shillings, Nepal Rupee and Tanzania Shillings. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

**Unhedged foreign currency exposure**

The Group's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

| | Currency | Amount in foreign currency | Exchange rate | Amount in INR |
|---|---|---|---|---|
| **Trade receivables** | USD | 2.60 | 83.34 | 216.56 |
| **Cash and cash equivalents** | USD | 0.06 | 83.34 | 4.84 |
| | Uganda Shillings | 9.28 | 0.02 | 0.20 |
| | NPR | 0.32 | 0.62 | 0.20 |
| | Tanzania Shillings | 953.85 | 0.03 | 31.00 |
| **Trade payables** | USD | 0.08 | 83.34 | 6.58 |
| | Uganda Shillings | 581.80 | 0.02 | 12.61 |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**As at March 31, 2023**

| | Currency | Amount in foreign currency | Exchange rate | Amount in INR |
|---|---|---|---|---|
| **Trade receivables** | **USD** | **2.60** | **82.15** | **213.47** |
| Cash and cash equivalents | USD | 0.06 | 82.15 | 5.34 |
| | Uganda Shillings | 9.28 | 0.02 | 0.20 |
| | NPR | 0.90 | 0.62 | 0.56 |
| | Tanzania Shillings | 3,860.27 | 0.04 | 136.37 |
| **Trade payables** | **USD** | **0.02** | **82.15** | **2.02** |
| | **Uganda Shillings** | **581.80** | **0.02** | **12.43** |

**Sensitivity***

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **USD sensitivity** | | |
| INR/USD- increase by 6.82% (for previous year - 6.82%) | 10.96 | 11.06 |
| INR/USD- decrease by 6.82%(for previous year - 6.82%) | (10.96) | (11.06) |
| **UGX sensitivity** | | |
| INR/UGX- increase by 6.05% (for previous year - 6.05%) | (0.56) | (0.55) |
| INR/UGX- decrease by 6.05% (for previous year - 6.05%) | 0.56 | 0.55 |
| **NPR sensitivity** | | |
| INR/NPR increase by 12.26% (for previous year - 12.26%) | 0.02 | 0.05 |
| INR/NPR- decrease by 12.26% (for previous year - 12.26%) | (0.02) | (0.05) |
| **TZS sensitivity** | | |
| INR/TZS- increase by 6.41% (for previous year - 6.41%) | 1.49 | 6.54 |
| INR/TZS- decrease by 6.41% (for previous year - 6.41%) | (1.49) | (6.54) |

* Holding all other variables constant

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 38 :* FINANCIAL RATIOS

| Particulars | Numerator | Denominator | March 31, 2024 | March 31, 2023 | Variance | Reason for variance |
|---|---|---|---|---|---|---|
| Current ratio | Current assets | Current liabilities | 0.72 | 0.79 | -8.60% | No Major Variance |
| Debt-equity ratio | Total debt | Shareholder's equity | 6.15 | 8.23 | 25.32% | Due to reduction of Borrowing majorly on account of settlement with banks. |
| Debt service coverage ratio | Earnings available for debt service* | Debt Service** | 0.04 | (2.23) | -101.93% | Due to reduction of Borrowing majorly on account of settlement with banks. |
| Return on equity ratio | Net profit after taxes | Average shareholder's equity | (0.21) | (1.28) | -83.60% | Due to higher loss in previous year majorly on account of provision for investments and impairment of CWIP. |
| Inventory turnover ratio | Cost of goods sold or sales | Average Inventory | 75.35 | 29.33 | 156.88% | Due to reduction of inventory in current year. |
| Trade receivables turnover ratio | Sales | Average Trade Receivables | 1.61 | 0.84 | 93.29% | Due to realisation of Trade receivables in the current year |
| Trade payables turnover ratio | Purchases | Average Trade Payables | 0.53 | 0.30 | 76.47% | Due to reduction of Trade payable. |
| Net capital turnover ratio | Sales | Working Capital | (2.32) | (1.86) | 24.30% | No Major Variance |
| Net profit ratio | Net profit after tax | Sales | (0.02) | (0.36) | -94.74% | Due to higher loss in previous year majorly on account of provision for investments and impairment of CWIP. |
| Return on capital employed | Earnings before interest and Taxes | Capital employed**** | 0.01 | (0.27) | -102.75% | Due to higher loss in previous year majorly on account of provision for investments and impairment of CWIP. |
| Return on Investment (%) | Current value of investment - Cost of investment | Cost of investment | 1.00 | 1.00 | 0.00% | No Major Variance |

* Earning for Debt Service = Net Profit after taxes*** + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

** Debt service = Interest & Lease Payments + Principal Repayments

*** "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

**** Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

## *Note 39 :* CAPITAL MANAGEMENT POLICIES AND PROCEDURES

For the purpose of the Group'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 Group.

The Group' s capital management objectives are:

- to ensure the Group'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 Group 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 Group may adjust the dividend payment to shareholders,

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Borrowings | 19,775.48 | 31,309.41 |
| Less: cash and cash equivalents | (144.06) | (1,064.09) |
| **Net debt** | **19,631.42** | **30,245.32** |
| Equity | 3,217.95 | 3,805.01 |
| **Capital and net debt** | **22,849.37** | **34,050.33** |
| **Gearing ratio** | **85.92%** | **88.83%** |

In order to achieve this overall objective, the Group'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.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2024.

## *Note 40:* OTHER STATUTORY INFORMATION

(i) The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

(ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iii) During the current year, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(iv) During the current year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(vii) The Group is not declared wilful defaulter by and bank or financials institution or lender during the year.

(viii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(ix) The title deeds of all the immovable properties, (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Group as at the balance sheet date.

