Form A

1.	Name of the Company	A2Z Maintenance & Engineering Services Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of audit observation	Unqualified/Emphasis of Matter A. The report of statutory auditors contains the following observations on the Standalone financial statements. (i) Emphasis of Matter in the Independent Auditor's report on the standalone financial statements: We draw attention to Note 44 to the financial Statement which describes that the Company has incurred a net loss of Rs. 1,949,631,502 for the year ended March 31, 2014 and iscurrently facing liquidity problems. Management is evaluating various options and these conditions as set forth in the aforesaid note coupled with situation relating to Corporate Debt Restructuring Scheme, described in note 45 indicates the existence of a material uncertainty that may cast doubt on Company continuing as a going concern. Our opinion is not qualified in respect of this matter. (ii) Observations in the annexure to the Independent Auditor's Report under the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, 1956: (a) In our opinion, the Company has no accumulated losses at the end of the financial year. *The Company has incurred cash losses in the current and the immediately preceding financial year.* (b) There are no dues payable to or debenture-holders. *The Company has defaulted in repayment of dues to the following banks or financial institutions:* *1) Corporate Debt Restructuring Lenders with whom Master Restructuring Agreement have been signed:* The Corporate debt restructuring (CDR) proposal to re-structure existing 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. Out of seventeen Lenders, twelve lenders (herein after termed as 'CDR Lenders') agreed to be part of the CDR Scheme.

A2Z Maintenance & Engineering Services Ltd. ★ Gurgaon

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Following is the summary of status of the loan, interest and restructuring done under the CDR scheme:

Nature of Amount	Amount (Rs.)	Outstanding	Restructured	Date of restructuring by the bank
Term Loan	880,000,000	Since June 2013	First instalment of the Principal repayment now falls due on March 31, 2015	March 29, 2014
Working Capital Limit	414,400,000	From January 1, 2013 to September 30, 2013	Working capital term Loan (WCTL-1) First instalment of the principal repayment now falls due on March 31, 2015	Restructuring debt ranging from December 30, 2013 to March 31, 2014
Working Capital Limit	197,583,867	From June 1, 2013 to November 30, 2013	Working capital term Loan (WCTL-2) First instalment of the principal repayment of Rs. 5,00,00,000 now falls due on March 31, 2014 has been repaid on June 7, 2014 of Rs. 1,76,22,000 &Rs. 3,23,78,000 on June 11, 2014	December 31, 2013
Interest on term Loan	117,926,028	From January 1, 2013 to March 31, 2014	First Instalment into funded interest term loan (FITL) of the FITL repayment now falls due on March 31, 2015	March 29, 2014
Interest on Working Capital Loan	380,219,020	From January 1, 2013 to March 31, 2014	First Instalment into funded interest term loan (FITL) of the FITL repayment now falls due on March 31, 2015	Restructuring date ranging from November 22, 2013 to March 31, 2014

2) *Other Lenders:*

Due date	Amount (Rs.)	Delay in days*
November 30, 2012	8,150,709	486
December 31, 2012	67,015	455
January 31, 2013	19,307,893	424

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February 28, 2013	16,646,994	396
March 31, 2013	11,384,700	365
April 30, 2013	36,025,569	335
May 31, 2013	21,592,373	304
June 30, 2013	20,578,607	274
July 15, 2013	6,674,922	259
July 31, 2013	17,206,770	243
August 31, 2013	23,457,816	212
September 30, 2013	22,737,868	182
October 15, 2013	6,874,963	167
October 31, 2013	22,017,610	151
November 30, 2013	21,526,899	121
December 31, 2013	22,820,761	90
January 31, 2014	35,947,523	59
February 28, 2014	29,979,360	31

**Delay in number of days as at year end*

B. The report of statutory auditors contains the following observations on the Consolidatedfinancial statements.

Emphasis of Matters in the Independent Auditors' Report on the consolidated financial statements.

We draw attention to:

a) Note 40 to the consolidated financial statements which describes that the Company has incurred a net loss of Rs. 1,949,631,502 for the year ended March 31, 2014 and is currently facing liquidity problems. Management is evaluating various options and these conditions as set forth in the aforesaid note coupled with situation relating to Corporate Debt Restructuring Scheme, described in note 41 indicates the existence of a material uncertainty that may cast doubt on Company continuing as a going concern. Our opinion is not qualified in respect of this matter.

b) Note 20.1 to the consolidated financial statements where the statutory auditor of one of the subsidiary company in his report has drawn attention regarding outstanding recoverable of Rs. 76,265,817 from a customer which is presently under litigation. There exists however material uncertainty in respect of the collectability of the above receivables. Pending the final outcome of the matter, no adjustments have been made in the statement. Our opinion is not qualified in respect of this matter.

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Walker Chandiok & Co. LLP Chartered Accountants

4.	Frequency of observation	Observations A and B (a) have been appearing since financial year 2012-13 and Observation B (b) have been appearing since financial year 2011-12
5.	Signed by- • Managing Director **(Amit Mittal)** • CFO **(Gaurav Jain)** • Auditor of the Company For **Walker Chandiok& Co LLP** (formerly Walker, Chandiok& Co) Chartered Accountants Firm Registration No.:001076N/N500013 per **Neeraj Sharma** Partner Membership No.: 502103 • Audit Committee Chairman **(Surender Kumar Tuteja)** Place: Gurgaon Date: September 08, 2014	A2Z Maintenance & Engineering Services Ltd. Gurgaon WALKER CHANDIOK & CO. LLP CHARTERED ACCOUNTANTS SKTuteja A2Z Maintenance & Engineering Services Ltd. Gurgaon

Form B

1.	Name of the company	A2Z Maintenance & Engineering Services Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit qualification	A. The report of statutory auditors contains the following qualification on the Standalone financial statements. ***Basis for Qualified Opinion*** *As detailed in note 31 to the financial statements, the Company continues to carry deferred tax assets of Rs. 396,071,991 on items comprising unabsorbed losses and other timing differences between the accounting and taxable income, which, in view of the management, shall be realized on generation of taxable income in future years. However, in the absence of virtual certainty supported by convincing evidence of availability of sufficient future taxable income, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Accounting Standard 22, "Accounting for Taxes on Income" as notified under the Companies (Accounting Standards) Rules 2006. Had the Company reversed these deferred tax assets, the loss after tax for the year ended March 31, 2014 would have been higher and reserves and surplus as at March 31, 2014 would have been lower by Rs. 396,071,991, and deferred tax assets as at March 31, 2014 would have been lower by the same amount.* B. The report of statutory auditors contains the following qualification on the Consolidated financial statements. ***Basis for Qualified Opinion*** *As detailed in note 32 to the consolidated financial statements, the Company continues to carry deferred tax assets of Rs. 396,071,991 on items comprising unabsorbed losses and other timing differences between the accounting and taxable income, which, in view of the management, shall be realized on generation of taxable income in future years. However, in the absence of virtual certainty supported by convincing evidence of availability of sufficient future taxable income, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Accounting Standard 22, "Accounting for Taxes on Income" as notified under the Companies (Accounting Standards) Rules 2006. Had the Company reversed these deferred tax assets, the loss after tax for the year ended March 31, 2014 would have been higher and reserves and surplus as at March 31, 2014 would have been lower by Rs. 396,071,991, and deferred tax assets as at March 31, 2014 would have been lower by the same amount.*