(x) The Group has not had any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(xi) Quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(xii) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 41 :* SEGMENT REPORTING

**Segmental information**

**Business segments:**

The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108). The Group is operating into following segments :

(i) Engineering Service (ES)

(ii) Facility Management Services (FMS)

(iii) Municipal Solid Waste Management (MSW)

(iv) Power Generation Projects ('PGP')

(v) Others represents trading of goods, renting of equipments, manufacturing of electrical equipment and operation and maintenance services, etc.

| | For the year ended March 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Engineering services** | **Facility management services** | **Municipal solid waste management** | **Power generation projects** | **Others** | **Elimination** | **Total** |
| **Revenue** | | | | | | | |
| Segment revenue | 8,599.77 | 22,011.20 | 8,237.83 | - | - | - | **38,848.80** |
| Other income | 1,060.31 | 0.30 | 2,671.97 | 0.76 | - | - | **3,733.34** |
| Intersegment revenue | - | - | - | - | - | - | **-** |
| **Total segment revenue** | **9,660.08** | **22,011.50** | **10,909.80** | **0.76** | **-** | **-** | **42,582.14** |
| **Cost** | | | | | | | |
| Segment cost | (13,559.39) | (19,951.40) | (10,889.17) | (10.70) | (392.54) | 0.87 | **(44,804.07)** |
| **Total segment cost** | **(13,559.39)** | **(19,951.40)** | **(10,889.17)** | **(10.70)** | **(392.54)** | **0.87** | **(44,804.07)** |
| **Segment operating (loss)/ profit** | **(3,899.31)** | **2,060.10** | **20.63** | **(9.94)** | **(392.54)** | **0.87** | **(2,221.93)** |
| **Total reportable segment operating (loss)** | | | | | | | **(2,221.93)** |
| Interest income | | | | | | | 43.67 |
| Interest expense | | | | | | | (522.28) |
| Share of loss of associates and bank charges | | | | | | | (3,522.12) |
| Exceptional Item (Refer Note 43) | | | | | | | 5,763.24 |
| **Loss before tax** | | | | | | | **(459.42)** |
| **Tax expense** | | | | | | | |
| Current tax | | | | | | | 498.32 |
| Deferred tax (net) | | | | | | | (221.26) |
| **Loss after tax** | | | | | | | **(736.48)** |
| Reclassification of net actuarial gain on employee defined benefit obligations | | | | | | | (127.43) |
| **Total comprehensive income for the year (comprising loss and other comprehensive income)** | | | | | | | **(863.91)** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | As at March 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Engineering services** | **Facility management services** | **Municipal solid waste management** | **Power generation projects** | **Others** | **Elimination** | **Total** |
| **Assets** | | | | | | | |
| Segment assets | 32,744.92 | 9,228.61 | 10,600.00 | 590.00 | 3,889.98 | 15,568.48 | **41,485.03** |
| Unallocable corporate assets | - | - | - | - | - | - | **26,810.82** |
| **Total assets** | **32,744.92** | **9,228.61** | **10,600.00** | **590.00** | **3,889.98** | **15,568.48** | **68,295.85** |
| **Liabilities** | | | | | | | |
| Segment liabilities | 30,624.89 | 6,320.06 | 9,711.36 | 22.89 | 2,662.62 | 9,413.20 | **39,928.62** |
| Unallocable corporate liabilities | - | - | - | - | - | - | **26,280.77** |
| **Total liabilities** | **30,624.89** | **6,320.06** | **9,711.36** | **22.89** | **2,662.62** | **9,413.20** | **66,209.39** |
| Capital expenditure | 294.35 | 93.01 | 685.66 | - | - | - | **1,073.02** |
| Depreciation | 125.34 | 158.83 | 106.20 | - | 128.02 | - | **518.39** |
| Other non-cash expenditure | | | | | | | **7,088.16** |

| | For the year ended March 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Engineering services** | **Facility management services** | **Municipal solid waste management** | **Power generation projects** | **Others** | **Elimination** | **Total** |
| **Revenue** | | | | | | | |
| Segment revenue | 6,940.80 | 19,765.25 | 8,220.26 | - | 17.85 | - | **34,944.16** |
| Other income | 3,056.68 | - | 149.76 | - | - | - | **3,206.44** |
| Intersegment revenue | - | (1,902.49) | - | - | - | (1,902.49) | **-** |
| **Total segment revenue** | **9,997.48** | **17,862.76** | **8,370.02** | **-** | **17.85** | **(1,902.49)** | **38,150.60** |
| **Cost** | | | | | | | |
| Segment cost | (10,276.99) | (14,901.41) | (8,333.91) | (270.73) | (0.48) | 1,902.49 | **(35,686.01)** |
| **Total segment cost** | **(10,276.99)** | **(14,901.41)** | **(8,333.91)** | **(270.73)** | **(0.48)** | **1,902.49** | **(35,686.01)** |
| **Segment operating profit/(loss)** | **(279.51)** | **2,961.35** | **36.11** | **(270.73)** | **17.37** | **-** | **2,464.59** |
| **Total reportable segment operating profit** | | | | | | | **2,464.59** |
| Interest income | | | | | | | 54.96 |
| Interest expense | | | | | | | (1,195.55) |
| Share of loss of associates and bank charges | | | | | | | 262.22 |
| Exceptional Item (Refer Note 43) | | | | | | | (12,204.13) |
| **Profit before tax** | | | | | | | **(10,617.91)** |
| **Tax expense** | | | | | | | |
| Current tax | | | | | | | 61.40 |
| Deferred tax | | | | | | | 1,926.17 |
| **Profit after tax** | | | | | | | **(12,605.48)** |
| Reclassification of net actuarial gain on employee defined benefit obligations | | | | | | | 96.16 |
| **Total comprehensive income for the year (comprising loss and other comprehensive income)** | | | | | | | **(12,509.32)** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024 (Unless otherwise stated, all amounts are in INR Lakhs)**