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4.	Frequency of qualification	Qualification A and B have appeared for the first time for the financial year 2013-14.
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	As detailed in note 31 to the Standalone financial statements (Page Number 64 of 13th Annual Report 2013-14), the Company has entered into agreements with its customers for providing engineering services and based on developments in certain new projects. The Company will have certain revenue and sufficient taxable profits against which the deferred tax asset shall be adjusted. Further, as mentioned in note 32 to the consolidated financial statements (Page Number 111 of 13th Annual Report 2013-14),the Group follows Accounting Standard (AS-22) "Accounting for taxes on Income" as notified by the Companies (Accounting Standards) Rules, 2006, (as amended). The Company has entered into agreements with its customers for providing engineering services and based on developments in certain new projects, the Company will have certain revenue and sufficient taxable profits against which the deferred tax asset shall be adjusted. Due to accumulated losses, some subsidiaries have recognized deferred tax assets to the extent there is virtual certainty supported by convincing evidence of realization of such deferred tax assets in the near future. Further, the same has been explained by the management in point number 17 of their Director's Report (Page Number 7 of 13th Annual Report 2013-14) as follows: Explanation to para 6 of Auditor's report on Consolidated Financials of A2Z Maintenance & Engineering Services Limited, its subsidiaries and joint ventures & para 6 of Auditor's report on Standalone Financials of A2Z Maintenance & Engineering Services Limited The Company continues to carry deferred tax assets of Rs. 396.07 Million on items comprising unabsorbed losses and other timing differences between the accounting and taxable income, which, in view of the management, shall be realized on generation of taxable income in future years.
	Additional comments from the Board/audit committee chair:	Subsequent to March 31, 2014, the Company has secured new EPC contracts worth approx. Rs 24,000 millions, basis which the Company has recognized deferred tax assets on unabsorbed depreciation and business losses and other timing differences, demonstrating virtual certainty with convincing evidences in compliance with the applicable AS-22. Considering the aforementioned developments the Statutory Auditors have discontinued their qualification relating to recognition of deferred tax assets on unabsorbed losses in their Limited Review report on the unaudited financial results for the quarter ended June 30, 2014.

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5.	Signed by- • Managing Director (**Amit Mittal**) • CFO (**Gaurav Jain**) • Auditor of the company For **Walker Chandiok & Co LLP** (formerly Walker, Chandiok & Co) Chartered Accountants Firm Registration No.:001076N/N500013 per **Neeraj Sharma** Partner Membership No.: 502103 • Audit Committee Chairman **(Surender Kumar Tuteja)** Place: Gurgaon Date: September 8, 2014	A2Z Maintenance & Engineering Services Ltd. Gurgaon WALKER CHANDIOK & CO. LLP CHARTERED ACCOUNTANTS A2Z Maintenance & Engineering Services Ltd. Gurgaon

A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED

CIN: L74999HR2002PLC034805
Regd. Office: O-116, 1st Floor, DLF Shopping Mall, Arjun Marg,
DLF City, Phase I, Gurgaon-122002, Haryana, (India)
Tel: +91-124-4300426 Fax: +91-124-2566651
Website: www.a2zgroup.co.in, E-mail:info@a2zemail.com

NOTICE

To,
The Member(s),
A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED

Notice is hereby given that the Thirteenth Annual General Meeting of the members of **M/s. A2Z Maintenance & Engineering Services Limited** will be held on Saturday, 27th September, 2014 at 10.30 a.m. at **HSIIDC Hall, Udyog Vihar, Phase-V, Gurgaon-122016, Haryana, India** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit and Loss Account for the year ended on that date alongwith the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Ms. Dipali Mittal (DIN: 00872628) who retires by rotation and being eligible, offers herself for reappointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s Walker Chandiok & Co LLP, Chartered Accountants, Delhi (Firm Registration No. 001076N) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the Annual General Meeting to be held for the Financial Year 2018-19, subject to ratification at every Annual General Meeting at such remuneration and reimbursement of out of pocket expenses as may be approved by the Audit Committee/Board of Directors of the Company."

SPECIAL BUSINESS

4. To consider and appoint Mr. Surender Kumar Tuteja (DIN 00594076) as an Independent Director and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 (the Act) read with Schedule IV and any other applicable provisions of the Act, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Surender Kumar Tuteja (DIN 00594076), a Non-Executive Director of the Company, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive and Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting to the conclusion of the Company's Annual General Meeting to be held for the Financial Year 2018-19, whose period of office shall not be liable to retire by rotation."
5. To consider and appoint Dr. Ashok Kumar (DIN 00054771) as an Independent Director and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 (the Act) read with Schedule IV and any other applicable provisions of the Act, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Ashok Kumar (DIN 00054771), a Non-Executive Director of the Company, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive and Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting to the conclusion of the Company's Annual General Meeting to be held for the Financial Year 2018-19, whose period of office shall not be liable to retire by rotation."

6. To consider and appoint Mr. Suresh Prasad Yadav (DIN 06803706) as an Independent Director and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 (the Act) read with Schedule IV and any other applicable provisions of the Act, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Suresh Prasad Yadav (DIN 06803706), a Non-Executive Director of the Company, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 3rd February, 2014 pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive and Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting to the conclusion of the Company's Annual General Meeting to be held for the Financial Year 2018-19, whose period of office shall not be liable to retire by rotation."

7. To consider and approve the change in the name of Company from "A2Z Maintenance & Engineering Services Limited" to **"A2Z INFRA ENGINEERING LIMITED"** and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

   "RESOLVED THAT in accordance with the provisions of Section 13 read with Companies (Incorporation) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") (including any statutory modifications or re-enactment thereof, for the time being in force), the Memorandum of Association of the Company, Listing Agreement entered into by the Company with the BSE Limited & National Stock Exchange of India Limited where the shares of the Company are listed, the guidelines, regulations, circulars and clarifications issued by the Government of India (GOI), Securities and Exchange Board of India (SEBI) and any other statutory or regulatory authorities and subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to any such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions agreed to by the Board of Directors of the Company (the 'Board' which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the consent of the members be and is hereby accorded to change the name of Company from '**A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED'** to **'A2Z INFRA ENGINEERING LIMITED'** and immediately upon the said change in the name of the Company becoming complete and effective, the new name be substituted for the existing name wherever it appears in the Memorandum and Articles of Association and in all other records/documents of Company.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

8. To consider and adopt the newly substituted Articles of Association of the Company containing regulations in line with the Companies Act, 2013, and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

   "RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (Act) read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment there of, for the time being in force), the draft regulations contained in the Articles of Association which is available for public inspection at the Registered Office of the Company and on the company's website, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

   RESOLVED FURTHER THAT the Board of Directors be and is here by authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

9. To consider and approve waiver of the recovery of the excess amount paid as managerial remuneration to Mr. Amit Mittal as a Managing Director and if thought fit, to pass, with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

   "**RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and subject to the approval of Central Government, the approval of Members of the Company be and is hereby accorded to waive the recovery of the amount paid as managerial remuneration for the period of April 01, 2012 to November 30, 2013 to Mr. Amit Mittal, Managing Director of the Company, in excess of remuneration limits prescribed in Section 309 read with Schedule XIII and other applicable provisions of the erstwhile Companies Act, 1956 (now Section 197 read with Schedule V of the Companies Act, 2013) as set out in the Explanatory Statement attached hereto and forming part of this notice.

   RESOLVED FURTHER THAT the Board of Directors be and is here by authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

10. To consider and appoint Branch Auditor for branch offices of the Company outside India and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

    "RESOLVED THAT pursuant to the provisions of section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Companies (Audit and Auditors) Rules, 2014 as may be applicable, and subject to such regulatory approvals and consents as may be required, the Board of Directors of the Company be and is hereby authorized to appoint branch auditors, as and when required, in consultation with the statutory auditors, to audit the accounts of the Company's branches/offices, whether existing or which may be opened/acquired hereafter, outside India and to fix their terms and conditions of appointment and remuneration, based on the recommendation of the Audit Committee, for the year ending March 31, 2015."

11. To consider and ratify remuneration payable to M/s. H A M & Associates, Cost Accountants appointed as Cost Auditors of the Company for financial year ending March 31, 2015, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

    "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014(including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. H A M & Associates, Cost Accountants (Firm Registration No. 100738), appointed by the Board of Directors of the Company, to conduct the audit of Cost records of the Company for the financial year ending March 31, 2015 be paid a remuneration of Rs. 70,000/- (Rupees Seventy Thousand only) plus Service Tax and out of Pocket Expenses that may be incurred be and is hereby approved/ratified.

    RESOLVED FURTHER THAT the Board of Directors be and is here by authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

12. To consider and approve A2Z Employees Stock Option Plan, 2014 for the eligible employee(s) of the Company, and if thought fit, to pass, with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

    "RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any modification or re-enactment thereof for the time being in force), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement with the Stock Exchange(s), the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines") (including any modification or re-enactment thereof for the time being in force), and other rules and regulations / guidelines prescribed by Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India, or any other relevant authority, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanction of any authorities as may be required, and subject to such terms, conditions or modifications as may be prescribed or imposed by any of such authorities while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) consent of the Company be and is hereby accorded to the Board to introduce and implement **A2Z Employees Stock Option Plan, 2014** ("A2Z ESOP-2014" or "Plan") and to create, grant, offer, issue and allot, to or for the benefit of the employees of the Company, whether working in India or out of India, and the Directors (including the whole-time Directors) of the Company except Independent Director, hereinafter collectively referred to as the "Eligible Employee(s)", options and /or other instruments giving right to the eligible Employee(s) to purchase or subscribe such number of equity shares /equity linked instruments / securities convertible into equity shares including any depository receipts convertible into equity shares herein after collectively referred to as (the "Securities") at such price, in such manner, during such period, in one or more tranches and on such terms and conditions as the Board may decide.

    RESOLVED FURTHER THAT the maximum number of securities issued/granted in terms of this Resolution under A2Z Employees Stock Option Plan, 2014 shall not exceed such number as would entitle the holders collectively to subscribe or purchase 50,00,000 (Fifty Lacs only) equity shares of the company having face value of Rs. 10/- each in addition to the Employee Stock Options issued under any other previous Employee Stock Option Plan of Company.

    RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid Resolution shall in all respects rank pari-passu inter se and also pari-passu with the then existing equity shares of the Company.

    RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve and bring into effect the Plan on such terms and conditions as contained in the Explanatory Statement to this item in the notice and to make any modifications(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the Plan in accordance with any guidelines or regulations that may be issued, from time to time, by any appropriate authority unless such variation(s), modification(s) or alteration(s) is detrimental to the interests of the eligible employees including but not limited to, amendments with respect to the vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the Plan, without any form of further reference, confirmation, approvals or sanctions from the members of the company, to the extent permissible by the SEBI guidelines and other relevant regulations in force.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issues, merger, de-merger, amalgamation, sale of division and any other form of corporate restructuring, the Board be and is hereby authorized to make reasonable adjustments to the number of options granted and the exercise price in accordance with the SEBI Guidelines.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the shares issued and allotted under the Plan on the Stock Exchange(s), where the Securities of the Company are listed, as per the provisions of the Listing Agreements executed with the concerned Stock Exchanges and other guidelines, rules and regulations as may be applicable.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable for such purpose, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the securities without the Board being required to seek any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or Chairman of the Company with a power to further delegate the same to any executives/officers of the company to do all such acts and deeds, matters and things as also execute documents, writings, and other papers as may be necessary in this regard.

RESOLVED FURTHER THAT the Committee shall have the powers to re-price the options which are not exercised, whether or not they have been vested, if ESOP were rendered unattractive due to fall in the price of the shares in the market, which shall be applicable to all options granted on a specified grant date and not detrimental to the interests of the Eligible Employees."

13. To consider and approve A2Z Employees Stock Option Plan, 2014 to the eligible employee(s)/directors of the subsidiary Companies,and if thought fit, to pass, with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

    "RESOLVED THAT the benefits of the A2Z Employee Stock Option Plan, 2014 ("A2Z ESOP 2014" or "Plan") contained in Resolution no. 12 above is hereby extended to the eligible employees (including directors except Independent Director whether whole time directors or not) of the subsidiary company (ies) of the Company on such terms and conditions as may be decided by the ESOP Compensation Committee or any such committee of the Board of Directors of the Company by whatever name called."

Regd. Office: O-116, Ist Floor,
DLF Shopping Mall,
Arjun Marg, DLF Phase I,
Gurgaon-122002
Haryana (India)

Dated : August 14, 2014
Place : Gurgaon

By order of the Board
For **A2Z Maintenance & Engineering Services Limited**

Sd/-
(Atul Kumar Agarwal)
Vice President & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. A PERSON SHALL NOT ACT AS A PROXY FOR MORE THAN 50 MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL VOTING SHARE CAPITAL OF THE COMPANY. HOWEVER, A SINGLE PERSON MAY ACT AS A PROXY FOR A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL VOTING SHARE CAPITAL OF THE COMPANY PROVIDED THAT SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON.

2. Members/Proxies should bring duly filled attendance slips attached herewith for attending the meeting. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.

3. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto and forms part of this notice.

4. The Share Transfer Books and the Register of Members of the Company will remain closed from Saturday, 20th September, 2014 to Saturday, 27th September, 2014 (both days inclusive).

5. Members whose shareholding(s) are in electronic mode are requested to direct changes relating to address, bank mandate and Electronic Clearing Service (ECS) details to their respective Depository participants.
6. Members are requested to quote their Registered Folio Number or Client ID Number & Depository Participant (D.P.) ID number on all correspondence with the Company.
7. Members who are yet to register their E-mail addresses with the Company or with the depository are once again requested to register the same.
8. Members who are holding shares in more than one folio are requested to intimate to the Company the detail of all folio numbers for consolidation into a single folio.
9. As a measure of economy, copies of Annual Reports will not be distributed at the venue of Annual General Meeting of the Company. Members are requested to bring their copies to the meeting.
10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. The Register of Contracts or Arrangements in which Directorsare interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
13. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least (10) ten days before the meeting so that the same could be suitably answered at the meeting.
14. Copies of the Annual Report 2014 are being sent by electronic mode to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.
15. Electronic copy of the Notice of the 13th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 13th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
16. Members may also note that the Notice of the 13th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.a2zgroup.co.in for their download in the Investor relations section. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at situated at O-116, First Floor, DLF Shopping Mall, Arjun Marg, DLF Phase-I, Gurgaon-122002, Haryana for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email Id : investor.relations@a2zemail.com
17. Members who are holding shares in physical form are requested to notify /send all communication regarding registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address, or updation thereof to the Company's Registrar & Transfer Agent (RTA) Alankit Assignments Limited, 2E/21, Alankit House, Behind Jhandewalan Extension, New Delhi- 110055 and Members, whose shareholdings are in the electronic form, are requested to direct change of address notifications and updation of bank account details to their respective depository participants.
18. In case of Body Corporate members, please furnish certified copy of Board/Governing Body Resolution in terms of Section 113 of the Companies Act, 2013 specifically authorizing the person attending the meeting in person as its representative or appointing a proxy; and that such authority must be conferred in advance, and not by ratifying its act subsequently by a Board/Governing Body Resolution.
19. As per the General Circular 08/2014 No. 1/19/2013-CL-V dated 4th April, 2014 issued by the Ministry of Corporate Affairs, the financial statements (and documents required to be attached thereto), auditors report and board's report in respect of financial years that commenced earlier than 1st April, 2014 shall be governed by the relevant provisions/schedules/rules of the Companies Act, 1956. The Ministry of Corporate Affairs, Government of India has, vide General Circular No. 2/2011 dated 8th February, 2011 read together with General Circular No. 3/2011 dated 21st February, 2011, granted exemption under Section 212(8) of the Companies Act, 1956, for not attaching Annual Report of subsidiary companies, subject to fulfillment of certain conditions by the holding company. As stated in the said circulars, the Board of Directors, vide its resolution dated 14th August, 2014 accorded its consent for not attaching the balance sheet of the subsidiaries. Further the Company has presented in the Annual Report, the consolidated financial statements of the Company and all its subsidiaries duly audited by its statutory auditors. The consolidated financial statements have been prepared in strict compliance with the applicable Accounting Standards and, where applicable, the Listing Agreement as prescribed by the Securities and Exchange Board of India. The Company has disclosed in the

consolidated balance sheet the following information in aggregate for each subsidiary including subsidiaries of subsidiaries:- (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend. The annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the Head Offices of the Company and its subsidiaries during office hours on all working days between 11.00 A.M. and 1.00 P.M.