| | As at March 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Engineering services | Facility management services | Municipal solid waste management | Power generation projects | Others | Elimination | Total |
| **Assets** | | | | | | | |
| Segment assets | 56,055.55 | 10,274.88 | 15,273.11 | 994.20 | 5,505.15 | 15,191.99 | **72,910.90** |
| Unallocable corporate assets | - | - | - | - | - | - | **26,162.18** |
| **Total assets** | **56,055.55** | **10,274.88** | **15,273.11** | **994.20** | **5,505.15** | **15,191.99** | **99,073.08** |
| **Liabilities** | | | | | | | |
| Segment liabilities | 36,708.16 | 9,452.36 | 12,024.60 | 137.91 | 7,800.74 | 9,706.02 | **56,417.75** |
| Unallocable corporate liabilities | - | - | - | - | - | - | **39,782.02** |
| **Total liabilities** | **36,708.16** | **9,452.36** | **12,024.60** | **137.91** | **7,800.74** | **9,706.02** | **96,199.77** |
| Capital expenditure | 542.92 | 41.97 | 85.52 | - | - | - | **670.41** |
| Depreciation | 492.84 | 159.53 | 103.16 | - | 127.71 | - | **883.24** |
| Other non-cash expenditure | - | - | - | - | - | - | **2,866.10** |

Unallocated operating income and expense mainly consist of exceptional items and tax expense. The unallocable assets includes tax receivable from Government authorities.

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

The revenue from customers (having more than 10% of total revenue) during the year is INR 14,258.95 lakhs (March 31, 2023 INR 11,940.18 lakhs) arising from revenue from engineering services.

## *Note 42 :* CONTINGENT LIABILITIES AND COMMITMENTS

**The details of contingent liabilities are as follows:**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Corporate guarantees given to banks on account of facilities granted by said banks to associates | 12,295.00 | 19,295.00 |
| Litigations under workmen compensation act (Refer Note 42.1) | 17.46 | 4.53 |
| Litigations with contractors and others (Refer Note 42.1) | 39.69 | 102.75 |
| Sales tax demand under dispute (Refer Note 42.1) | 9,008.53 | 8,852.03 |
| GST demand under dispute (net of amount paid under protest) | 12,840.13 | 2,793.28 |
| Income Tax demand under dispute (Refer Note 42.2) | 2,419.43 | 2,428.20 |
| | **36,620.24** | **33,475.79** |

**Note 42.1** : Based on discussions with the solicitors / favourable decisions in similar cases/legal opinions taken by the Holding Company, the management believes that the Holding Company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

**Note 42.2 :** The Income tax authorities conducted a search and survey at certain premises of the Holding Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Holding Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability. During the year ended March 31, 2015 the Holding Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Holding Company. The Holding Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters, where the CIT(A) has not accepted the Holding Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Holding Company.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

Further, during the year ended March 31, 2018, the Holding Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of INR 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Holding Company.

During the year ended March 31, 2019, the Holding Company has received orders from CIT (Appeals) squashing the penalty orders aggregating INR 477.71 lakhs out of the aforementioned and upholding the rest. During the current year, the Holding Company has received order from ITAT quashing the penalty order and quantum order is still pending at ITAT level. Based on their assessment and upon consideration of advice from the independent legal counsel, the management believes that the Holding Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending the final decision on the matter, no further adjustment has been made in the consolidated financial statements.

**b) Commitments outstanding:**

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (i) | Estimated amount of contracts to be executed and not provided for: | | |
| | Other Commitments | 12,386.34 | 17,958.00 |
| | | **12,386.34** | **17,958.00** |

(ii) The management is committed to provide continued operational and financial support to its subsidiary companies for meeting their working capital and other financing requirements.

## *Note 43:* EXCEPTIONAL ITEMS

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| One time settlement with banks and financial institutions (Refer Note 43.1) | 4,988.93 | 2,775.44 |
| Loan settled on behalf of associate | 3,783.62 | - |
| Provision on debtors written back | 435.00 | - |
| Liabilities written back | 16,819.44 | 9,598.99 |
| **Exception gain (A)** | **26,026.99** | **12,374.43** |
| Unbilled provision/write off | 7,998.13 | 2,500.24 |
| Provision on loans and advances from associates and subsidiary | 6,789.88 | - |
| Capital assets impaired/written off (Refer note- 3.1) | - | 6,128.77 |
| Trade receivable written off | 4,332.05 | - |
| Loans and advances provision | 1,143.69 | 6,891.55 |
| Investment provision/written off | - | 9,058.00 |
| **Exceptional loss (B)** | **20,263.75** | **24,578.56** |
| **Net exceptional gain/(loss)** | **5,763.24** | **(12,204.13)** |

**Note 43.1:** Gain on one time settlement agreements with banks and financial institutions for borrowings pertains to excess of outstanding loan liabilities against the settlement consideration paid / to be paid under the settlement agreement entered by the Holding company.

***Note 44:*** The Tanzania branch of the Holding Company has a contract with Rural Energy Agency (REA) for supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Bahi, Kongwa and Chemba districts) on Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution of transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondoa and Mpwapwa districts) on a Turnkey basis for Lot 2. Lot -01 districts Bahi, Kongwa and Chemba are completed as on 21st April 2022, 10th April 2022 and 31st August 2022 and defect liability period is applicable for next 12 months. Lot -02 districts Chamwino, Kondoa and Mpwapwa are completed as on 2nd August 2023 and defect liability period is applicable for next 12 months. The contract allows further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 45 :* DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

(a) Disaggregation of revenue into operating segments and geographical areas for the year ended March 31, 2024 and March 31, 2023:

| Segment | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| | Revenue as per Ind AS 115 | Total | Revenue as per Ind AS 115 | Total |
| **Sale/rendering of services** | | | | |
| Revenue from engineering services | 8,599.77 | 8,599.77 | 6,940.80 | 6,940.80 |
| Revenue from facility management services | 22,011.20 | 22,011.20 | 19,765.24 | 19,765.24 |
| Revenue from collection and transportation of municipal solid waste | 8,231.78 | 8,231.78 | 8,184.26 | 8,184.26 |
| Revenue from sale of products | 6.05 | 6.05 | 36.01 | 36.01 |
| **Other operating revenues:** | | | | |
| Sale of traded goods and scrap sale | - | - | 17.85 | 17.85 |
| **Total** | **38,848.80** | **38,848.80** | **34,944.16** | **34,944.16** |

(b) Out of the total revenue recognised under IND AS-115 during the year, INR 38,842.75 lakhs (Previous year : INR 34,890.30 lakhs) is recognised over a period of time and INR 6.05 lakhs (Previous year : INR 53.86 lakhs) is recognised at a point in time.