20. As per the provisions of the Companies Act, 2013, facility for making nominations is available for shareholders, in respect of shares held by them. Nomination Forms can be obtained from Registrar and Transfer Agents of the Company.

21. Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 of the Companies (Management and Administration) Rule, 2014, and pursuant to Circulars No. CIR/CFD/DIL/6/2012 dated 13th July, 2012 of the Securities and Exchange Board of India, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on 22nd August, 2014, i.e. the date prior to the commencement of book closure date is entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach their Depository Participant(s) for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on 21st September, 2014 and will end at 6.00 p.m. on 23rd September, 2014. The Company has appointed Mr. Deepak Gupta Partner of DR Associates, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

22. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-Voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company.

23. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.a2zgroup.co.in within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

PROCEDURE FOR E-VOTING

The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-votingare as under:

a. In case of Members receiving an e-mail from NSDL:

i) For Members whose email address have been registered: open the attached PDF file "A2ZMES – e-voting.pdf" giving your "User ID" and "Password for e-voting".

ii) Please note that the password is an initial password.

iii) Open internet browser by typing the URL: http://www.evoting.nsdl.com.

iv) Click on "Shareholders Login".

v) Put User Id and password as initial password noted in step (i) above and Login.

vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits / characters or combination thereof.

vii) Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.

viii) Home page of "e-voting" opens. Click on "e-voting – Active Voting Cycles".

ix) Select "EVEN" of A2Z Maintenance & Engineering Services Limited.

x) Now you are ready for "e-voting" as "Cast Vote" page opens. Voting period commences on and from 21st September, 2014 (9.00 am) and ends on 23rd September, 2014 (6.00 pm).

xi) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.

xii) Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority Letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email on deepak@drassociates.org with a copy marked to evoting@nsdl.co.in.

xiii) In case you are already registered with NSDL, you can use your existing User ID and Password for casting your vote.

b. <u>In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip</u>

i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM.

EVEN (e-Voting Event Number)	USER ID	PASSWORD / PIN

ii) Please follow all the steps SI. No. (ii) to SI. No. (xii) above, to cast vote.

a. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholder and e-Voting User Manual for Shareholders available at the "Downloads" section of www.evoting.nsdl.com.

b. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

iii) The voting rights shall be as per the number of equity share held by the Member(s) as on August 22, 2014. Members are eligible to cast vote electronically only if they are holding shares as on that date.

iv) The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on 21^{st} September, 2014 and will end at 6.00 p.m. on 23^{rd} September, 2014. The e-voting module shall be disabled by NSDL at 6.00 p.m. on the same day.

v) The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

<u>BRIEF RESUME OF DIRECTORS WHO IS TO BE APPOINTED/ RE-APPOINTED</u>

Annexure I to Notice

1. <u>Ms. Dipali Mittal</u>

<table>
<tr><th>Name of the Director</th><th colspan="4">Ms. Dipali Mittal</th></tr>
<tr><td>Date of Birth</td><td colspan="4">5^{th} March, 1973</td></tr>
<tr><td>Relationship with Other Directors</td><td colspan="4">Wife of Managing Director of the Company</td></tr>
<tr><td>Date of Appointment</td><td colspan="4">1^{st} February, 2004</td></tr>
<tr><td>Education/Expertise/Brief Profile</td><td colspan="4">Ms. Dipali Mittal is working as Whole-time Director of the Company and providing her guidance in strategic decisions of the Company. She completed her MBA from the Indian Institute of Finance, New Delhi. She has varied industry experience and is involved in the accounting, financial and general management of the Company.</td></tr>
<tr><td>No. of Equity Shares held in the company</td><td colspan="4">11,70,000</td></tr>
<tr><td>Directorship in other Public Ltd. Companies (including subsidiary of public Company) as on 31st March, 2014</td><td colspan="4">1. A2Z Infraservices Limited
2. Dataserv APAC Limited
3. Weensure E-Waste Limited</td></tr>
<tr><td rowspan="2">Membership/Chairmanship in Committees of Other Public Ltd. Companies</td><td>S. No.</td><td>Name of the Company</td><td>Audit Committee</td><td>Stakeholders Relationship Committee</td></tr>
<tr><td colspan="4">None</td></tr>
</table>

2. **Mr. Surender Kumar Tuteja**

<table>
<tr><th>Name of Director</th><th>Mr. Surender Kumar Tuteja</th></tr>
<tr><td>Date of Birth</td><td>15th June, 1945</td></tr>
<tr><td>Relationship with Other Directors</td><td>None</td></tr>
<tr><td>Date of Appointment</td><td>25th July, 2008</td></tr>
<tr><td>Education/Expertise/ Brief profile</td><td>A former Indian Administrative Service (IAS) official of the Punjab cadre, holds a Master’s degree in Commerce from Delhi University and is a Fellow member of the Institute Company Secretaries of India (ICSI). He has served the Government of India and the Government of Punjab in various capacities including as secretary to the Government of India in the Department of Food and Public Distribution, as Secretary, Ministry of Small Scale Industries and Agro & Rural Industries, as Development commissioner, Small Scale Industries, as Secretary, Public Enterprises Selection Board, as Principal Secretary, Industries and Commerce, as Principal Secretary, (Finance) Government of Punjab State Electricity Board. Mr. Tuteja has also acted as a consultant to the World bank.</td></tr>
<tr><td>No of Equity Shares held in the Company</td><td>Nil</td></tr>
<tr><td>Directorship in other Public Limited Companies as on 31st March, 2014</td><td>1. SML Isuzu Limited
2. Shree Renuka Sugars Limited
3. Adani Logistics Limited
4. Axis Private Equity Limited
5. Havells India Limited
6. Intas Pharmaceuticals Limited
7. Daawat Foods Limited
8. Adani Enterprises Limited
9. Trident Corporation Limited
10. Gujarat Foils Limited
11. PTC India Financial Services Limited
12. LT Foods Limited
13. Trident Limited
14. SIDBI Venture Capital Limited</td></tr>
<tr><td>Membership/Chairmanship in Committees of Public Ltd. Companies</td><td>
<table>
<tr><th>S. No.</th><th>Name of the Company</th><th>Audit Committee</th><th>Stakeholders Relationship Committee</th></tr>
<tr><td>1.</td><td>SML Isuzu Limited</td><td>-</td><td>Chairman</td></tr>
<tr><td>2.</td><td>Gujarat Foils Limited</td><td>Chairman</td><td>-</td></tr>
<tr><td>3.</td><td>Adani Enterprises Limited</td><td>Chairman</td><td>Member</td></tr>
<tr><td>4.</td><td>Shree Renuka Sugars Limited</td><td>-</td><td>Member</td></tr>
<tr><td>5.</td><td>Intas Pharmaceuticals Limited</td><td>Member</td><td>-</td></tr>
<tr><td>6.</td><td>Axis Private Equity Limited</td><td>Member</td><td>-</td></tr>
<tr><td>7.</td><td>Trident Corporation Limited</td><td>Member</td><td>-</td></tr>
</table>
</td></tr>
</table>

3. **Dr. Ashok Kumar**

Name of Director	Dr. Ashok Kumar
Date of Birth	5th September, 1956
Relationship with Other Directors	None
Date of Appointment	1st May, 2013
Education/Expertise/ Brief profile	Dr. Ashok Kumar is a fellow member of Institute of Chartered Accountant of India (ICAI) and Institute of Company Secretaries of India (ICSI). Dr. Kumar has been awarded Medal for securing the highest marks in the Company Secretary’s exam. Dr. Kumar is having rich experience in debt restructuring and revival and rehabilitation of sick industrial assets in India, and has been directly involved in revival of distressed assets.

No of Equity Shares held inthe Company	Nil
Directorship in other Public Limited Companies as on 31st March, 2014	1. Renascence Asset Reconstruction Company Limited 2. A2Z Infrastructure Limited 3. A2Z Infraservices Limited
Membership/Chairmanship in Committees of Other Public Ltd. Companies	S. No. | Name of the Company | Audit Committee | Stakeholders Relationship Committee None

4. **Mr. Suresh Prasad Yadav**

Name of Director	**Mr. Suresh Prasad Yadav**
Date of Birth	18th January, 1953
Relationship with Other Directors	None
Date of Appointment	3rd February, 2014
Education/Expertise/ Brief profile	Mr. Suresh Prasad Yadav is BE in Mechanical Engineering from MMM Engineering College, Gorakhpur, MBA (Finance) from Indira Gandhi National Open University and MS in Technology from Cranfield University (UK). Mr. Yadav is a Chartered Engineer and a fellow member of Institution of Engineers (India). He has rich experience in Government in specialized field of Strategic Management, Product Development, Project Management, Quality Management, Research & Development and Industrial Administration. He was the Director of National Academy of Defense Production, Ambajhari, Nagpur.
No of Equity Shares held in the Company	Nil
Directorship in other Public Limited Companies as on 31st March, 2014	None
Membership/Chairmanship in Committees of Other Public Ltd. Companies	S. No. | Name of the Company | Audit Committee | Stakeholders Relationship Committee None

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NO. 4 TO 13

Item No. 4 and 5

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Surender Kumar Tuteja and Dr. Ashok Kumar as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 and 152 (b) of the Companies Act, 2013 (Act), which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges (to come into force w.e.f. 1st October, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in their respective resolutions from the conclusion of this AGM.

Mr. Surender Kumar Tuteja and Dr. Ashok Kumar, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management.

Mr. Surender Kumar Tuteja and Dr. Ashok Kumar are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Surender Kumar Tuteja and Dr. Ashok Kumar for the office of Directors of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Notice attached herewith.

Mr. Surender Kumar Tuteja and Dr. Ashok Kumar are deemed to be interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice with regard to their respective appointment.

The Board recommends the resolutions set forth in item no. 4 and item no. 5 for the approval of the members.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above said resolutions.

Item No. 6

Mr. Suresh Prasad Yadav was appointed as Additional Director of the Company on 3rd February, 2014 by Board of Directors of the Company. According to the Provision of Section 161 of Companies Act, 2013 he holds office as Director only up to the date of the ensuing Annual General Meeting.

The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Suresh Prasad Yadav for the office of Director of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Suresh Prasad Yadav being eligible and seeking re-appointment, is proposed to be appointed as Non-Executive and Independent Director for a term of five years.

Mr. Suresh Prasad Yadav, Independent Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Suresh Prasad Yadav, director fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.The Board considers that his continued association would be of immense benefit to the Company.

Mr. Suresh Prasad Yadav is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The resolution seeks the approval of members for the appointment of Mr. Suresh Prasad Yadav as an Independent Director of the Company up to five consecutive years from the date of the ensuing Annual General Meeting of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

Save and except the above, none of the other Director, any Key Managerial personnel or their relatives, except Mr. Suresh Prasad Yadav, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 6 for the approval of the members.

Item No. 7

The Company is an Engineering, Procurement and Construction (EPC) Company primarily engaged in providing services to the power transmission and distribution sector and carrying on the business of power generation by renewable energy sources of fuels like biomass, refused derived fuel, rice husk etc. besides erection of optical fiber cable network for telecom companies.

Company has been providing its services mainly to the Infrastructure Sector and word "Maintenance" in the name of the Company somehow does not truly reflect the present activity being carried on by the Company as the Company does not carry on maintenance activity. In order to ensure that the name of the Company adequately reflects the businesses being carried on by the Company, it is proposed to appropriately change the name of the Company to **"A2Z INFRA ENGINEERING LIMITED"**.

The Registrar of Companies, NCT of Delhi & Haryana, has confirmed the availability of the new name to the Company vide letter of approval dated 05/08/2014. The proposed change of name will not affect any of the rights of the Company or of the shareholders of the Company. All existing certificates of shares/debentures/bonds/other securities bearing the current name of the Company will, after the change of name, continue to be valid for all purposes. The Company, in consultation with the Stock Exchanges and in compliance with all applicable provisions of law, will take appropriate steps in due course to give effect to the above change in the name.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

The Board recommends the resolution set forth in Item no. 7 for the approval of the members.

Item No. 8

The Articles of Association ("AoA") of the Company as currently in force are based on the erstwhile Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the erstwhile Companies Act, 1956 and terms and conditions of the Investment Agreements dated 31st August, 2007 and 2nd October, 2009 entered into by the Company with its investors. The references to specific sections of the erstwhile Companies Act, 1956 in the AoA may no longer be in conformity with the Companies Act, 2013 and several regulations would require alteration or deletion with the coming into force of the Companies Act, 2013.

Considering that substantive sections of the Companies Act which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed there under and adoption of specific sections from Table “F” to Schedule I to the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

Accordingly, it is proposed to replace the entire existing AoA by a set of new Articles.

The proposed new draft of AoA is being uploaded on the Company’s website for perusal by the shareholders.The proposed new draft AoA is also available for inspection at the Registered Office of the Company during normal business hours on any working days, excluding Saturdays and Sunday up to the date of declaration of the result of Annual General Meeting. The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of the members.

Item No. 9

In the Meeting of Board of Directors of the Company duly held on 14th November, 2009, Mr. Amit Mittal was re-appointed as Managing Director of the Company for a term of five years w.e.f. 1st January, 2010 upto 31st December, 2014 at remuneration fixed thereat. Since interms of Schedule XIII of the erstwhile Companies Act, 1956 remuneration cannot be approved for a period more than three years, the Board of Directors of the Company on the recommendation of the Remuneration cum Compensation Committee in its meeting held on 23rd August, 2012 had approved and recommended remuneration mentioned above to Mr. Amit Mittal for the remaining period of his tenure i.e. 1st January, 2013 to 31st December, 2014.

In terms of the Special Resolution passed by the members at the 11th Annual General Meetings of the Company duly held on 29th September, 2012, the remuneration was also approved by the members with the liberty and authority to the Board of Directors to alter, modify and revise the terms and conditions of the payment of remuneration.

Mr. Mittal was given the remuneration within the prescribed limit but due to unexpected change in the profitability of the Company during the financial year 2012-13 and 2013-14 the remuneration being paid to Mr. Amit Mittal exceeded the limits in terms of the provision of Section 198, 309, 310 read with schedule XIII of the Companies Act, 1956.

The Company had paid a sum of Rs. 1,89,48,240/- (Rupees One Crore Eighty Nine Lacs Fourty Eight Thousand Two Hundred Forty only) to Mr. Amit Mittal, Managing Director as a managerial remuneration during the period from April 01, 2012 to November 30, 2013, which is in excess of remuneration as specified in Clause C, Part II of Schedule XIII the of Companies Act, 1956 which is refundable to the Company as per section 309 of the Companies Act, 1956.