**c) Movement in Expected Credit Loss during the year:**

| Particulars | Provision on Trade receivables covered under Ind AS 115 | | Provision on Contract assets | |
|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Opening balance as at April 1** | **19,710.40** | **20,781.08** | **42.99** | **759.31** |
| Changes in allowance for expected credit loss: | | | | |
| Provision/(reversal) of allowance for expected credit loss | 5,789.16 | 782.51 | 648.34 | 1,328.78 |
| Write off as bad debts | - | (1,853.19) | (30.00) | (2,045.10) |
| **Closing balance as at March 31** | **25,499.56** | **19,710.40** | **661.33** | **42.99** |

**(d) Contract balances:**

(i) Movement in contract balances during the year:

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Trade Receivable* | Contract assets * | Contract liabilities | Net contract balances | Trade Receivable* | Contract assets * | Contract liabilities | Net contract balances |
| Opening balance as at April 1 | 32,491.42 | 11,900.54 | 1,174.63 | 10,725.91 | 51,156.13 | 13,265.30 | 4,000.20 | 9,265.10 |
| Closing balance as at March 31 | 15,619.26 | 4,781.93 | 1,369.05 | 3,412.88 | 32,491.42 | 11,900.54 | 1,174.63 | 10,725.91 |
| **Net increase/(decrease)** | **(16,872.16)** | **(7,118.61)** | **194.42** | **(7,313.03)** | **(18,664.71)** | **(1,364.76)** | **(2,825.57)** | **1,460.81** |

*(Refer Note- 43)

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to INR 1,060.55 lakhs (March 31, 2023: INR 1,834.76 lakhs)

(iii) Revenue recognised during the year from the performance obligation satisfied in previous year (arising out of contract modifications) amounts to Nil (March 31, 2023: NIL)

**(e) Cost to obtain the contract :**

(i) Amount of amortisation recognised in Profit and Loss during the year March 31, 2024 : NIL (March 31, 2023: NIL)

(ii) Amount recognised as assets as at March 31, 2024: NIL (March 31, 2023: NIL)

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**(f) Reconciliation of contracted price with revenue during the year:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Opening contracted price of orders as at April 1* | 2,75,109.81 | 2,48,159.04 |
| Add: | | |
| Fresh orders/change orders received (net) | 14,746.75 | 55,028.73 |
| Annual Maintenance Order | 1,580.17 | |
| Less: | | |
| Orders completed during the year | 29,659.84 | 28,077.96 |
| **Closing contracted price of orders as at March 31*** | **2,61,776.90** | **2,75,109.81** |
| Total Revenue recognised during the year: | 38,848.80 | 34,944.14 |
| Less: Revenue out of orders completed during the year | 12,705.92 | 13,573.42 |
| Revenue out of orders under execution at the end of the year (I) | 26,141.45 | 21,370.73 |
| Revenue recognised upto previous year (from orders pending completion at the end of the year) (II) | 1,95,442.45 | 1,91,023.17 |
| Balance revenue to be recognised in future viz. Order book (III) | 40,193.00 | 62,715.91 |
| **Closing contracted price of orders as at March 31* (I+II+III)** | **2,61,776.90** | **2,75,109.80** |

*including full value of partially executed contracts.

**(g) Remaining performance obligations:**

The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows:

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Total | Expected conversion in revenue | | Total | Expected conversion in revenue | |
| | | Upto 1 Year | More than 1 Year | | Upto 1 Year | More than 1 Year |
| Transaction price allocated to remaining performance obligation | 40,193.00 | 33,201.00 | 6,992.00 | 62,715.91 | 41,718.90 | 20,997.01 |

**(h)** The Group has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under the law/accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 46:* GROUP INFORMATION:

Consolidated financial statements as at March 31, 2024 comprise the financial statements of A2Z Infra Engineering (the "Company') and its subsidiaries, which are as under:

| Sl No. | Name | Principal activities | NIC Code | Country of incorporation | Status of Financial Statements at March 31, 2024 | Proportion of equity Interest as at March 31, 2024 | Proportion of equity Interest as at March 31, 2023 |
|---|---|---|---|---|---|---|---|
| I | **Subsidiary companies** | | | | | | |
| 1 | A2Z Infraservices Limited | Combined facilities support activities | 81100 | India | Audited | 93.83% | 93.83% |
| 2 | A2Z Powercom Limited | Engineering Services | 42202 | India | Audited | 100.00% | 100.00% |
| 3 | Mansi Bijlee & Rice Mills Limited | Electric Power Generation, transmission and distribution | 35106 | India | Audited | 100.00% | 100.00% |
| 4 | Magic Genie Services Limited (Under process of Strike off w.e.f 01.03.2024)* | Facility Management Services Provider | 36000 | India | Audited | 0.00% | 75.00% |
| 5 | Blackrock Waste Processing Private Limited | Waste management processing facility | 38110/38210 | India | Audited | 60.00% | 60.00% |
| 6 | A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person) | Water Waste Management | 38110/38210 | India | Audited | 60.00% | 60.00% |
| II | **Step down subsidiaries** | | | | | | |
| | **Subsidiaries of A2Z Infraservices Limited** | | | | | | |
| 1 | Ecogreen Envirotech Solutions Limited | Waste management processing facility | 38110/38210 | India | Audited | 79.47% | 79.47% |
| 2 | A2Z Waste Management (Ludhiana) Limited | Waste management processing facility | 38110/38210 | India | Audited | 65.68% | 65.68% |
| 3 | A2Z Waste Management (Aligarh) Limited | Waste management processing facility | 38110/38210 | India | Audited | 75.06% | 75.06% |
| 4 | Magic Genie Smartech Solutions Limited | Installation of Sanitation Equipment | 43221 | India | Audited | 65.68% | 65.68% |
| 5 | Rishikeh Waste Management Limited | Manufacture, Fabricate, develop, and assemble electronic equipments of all description | 26109 | India | Audited | 65.68% | 65.68% |
| 6 | Vsapients Techno Services Private Limited (w.e.f 21.02.2023) | Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions | 62091/62099 | India | Audited | 93.83% | 93.83% |
| 7 | Vswach Enviroment (Aligarh) Private Limited (w.e.f 09.12.2022) | collection, segregation, transportation, trading, processing, composting, recycling, treatment and disposal of all types of waste | 38110/38210 | India | Audited | 93.83% | 93.83% |
| III | **Associate Companies** | | | | | | |
| 1 | Greeneffect Waste Management Limited | India | 38110/38210 | India | Audited | 42.61% | 42.61% |
| 2 | A2Z Waste Management (Nainital) Private Limited | India | 38110/38210 | India | Audited | 48.00% | 48.00% |
| 3 | A2Z Waste Management (Jaipur) Limited | India | 38110/38210 | India | Audited | 20.00% | 20.00% |