The details of the excess Managerial Remuneration paid to Mr. Amit Mittal during the preceding 3 financial years are given herein below:

(Amount in Rupees)

Particulars	Year 2011-12	Year 2012-13	Year 2013-14
Total Remuneration Paid to Mr. Amit Mittal as Managing Director	18,072,313	14,253,744	9,494,496
Allowed as per Section 198, 309, 310 read with schedule XIII of the Companies Act, 1956	18,072,313	4,800,000	-
Excess Remuneration paid to Mr. Amit Mittal, Managing Director	Nil	9,453,744	9,494,496

Any sums paid in excess of the said statutory limits become refundable to the Company and until such sums become refundable, are held in trust for the Company, unless the Company waives recovery of the said amount by way of a Special Resolution passed by the Members and such waiver is approved by the Central Government.

Further the Company’s application for the approval from Central Government for the waiver of excess remuneration so paid was not approved earlier. Hence pending the necessary approval from Central Government, the excess remuneration so paid is being held in trust by the Managing Director.

Mr. Amit Mittal is the Promoter and Managing Director of the Company, he has bee associated with the A2Z Group since it’s beginning. He is responsible for the management of the overall operations of the Company, including Group Companies hence has been instrumental in enabling the Group to diversify and expand its operations on PAN India basis. He is actively involved in long term strategy formulations and in exploring new growth avenues for A2Z Group. Under his able leadership, A2Z Group has emerged as an integrated infrastructure player with interest across Resources, Facility Management and Energy verticals. This has resulted in creation of a robust business model which is contributing towards building sound infrastructure in India.

The Nomination & Remuneration Committee and the Board of Director at their respective meetings held on 14th August, 2014 have recommended the waiver of excess Managerial Remuneration paid to Mr. Amit Mittal during the period from 1st April, 2012 to 30th November, 2013 as per above details in view of the inadequate profits of the Company for the year Financial years 2012-13 and 2013-14 subject to approval of the Central Government.

The Board recommends the said resolutions for your approval.

Mr. Amit Mittal is deemed to be concerned or interested in the said resolutions mentioned in Item No. 9 of this notice. Ms. Dipali Mittal, being relative of Mr. Amit Mittal, is also deemed to be interested in the said Resolutions.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

Item No. 10

In terms of section 143 (8) of the Companies Act, 2013 where a company has branch office, the accounts of that branch office shall be audited either by Company's Statutory Auditor or by another person qualified for appointment as an auditor of the company under section 139 of the Companies Act, 2013. In case of branch(s) office is situated outside India, the accounts of the branch office shall be audited either by the company's auditor or by an accountant or by any other person duly qualified to act as an auditor of the accounts of the branch office in accordance with the laws of that country.

The Company is presently having branch offices in Uganda and Zambia for the global expansion of business. In near future to expand the business operations the Company may open branches in various other Countries as well.

Since member's approval is required for appointment of branch auditors, therefore Members of the company are hereby requested to authorize the Board of directors to appoint branch auditors on the recommendation of the Audit Committee and in consultation with the Statutory auditors of the Company for various branches of the Company opened or to be opened in India or abroad and to fix their remuneration.

The Board recommends the Ordinary Resolution, at item No. 10 for the approval of the members.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

Item No. 11

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. H A M & Associates (formerly M/s. Harendra Singh & Company), Cost Accountants, as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2015 on a remuneration of Rs. 70,000/- (Rupees Seventy Thousand only) plus Service Tax and out of Pocket Expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at item no.11 of the Notice for ratification of theremuneration payable to the Cost Auditor for the financial year ending 31st March, 2015.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested financially otherwise in the above resolution.

The Board recommends the ordinary resolution set out at Item No. 11 for the approval of the members.

Item No. 12 & 13

In order to reward, motivate and retain desired talent for high level of individual performance and also to create a culture of ownership and building commitment towards the Company, and to align employees' objectives towards critical goals / milestone of the Company, it is proposed to introduce "A2Z Employee Stock Option Plan, 2014" ('A2Z ESOP 2014/Plan'). The Scheme is meant for eligible permanent employees, directors except Independent Directors of the Company including permanent employees/directors of the subsidiary company(ies) as may be decided by the ESOP Compensation Committee or any other committee of the Board of Directors of the Company by whatever name called ("Committee").

A2Z ESOP 2014 would be subject to and in conformity with the guidelines issued in this regard from time to time by the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 (SEBI Guidelines) or any amendment thereof. In terms of SEBI Guidelines, the administration of A2Z ESOP 2014 would vest with the Committee of the Board of Directors of the Company.

1. **Disclosures as per Regulation 6.2 of the SEBI Guidelines as amended:**

   Total number of Options to be granted under the ESOP Total number of Options to be granted under the Scheme shall not exceed 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- each. One option entitles the holder of the options to apply for one equity share of Rs. 10/- each of the Company. Vested Options that lapse due to non–exercise or unvested options that get cancelled due to resignation of employee or otherwise, would be available for re- grant at a future date. SEBI Guidelines require that in case of any Corporate Action(s) such as right issues, bonus issues, merger and others a fair and reasonable adjustment needs to be made to the options granted.

Accordingly, if any additional equity shares are issued by the Company pursuant to any corporate action, as aforesaid, the above ceiling of 50,00,000 (Fifty Lacs) equity shares shall be deemed to be increased proportionately to the extent of the additional equity shares issued.

2. Identification of classes of employees entitled to participate in the ESOP

All eligible permanent employees and Directors except Independent Director of the Company including the employees and Directors except Independent Director of the subsidiary Company(ies), as may be decided by the Committee. (As per SEBI Guidelines, Employees belonging to promoters or promoter group or holding directly or indirectly more than 10% of the outstanding equity shares of the Company shall not be eligible under the Scheme). Further, as per the provisions of the Companies Act, 2013, no ESOP will be granted to the Independent Directors of the Company and / or its Subsidiary Company(ies).

3. Requirements of vesting and period of vesting.

(a) There should be a minimum period of one year between the grant of options and vesting of options and such maximum period as may be determined by the Committee, but not exceeding four years.

(b) The vesting shall happen in one or more tranches as may be decided by the Committee.

4. Maximum Period within which the options shall be vested

The maximum vesting Period shall be four years from the date of Grant.

5. Exercise Price or Pricing formula

The options would be issued at such discounted price to the market price (Exercise Price), which would be the latest available closing price on the Stock Exchange, which records the highest trading volume in the Company's equity shares on the date prior to the date of the meeting of the Committee at which the options are granted or at such price as the Committee may determine however in any case such price would not be less than the face value of the equity share at that time.

6. Exercise Period and the Process of Exercise

The Exercise period will commence from the date of vesting and extend up to not later than five years from the date of the vesting of the Options or such other period as may be decided by the Committee, from time to time. The Option would be exercisable by the employee by a written application to the designated officer of the Company to exercise the options in such manner, and on execution of such documents as may be prescribed by the Committee under the Scheme. The options will lapse if not exercised within the specified exercise period.

7. Appraisal process for determining the eligibility of employees to the ESOP

Employees may be granted Stock Options based on performance and such other criteria as the Committee may, in its absolute discretion decide. The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

8. Maximum number of options to be issued per employee and in aggregate

The maximum number of options granted to any one employee/ director in a year will not exceed 1% of the issued Equity Share capital of the Company at the time of granting of an option. The aggregate of all such grants, as reduced by options lapsed, cancelled, forfeited or surrendered, shall not exceed 50,00,000 (Fifty lacs) options convertible in to equivalent number of equity shares of face value Rs. 10/- each

9. Disclosure and Accounting policies

The Company shall comply with the Accounting Policies specified in clause 13.1 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and such other policies, as may be applicable from time to time.

10. Method of Option Valuation

The Company shall use the Intrinsic Value Method for valuation of the options. As the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options shall be disclosed in the Director's Report and also the impact of this difference on profits and Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

The equity shares allotted pursuant to the exercise of the Options shall be listed on the Stock Exchanges where the Company's Equity Shares are listed and necessary applications will be made to those Stock Exchange(s) in this behalf.