* During the current year Magic Genie Services Limited (direct subsidairy) has been under the process of strike off w.e.f March 1, 2024.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

***Note 47***

**(a): Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to division II of Schedule III to the Companies Act, 2013 for the year ended March 31, 2024:**

| | | Net Assets i.e. total assets minus total liabilities | | Share in profit /(loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| **Parent:** | | As % of Consolidated net assets | Amount | % of Consolidated profit /(loss) | Amount | % of Consolidated Profit /(loss) | Amount | % of Consolidated Profit /(loss) | Amount |
| A2Z Infra Engineering Limited | | 40.12 | 837.10 | 118.30 | (871.27) | 19.86 | (25.31) | 103.78 | (896.58) |
| **Subsidiaries:** | | | | | | | | | |
| **Indian:** | | | | | | | | | |
| 1 | A2Z Infraservices Limited | 326.87 | 6,819.83 | (222.05) | 1,635.35 | (55.63) | 70.89 | (197.50) | 1,706.24 |
| 2 | A2Z Powercom Limited | (0.22) | (4.53) | 21.56 | (158.78) | - | - | 18.38 | (158.78) |
| 3 | Rishikesh WasteManagement Limited | (9.92) | (207.01) | 0.49 | (3.63) | 2.24 | (2.85) | 0.75 | (6.48) |
| 4 | Mansi Bijlee & Rice Mills Limited | 46.33 | 966.72 | (1.52) | 11.20 | 0.28 | (0.36) | (1.25) | 10.84 |
| 5 | Magic Genie Services Limited | - | - | 0.08 | (0.59) | - | - | 0.07 | (0.59) |
| 6 | Vswach Enviroment (Aligarh) Private Limited | (0.02) | (0.37) | 0.02 | (0.17) | - | - | 0.02 | (0.17) |
| 7 | A2Z Waste Management (Aligarh) Limited | (1.77) | (36.94) | (19.32) | 142.28 | (2.51) | 3.20 | (16.84) | 145.48 |
| 8 | A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person) | (63.29) | (1,320.50) | 53.12 | (391.20) | - | - | 45.28 | (391.20) |
| 9 | Ecogreen Envirotech Solutions Limited | 100.57 | 2,098.31 | (24.15) | 177.89 | 129.09 | (164.50) | (1.55) | 13.39 |
| 10 | A2Z Waste Management (Ludhiana) Limited | (38.77) | (808.93) | 72.37 | (532.96) | 0.69 | (0.88) | 61.79 | (533.84) |
| 11 | Magic Genie Smartech Solutions Limited | (2.29) | (47.78) | (0.23) | 1.66 | 5.98 | (7.62) | 0.69 | (5.96) |
| 12 | Blackrock Waste Processing Private Limited | (0.03) | (0.64) | 0.04 | (0.26) | - | - | 0.03 | (0.26) |
| 13 | Vsapients Techno Services Private Limited | (0.02) | (0.35) | 0.03 | (0.20) | - | - | 0.02 | (0.20) |
| **Associates:** | | | | | | | | | |
| 1 | Greeneffect Waste Management Limited (Greeneffect Waste Management Group)# | - | - | 464.62 | (3,421.85) | - | - | 396.09 | (3,421.85) |
| **Total non-controlling interest in all subsidiaries** | | (54.23) | **(1,131.49)** | 22.72 | **(167.30)** | 25.50 | **(32.49)** | 23.13 | **(199.79)** |
| **Total eliminations and other consolidation adjustments** | | (243.33) | (5,076.96) | (386.07) | 2,843.35 | (25.49) | 32.49 | (332.88) | 2,875.83 |
| **Total** | | **100.00** | **2,086.46** | **100.00** | **(736.48)** | **100.00** | **(127.43)** | **100.00** | **(863.91)** |

# Greeneffect Waste Management Limited ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group).

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024 (Unless otherwise stated, all amounts are in INR Lakhs)**

## (b): Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to division II of Schedule III to the Companies Act, 2013 for the year ended March 31, 2023:

| | Net Assets i.e. total assets minus total liabilities | | Share in profit/ Loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | % of consolidated profit / Loss | Amount | % of consolidated profit / Loss | Amount | % of consolidated profit / Loss | Amount |
| **Parent:** | | | | | | | | |
| **A2Z Infra Engineering Limited** | **57.66** | **1,656.62** | **72.62** | **(9,154.14)** | **(7.50)** | **(7.21)** | **73.24** | **(9,161.35)** |
| **Subsidiaries:** | | | | | | | | |
| **Indian:** | | | | | | | | |
| 1 A2Z Infraservices Limited | 177.87 | 5,110.42 | 28.58 | (3,602.75) | 16.08 | 15.46 | 28.68 | (3,587.29) |
| 2 A2Z Powercom Limited | 5.37 | 154.25 | 0.08 | (9.53) | - | - | 0.08 | (9.53) |
| 3 Rishikesh Waste Management Limited | (6.98) | (200.54) | 0.09 | (10.91) | 0.76 | 0.73 | 0.08 | (10.18) |
| 4 Mansi Bijlee & Rice Mills Limited | 33.26 | 955.76 | (0.07) | 8.99 | - | - | (0.07) | 8.99 |
| 5 Magic Genie Services Limited | (0.26) | (7.41) | 0.00 | (0.63) | - | - | 0.01 | (0.63) |
| 6 Vswach Enviroment (Aligarh) Private Limited | (0.01) | (0.20) | 0.00 | (0.20) | - | - | 0.00 | (0.20) |
| 7 A2Z Waste Management (Aligarh) Limited | (6.34) | (182.25) | 0.36 | (45.16) | 0.14 | 0.13 | 0.36 | (45.03) |
| 8 A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person) | (32.34) | (929.21) | 0.00 | (0.34) | - | - | 0.00 | (0.34) |
| 9 Ecogreen Envirotech Solutions Limited | 75.33 | 2,164.60 | 0.35 | (44.07) | 79.43 | 76.38 | (0.26) | 32.31 |
| 10 A2Z Waste Management (Ludhiana) Limited | (9.58) | (275.21) | 1.45 | (183.27) | 0.12 | 0.12 | 1.46 | (183.15) |
| 11 Magic Genie Smartech Solutions Limited | (1.46) | (41.89) | 0.09 | (11.03) | 10.96 | 10.54 | 0.00 | (0.49) |
| 12 Blackrock Waste Processing Private Limited | (0.01) | (0.38) | 0.00 | (0.20) | - | - | 0.00 | (0.20) |
| 13 Vsapients Techno Services Private Limited | (0.01) | (0.15) | 0.00 | (0.15) | - | - | 0.00 | (0.15) |
| **Associates:** | | | | | | | | |
| 1 Greeneffect Waste Management Limited (Greeneffect Waste Management Group)# | - | - | (3.14) | 396.16 | - | - | (3.17) | 396.16 |
| **Foreign:** | | | | | | | | |
| 1 A2Z Infraservices Lanka Private Limited* | - | - | - | - | - | - | - | - |
| **Total non-controlling interest in all subsidiaries** | **(32.43)** | **(931.70)** | **2.49** | **(313.45)** | **21.39** | **20.57** | **2.34** | **(292.88)** |
| **Total eliminations and other consolidation adjustments** | **(160.07)** | **(4,599.40)** | **(2.90)** | **365.20** | **(21.39)** | **(20.56)** | **(2.76)** | **344.64** |
| **Total** | **100.00** | **2,873.31** | **100.00** | **(12,605.48)** | **100.00** | **96.16** | **100.00** | **(12,509.32)** |

*During the previous year under review, on April 24, 2022, A2Z Infraservices Limited has transferred its entire shareholding in A2Z Infraservices (Lanka) Private Limited.

# Greeneffect Waste Management Limited ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group).

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

***Note 48*: Disclosure of subsidiary having material non-controlling interest**

| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| **Name of subsidiary** | **Ecogreen Envirotech Solutions Limited** | | **A2Z Waste Management (Ludhiana) Limited** | |
| **Principal place of business** | **India** | | **India** | |
| Proportion of ownership interest held by non-controlling interests | 20.53% | 20.53% | 34.32% | 34.32% |
| Proportion of voting right held by non-controlling interests | 20.53% | 20.53% | 34.32% | 34.32% |

| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|---|
| **i)** | **Summarised balance sheet** | | | | |
| | Current assets | 4,602.40 | 6,265.70 | 357.04 | 1,227.49 |
| | Current liabilities | 3,317.18 | 4,456.95 | 2,536.97 | 3,017.46 |
| | **Net current assets** | **1,285.22** | **1,808.75** | **(2,179.93)** | **(1,789.97)** |
| | Non-current assets | 1,239.82 | 539.40 | 4,573.33 | 4,618.30 |
| | Non-current liabilities | 421.73 | 178.53 | 3,197.33 | 3,098.54 |
| | Net non-current assets | **818.09** | **360.87** | **1,376.00** | **1,519.76** |
| | **Net assets** | **2,103.31** | **2,169.62** | **(803.93)** | **(270.21)** |
| | **Accumulated non-controlling interest** | **400.27** | **397.52** | **(850.51)** | **(667.29)** |

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|---|
| ii) | **Summarised statement of profit and loss** | | | | |
| | Profit / (Loss) for the year | 177.89 | (44.07) | (532.97) | (183.27) |
| | Other comprehensive income for the year | (164.50) | 76.38 | (0.88) | 0.12 |
| | **Total comprehensive income** | **13.39** | **32.31** | **(533.85)** | **(183.15)** |
| | Gain/(loss) allocated to non-controlling interest | **2.75** | **6.63** | **(183.22)** | **(62.86)** |

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|---|
| iii) | **Summarised statement of cash flow** | | | | |
| | Cash flow from/ (used in) operating activities | 616.08 | 141.71 | 0.72 | (28.04) |
| | Cash used in investing activities | (685.66) | (91.97) | 0.00 | (0.00) |
| | Cash flow from/ (used in) financing activities | 70.97 | (46.01) | (0.72) | 22.66 |
| | **Net increase/ (decrease) in cash and cash equivalents** | **1.39** | **3.73** | **(0.00)** | **(5.38)** |

| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| **Name of Subsidiary** | **A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)** | | **A2Z Infraservices Limited India** | |
| **Principal place of business** | **India** | | **India** | |
| Proportion of ownership interest held by non-controlling interests | 40.00% | 40.00% | 6.17% | 6.17% |
| Proportion of voting right held by non-controlling interests | 40.00% | 40.00% | 6.17% | 6.17% |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|---|
| **i)** | **Summarised balance sheet** | | | | |
| | Current assets | 219.53 | 596.88 | 8,808.01 | 9,691.45 |
| | Current liabilities | 2,169.68 | 2,177.81 | 7,980.68 | 10,442.65 |
| | **Net current assets** | **(1,950.15)** | **(1,580.93)** | **827.33** | **(751.20)** |
| | Non-current assets | 10.47 | 32.49 | 6,874.42 | 6,733.89 |
| | Non-current liabilities | 0.04 | - | 500.32 | 490.68 |
| | **Net non-current assets** | **10.43** | **32.49** | **6,374.10** | **6,243.21** |
| | **Net assets** | **(1,939.72)** | **(1,548.44)** | **7,201.43** | **5,492.01** |
| | **Accumulated non-controlling interest** | **(775.87)** | **(619.39)** | **438.36** | **333.03** |

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|---|
| ii) | **Summarised statement of profit and loss** | | | | |
| | (Loss)/ Profit for the year | (391.20) | (0.34) | 1,635.36 | (3,602.76) |
| | Other comprehensive income for the year | - | - | 70.89 | 15.46 |
| | **Total comprehensive income** | (391.20) | (0.34) | 1,706.25 | (3,587.30) |
| | Gain/(loss) allocated to non-controlling interest | **(156.48)** | **(0.14)** | **105.33** | **(221.44)** |

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|---|
| **iii)** | **Summarised statement of cash flow** | | | | |
| | Cash flow from/ (used in) operating activities | 12.79 | (0.00) | (927.50) | 2,225.31 |
| | Cash used in/ flow investing activities | 0.00 | 0.00 | 46.82 | (234.72) |
| | Cash flow from/ (used in) financing activities | 1.71 | (10.00) | 383.91 | (2,072.26) |
| | Net (decrease)/ increase in cash and cash equivalents | **14.50** | **(10.00)** | **(496.77)** | **(81.67)** |

**Note 48.1 :** All above mention figures are based on consolidated financial statement of the subsidiary company.

## *Note 49:* DISCLOSURE OF SUMMARISED FINANCIAL INFORMATION OF ASSOCIATES

Summarized financial information of the associates, based on its consolidated Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Name of associate** | **Greeneffect Waste Management Limited ( including its subsidiaries)** | |
| Principal place of business | India | |
| Proportion of ownership interest held by Holding Company | 42.61% | 42.61% |
| Proportion of voting right held by Holding Company | 42.61% | 42.61% |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| i) | **Summarised balance sheet** | | |
| | Cash and cash equivalents | 56.21 | 27.15 |
| | Other assets | 2,786.34 | 12,862.08 |
| | **Current assets (A)** | **2,842.55** | **12,889.23** |
| | **Non-current assets (B)** | **14,317.00** | **38,317.00** |
| | Current financial liabilities (excluding trade payables and provisions) | 51,400.77 | 41,561.51 |
| | Trade payables and provisions | 4,274.41 | 8,803.18 |
| | **Current liabilities (C)** | **55,675.18** | **50,364.69** |
| | Non-current financial liabilities (excluding provisions) | 18,089.34 | 35,961.57 |
| | Provisions | 3.07 | 1.90 |
| | **Non-current liabilities (D)** | **18,092.41** | **35,963.47** |
| | **Net assets (A+B-C-D)** | **(56,608.04)** | **(35,121.93)** |
| | Equity | 2,275.00 | 2,275.00 |
| | Carrying amount of the investment | 3,561.13 | 6,978.24 |

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| ii) | **Summarised statement of profit and loss** | | |
| | Revenue | - | - |
| | Other Income | 1,659.55 | 3,828.44 |
| | **Total revenue (A)** | **1,659.55** | **3,828.44** |
| | Cost of materials consumed | 2.08 | - |
| | Purchases of stock-in-trade | 969.87 | - |
| | Depreciation and amortisation expenses | 225.74 | 1,149.34 |
| | Employee benefit expense | 34.64 | 35.29 |
| | Finance costs | 1,634.65 | 1,687.58 |
| | Other expense | 4,744.95 | 71.13 |
| | **Total expenses (B)** | **7,611.93** | **2,943.34** |
| | **Loss before tax, exceptional items and share of profit from associate(C=A-B)** | **(5,952.38)** | **885.10** |
| | Exceptional items-gain (D) | (1,265.96) | - |
| | Share of profit of associate (E) | - | - |
| | Tax expense (F) | - | 16.50 |
| | **Loss for the year (G = C-D-E-F)** | **(7,218.34)** | **868.60** |
| | Other comprehensive income (H) | 0.63 | (5.61) |
| | **Total comprehensive income (G+H)** | **(7,217.71)** | **862.99** |
| | **Share of (loss) for the year after loss of control** | **(3,421.85)** | **396.16** |

## Note 50:

The loan accounts of the Holding Company have been classified as Non- Performing Assets by certain banks and no interest has been charged on the said accounts. Further, the Holding Company has also not charged any interest on the said borrowings, therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to Rs. 2,983.20 lakhs and Rs. 5,279.89 lakhs for the year ended March 31, 2024 and as at March 31, 2024 respectively (Rs. 3,374.33 lakhs for the year ended March 31, 2023). The Holding Company has made one time settlement with certain lenders or already in discussion with the said banks for settlement of their dues.

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## *Note 51:*

The Holding Company has incurred a net loss after tax of INR 871.27 lakhs for the year ended March 31, 2024 (March 31, 2023 INR 9,154.14 lakhs) and has accumulated losses amounting INR 1,07,546.89 lakhs as at March 31, 2024 (March 31, 2023 INR 1,06,842.29 lakhs). At present, holding company is facing acute liquidity issues on account of delayed realization of trade receivables from the clients. Also, certain lenders have filed an application with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal and other judicial authorities for recovery of its dues for which management believes that no additional liability shall devolve on the Holding Company in addition to the carrying value of such liability as at March 31, 2024. Further, two parties have also filed applications with the National Company Law Tribunal (NCLT) for recovery of their dues. The said outstandings are disputed in nature, and Holding Company is pursuing the same before the NCLT hence at present the said matters are sub-judice. Further, during the year ended March 31, 2020, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Holding Company amounting to Rs. 6,500.00 lakhs and converted into cash security. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Holding Company's ability to continue as a going concern due to which the Holding Company may not be able to realise its assets and discharge its liabilities in the normal course of business in future. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders, including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Holding Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the consolidated financial statements and accordingly, these have been prepared on a going concern basis.