As per clause 6(1) of the Guidelines, any Employees Stock Option Scheme must be approved by way of a special resolution. Further as the Scheme will entail further shares to be offered to persons other than existing members of the Company, consent of the Members is required for issue of the equity shares and / or instruments entitling the holder to subscribe to or purchase equity shares, in terms of the provisions of Section 62(1)(b) of the Companies Act, 2013. Clause 6(3) of the Guidelines requires that a separate resolution is required to be passed if the benefits of the Scheme are to be extended to eligible employees of the subsidiary companies. Accordingly the resolution set out at item no. 12 & 13 is being placed for approval of the members.

In terms of Section 62 and other applicable provisions if any of the Companies Act 2013 and SEBI Guidelines approval of Shareholders is sought to issue equity Shares pursuant to options to be granted under A2Z ESOP 2014 not exceeding 50,00,000 (Fifty Lacs) equity shares.

Accordingly the Special Resolutions set out at Item nos. 12 &13 are being placed for the approval of the Shareholders.

The options to be granted / shares to be issued under the Scheme shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested in the resolutions, except to the extent of their shareholding in the Company and to the extent of the options / shares that may be offered to them under the Scheme.

By order of the Board
For **A2Z Maintenance & Engineering Services Limited**

Sd/-
(Atul Kumar Agarwal)
Vice President & Company Secretary

Regd. Office: O-116, I^st^ Floor,
DLF Shopping Mall,
Arjun Marg, DLF Phase I,
Gurgaon-122002
Haryana (India)

Dated : August 14, 2014
Place : Gurgaon

A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED

CIN: L74999HR2002PLC034805
Regd. Office: O-116, 1st Floor, DLF Shopping Mall, Arjun Marg,
DLF City, Phase I, Gurgaon-122002, Haryana, (India)
Tel: +91-124-4300426 Fax: +91-124-2566651
Website: www.a2zgroup.co.in, E-mail : info@a2zemail.com

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s)			
Registered address			
E-mail Id			
Folio No/ Client Id		DP ID	

I/We, being the member (s) of...............................shares of the above named company, hereby appoint

1. Name: .... E-mail Id : ....

   Address : ....

   .... Signature : ...., or failing him

2. Name: .... E-mail Id : ....

   Address : ....

   .... Signature : ...., or failing him

3. Name: .... E-mail Id : ....

   Address : ....

   .... Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company to be held at **HSIIDC Hall, Udyog Vihar, Phase-V, Gurgaon-122016, Haryana, India** on Saturday, 27th day of September, 2014 at 10.30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	Optional	
		For	Against
1.	To adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit and Loss Account for the year ended on that date along with the Reports of Directors' and Auditors' thereon.		
2.	To appoint a Director in place of Ms. Dipali Mittal (DIN: 00872628) who retires by rotation and being eligible, offers herself for reappointment.		
3.	To consider and appoint M/s Walker Chandiok & Co LLP, Chartered Accountants, as Statutory Auditors,for a period of five years from the conclusion of this AGM till the conclusion of the Annual General Meeting to be held for the Financial Year 2018-19		
4.	To consider and appoint Mr. Surender Kumar Tuteja (DIN 00594076) as an Independent Directorfor a period of five years with effect from the date of this AGM.		
5.	To consider and appoint Dr. Ashok Kumar (DIN 00054771) as an Independent Director for a period of five years with effect from the date of this AGM.		
6.	To consider and appoint Mr. Suresh Prasad Yadav (DIN 06803706) as an Independent Director for a period of five years with effect from the date of this AGM.		
7.	To consider and approve the change in the name of Company from "A2Z Maintenance & Engineering Services Limited" to **"A2Z INFRA ENGINEERING LIMITED"**.		
8.	To consider and adopt newly substituted Articles of Association of the Company containing regulations in line with the Companies Act, 2013.		
9.	To consider and approve the waiver of the recovery of the excess amount paid as managerial remuneration to Mr. Amit Mittal as a Managing Director for the period of 1st April, 2012 to 30th November, 2013.		
10.	To consider and appoint Branch Auditor for branch offices of the Company outside India.		
11.	To consider and ratify remuneration payable to M/s. H A M & Associates, Cost Accountants appointed as Cost Auditors of the Company for financial year ending March 31, 2015.		
12.	To consider and approve A2Z Employees Stock Option Plan, 2014 for the eligible employee(s)/directors of the Company.		
13.	To consider and approve A2Z Employees Stock Option Plan, 2014 to the eligible employee(s)/directors of the subsidiary Companies.		

Signed this.................................day of.............2014

Affix
Revenue
Stamp
(Rs. 1)

....
Signature of shareholder

....
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting by 10:30 a.m. on 27th September, 2014.

A2Z GROUP
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A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED

CIN: L74999HR2002PLC034805
Regd. Office: O-116, 1st Floor, DLF Shopping Mall, Arjun Marg,
DLF City, Phase I, Gurgaon-122002, Haryana, (India)
Tel: +91-124-4300426 Fax: +91-124-2566651
Website: www.a2zgroup.co.in, E-mail : info@a2zemail.com

ATTENDANCE SLIP

13TH ANNUAL GENERAL MEETING - SATURDAY, THE 27TH SEPTEMBER, 2014

Regd. Folio No./DP Id No.*/Client Id No.*	
No. of Shares held	
Name and Address of the First Shareholder (IN BLOCK LETTERS)	
Name of the Joint holder (if any)	

I/we hereby record my/our presence at the 13th Annual General Meeting of the Company to be held at **HSIIDC Hall, Udyog Vihar, Phase-V, Gurgaon-122016, Haryana, India** on Saturday, 27th day of September, 2014 at 10.30 A.M.

....
Member's/Proxy's Name in Block Letters Member's/Proxy's Signature

Notes: A Member/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the Meeting and handover at the entrance duly signed.

*Applicable for investor holding shares in electronic form.

The Electronic Voting Particulars are as follows:

EVEN (e-Voting Event Number)	USER ID	PASSWORD / PIN

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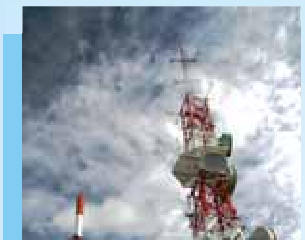


13th Annual Report 2013-14

A2Z Maintenance & Engineering Services Ltd.

Corporate Information

Board of Directors

Mr. Surender Kumar Tuteja
Non-Executive Independent Chairman

Dr. Ashok Kumar
Non-Executive Independent Director

Mr Suresh Prasad Yadav
Non-Executive Independent Director

Mr. Amit Mittal
Managing Director

Mrs. Dipali Mittal
Executive Director

Chief Executive Officer
Mr. Rajesh Jain

Chief Financial Officer
Mr. Gaurav Jain

Company Secretary cum Compliance Officer
Mr. Atul Kumar Agarwal

Statutory Auditors
Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants

Registrar & Share Transfer Agent
M/s Alankit Assignments Limited
Alankit House,
2E/21, Jhandewalan Extension
New Delhi - 110 055
Ph.: +91 11 42541234, 23541234
Fax: +91 11 23552001

Registered Office
O-116, Ist Floor, DLF Shopping Mall,
Arjun Marg, DLF Phase I, Gurgaon-122002,
Haryana (India)

Corporate Office
Plot No. B-38, Institutional Area,
Sector-32, Gurgaon-122001
Haryana (India)
Website : www.a2zgroup.co.in

Bankers/Financial Institution

1. State Bank of Patiala
2. State Bank of India
3. State Bank of Mysore
4. State Bank of Hyderabad
5. State Bank of Travancore
6. Standard Chartered Bank
7. IDBI Bank Limited
8. ICICI Bank Limited
9. Axis Bank Limited
10. DBS Bank Limited
11. Allahabad Bank
12. Union Bank of India
13. ING Vysya Bank Limited
14. IndusInd Bank Limited
15. The Hongkong and Shanghai Banking Corporation Limited (HSBC Bank)
16. YES Bank Limited
17. SICOM Limited

TABLE OF CONTENTS

Directors' Report

To,

The Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report on the business and operations of the Company, together with the Standalone and Consolidated financials for the financial year ended on 31st March, 2014.