## *Note 52* : DISCLOSURE PURSUANT TO IND AS-7 "STATEMENT OF CASH FLOWS"-CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

| | Non- current borrowings (Including current maturities) (Refer Note 17) | Current borrowings (Refer Note 22) | Interest accrued on borrowings (Refer Note 19) | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2022** | **6,625.67** | **31,884.40** | **3,684.81** | **42,194.88** |
| (a) Changes from financing cash flow | (1,387.90) | (2,526.45) | (593.59) | (4,507.94) |
| (b) Other changes | | | | |
| (i) Reclassification within categories | 4,449.60 | (4,866.40) | 416.80 | - |
| (ii) Interest charge to statement of profit and loss | - | - | 1,195.55 | 1,195.55 |
| (iii) Reclassification with other liabilities/assets | (60.48) | (37.55) | (298.77) | (396.80) |
| (iv) Non-cash changes | 3.96 | - | (91.54) | (87.58) |
| (v) One time settlement (Refer Note 43.1) | | | | |
| Gain on one time settlement with banks of borrowing and financial institutions | (2,775.44) | - | - | (2,775.44) |
| **Balance as at March 31, 2023** | **6,855.41** | **24,454.00** | **4,313.26** | **35,622.67** |
| (a) Changes from financing cash flow | (3,537.95) | (4,692.17) | (1,152.51) | (9,382.63) |
| (b) Other changes | | | | |
| (i) Reclassification within categories | 971.64 | (516.43) | (455.21) | - |
| (ii) Interest charge to statement of profit and loss | - | - | 522.27 | 522.27 |
| (iii) Reclassification from other liabilities/assets | (34.97) | (555.57) | (150.83) | (741.37) |
| (iv) Non-cash changes | 4.36 | - | (7.16) | (2.80) |
| (v) One time settlement (Refer Note 43.1) | | | | |
| Gain on one time settlement with banks of borrowing and financial institutions | (2,425.00) | - | - | (2,425.00) |
| (vi) Liabilities written back | - | (747.84) | - | (747.84) |
| **Closing Balance as at March 31, 2024** | **1,833.49** | **17,941.99** | **3,069.82** | **22,845.30** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

## ***Note 53*** **: DISCLOSURE PURSUANT TO IND AS 116 "LEASES"**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The expense of short term leases and leases with period less than 12 months from initial application date is INR 204.60 lakhs (March 31, 2023: INR 158.79 Lakhs).

**Lease payments not included in measurement of lease liability:**

**The expense relating to payments not included in the measurement of the lease liability is as follows:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---:|---:|
| Short-term leases | 204.60 | 158.79 |
| Leases of low value assets | - | - |
| Variable lease payments | - | - |
| **Closing Balance** | **204.60** | **158.79** |

**The changes in the carrying value of ROU assets for the year ended March 31, 2024 are as follows:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---:|---:|
| Opening Balances | 33.58 | 916.29 |
| Addition during the year | 0.01 | 28.70 |
| Depreciation during the year | 15.02 | 116.36 |
| Deletion during the year | - | 795.05 |
| **Closing Balance** | **18.57** | **33.58** |

**The movement in lease liabilities during the year ended March 31, 2024 is as follows:**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---:|---:|
| Opening Balances | 34.11 | 889.11 |
| Addition during the year | - | 28.69 |
| Finance cost accrued during the year | 2.80 | 87.58 |
| Payment of lease liabilities | 17.29 | 149.55 |
| Deletion during the year | - | 821.73 |
| **Closing Balance** | **19.62** | **34.11** |

**The break-up of current and non-current lease liabilities as at March 31, 2024 is as follows:**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---:|---:|
| Current lease liabilities | 11.92 | 14.48 |
| Non-current lease liabilities | 7.70 | 19.63 |
| **Total** | **19.62** | **34.11** |

**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2024**
**(Unless otherwise stated, all amounts are in INR Lakhs)**

**The details of the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis are as follows:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Less than one year | 13.32 | 17.28 |
| One to five years | 8.00 | 21.32 |
| More than five years | - | - |
| **Total** | **21.32** | **38.60** |

**The information about extension and termination options are as follows:**

| Particulars | Office premises |
|---|---|
| Number of leases | 2.00 |
| Range of remaining term (in years) | 0.25-1.67 |
| Average remaining lease term (in years) | 0.96 |
| Number of leases with extension option | Nil |
| Number of leases with purchase option | Nil |
| Number of leases with termination option | 1.00 |

***Note 54 :***

Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year.

***Note 55 :*** **POST-REPORTING DATE EVENTS**

No adjusting or significant non-adjusting events have occurred between the March 31, 2024 reporting date and the date of authorisation May 15, 2024.

***Note 56 :*** **AUTHORISATION OF FINANCIAL STATEMENTS**

The consolidated financial statements for the year ended March 31, 2024 (including comparatives) were approved by the board of directors on May 15, 2024.

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

**For and on behalf of the Board of Directors**

**Sd/-**
**Saurabh Kuchhal**
Partner
Membership No. 512362

**Sd/-**
**Amit Mittal**
Managing Director and CEO
(DIN 00058944)

**Sd/-**
**Dipali Mittal**
Non Executive Director
(DIN 00872628)

Sd/-
**Lalit Kumar**
Chief Financial Officer

Sd/-
**Atul Kumar Agarwal**
Company Secretary
M. No.: FCS - 6453

**Place** : Gurugram
**Date** : May 15, 2024

## A2Z INFRA ENGINEERING LTD.

**CIN: L74999HR2002PLC034805**

**REGISTERED OFFICE**
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