1. FINANCIAL RESULTS:

The highlights of financial results on Standalone and Consolidated basis for the financial year ended on 31st March, 2014 are as follows:

(Rs. in Million)

Particulars	Standalone		Consolidated	
	2013-14	**2012-13**	**2013-14**	**2012-13**
Revenue from Operations	**3,362.88**	**5,549.58**	**6,987.53**	**9,028.15**
Add: Other Income	73.63	101.10	171.55	365.55
Total Income	**3,436.51**	**5,650.68**	**7,159.08**	**9,393.71**
(Loss)/Profit before Interest, Tax & Depreciation	(1,109.96)	(186.54)	(946.32)	(53.02)
Less: Interest	822.19	702.44	1,213.85	1,073.26
Profit before Tax & Depreciation	(1,932.15)	(888.98)	(2,160.17)	(1,126.28)
Less: Depreciation/ Amortization	71.21	71.81	323.95	394.03
(Loss)/Profit before Tax & Extra Ordinary Items	(2,003.36)	(960.79)	(2,484.12)	(1,520.31)
Less: Tax Expenses	16.98	(321.03)	54.09	(311.42)
Net Profit/(Loss) after Tax but before Extraordinary item	**(2,020.34)**	**(639.76)**	**(2,538.21)**	**(1,208.89)**
Less: Previous Period Item	-	-	-	-
Add : Exceptional Item - Gain	70.71	101.66	70.72	147.66
Net Profit/(Loss) after Tax & before Minority Interest	**(1,949.63)**	**(538.10)**	**(2,467.49)**	**(1,061.23)**
Less: Share in Minority Interest	-	-	3.05	(2.54)
Net Profit/(Loss) after Tax & Minority Interest	(1,949.63)	(538.10)	(2,470.54)	(1,058.69)
Balance brought forward from previous year	2,525.45	3,063.55	1,529.53	2,566.35
Less: Adjustment on account of further acquisition in subsidiaries	-	-	-	(21.86)
Less: Share in Minority Interest on dilution of holding	-	-	-	-
Net Profit available for appropriation	**575.82**	**2,525.45**	**(941.01)**	**1,529.53**

Operations Review

Standalone:

- During the year under review, the Company has achieved total income of Rs. 3,436.51 Million as against Rs. 5,650.68 Million in the previous year. The Company has made net loss after tax of Rs. 1,949.63 Million as against a loss of Rs. 538.10 Million in the previous year.
- The Net Worth of the Company has decreased to Rs. 9096.47 Million as at the end of the current year from Rs. 11,046.10 Million as at the end of the previous year.
- The Debt Equity ratio of the Company has gone up to 0.96 as at the end of the current year as compared to 0.64 as at the end of the previous year.

Consolidated:

- The Consolidated total income of the Company for the current financial year is Rs. 7,159.08 Million as against Rs. 9,393.71 Million in the previous year. The Company on consolidated basis has made a net Loss after minority interest and extra ordinary items of Rs. 2470.54 Million as against Rs. 1058.69 Million in the previous year.
- The consolidated Net Worth of the Company has come down to Rs. 7,586.90 Million as at the end of the current year from Rs. 10,045.06 Million as at the end of previous year.
- The consolidated Debt Equity ratio of the Company has gone up to 1.86 as at the end of the current year compared to1.22 as at the end of previous year.

2. DIVIDEND

In view of losses incurred during the year under review, the Board of Directors of the Company has not recommended any dividend to the shareholders for this financial year.

3. NATURE OF OPERATIONS

Your Company is primarily engaged in providing EPC services in power transmission and distribution sectors with focus mainly on distribution. The Company has also moved into the generation of power from renewable energy sources like biomass (Renewable Energy Generation) and Municipal Solid Waste Management (MSW). The Company is amongst very few companies that are qualified to provide EPC services in the transmission and distribution sector to Power Grid Corporation of India Limited (PGCIL). The Company also provides services to other verticals such as Telecommunications Services and operation & maintenance for wire lines and erection of optical fiber cable network for telecom companies.

The Company has two business verticals:

EPC Division: The Company undertakes the EPC contracting business through this division, more particularly in erection and laying of distribution and transmission lines and erection of sub-stations for power distribution companies. It provides integrated design, testing, installation, construction and commissioning services on a turn-key basis. Its activities include erection, laying and maintenance of electric transmission lines, renovation and segregation of feeders, setting up of substations and other allied services. Its EPC services include the installation of distribution line infrastructure up to 33 KV, construction of substations etc. In the transmission line, its services include Extra High Tension (EHT) substations and transmission lines.

Power Plants Division: The Company has also forayed in the renewable energy generation business through this division by setting up biomass based three power plants in Punjab in collaboration with sugar mills on Built Own Operate and transfer (BOOT) basis.

The Company's operations are geographically spread across India and conducted either directly through the Company or its direct and indirect subsidiaries. Through its subsidiary companies, the Company provides municipal solid waste (MSW) management services which involve collection & transportation (C&T) of waste and its scientific processing and disposal (P&D) like recycling, manufacturing of organic compost and green fuel such as Refused Derived Fuel (RDF) & subsequent disposal of remnants, facility management (FMS) & environmental services and developing information technology (IT) solutions for power utilities (Power IT Solutions). The Company along with its subsidiaries has a mission of creating a cleaner climate and environment.

4. UPDATES ON CORPORATE DEBT RESTRUCTURING (CDR):

During the year under review, the Company had taken a decision to undertake a debt restructuring exercise under the CDR mechanism that is governed by the Corporate Debt Restructuring Scheme issued by Reserve Bank of India vide Circular No RBI/2008-09/143, DBOD.No.BP.BC.No.37/ 21.04.132/ 2008-09 and the Corporate Debt Restructuring Guidelines formulated thereunder in consultation with State Bank of Patiala (SBOP) the lead bank of the Consortium Banks. The Corporate Debt Restructuring Proposal ("CDR Proposal") was recommended by State Bank of Patiala, the lead lender and after approval by majority of the secured lenders (hereinafter referred to as the "CDR Lenders") the final Corporate Debt Restructuring Package ("CDR Package") has been approved by CDR Empowered Group ("CDR EG") on December 24, 2013 and the same has been communicated to the CDR Lenders by CDR Cell vide its Letter of Approval dated December 28, 2013 further amended by letter dated February 03, 2014 (hereinafter collectively referred to as "CDR LOA"). The Master Restructuring Agreement ("MRA") between the Company and the CDR Lenders has been executed on March 27, 2014, by virtue of which the restructured facilities are governed by the provisions specified in the MRA having cut off date of January 1, 2013.

The total Restructured Facilities under the CDR Package amounts to Rs. 1727.46 Crores which includes Restructured Term Loan and Working Capital Facilities and the moratorium for repayment of Term Loan, and Working Capital Facilities and Interest thereof for the initial period of 2 years from Cut-off Date.

In terms of the CDR Scheme, the Promoter/Promoter Group were required to bring in equity to the extent of Rs. 34.54 Crores i.e. 2% restructured debts of Rs. 1,727.46 crore upfront into the Company in stipulated time frame, which has already been infused.

The key features of the CDR Proposal are given in detail under Notes to Financial Statements forming part of this Annual Report.

Furthermore the Corporate Debt Restructuring (CDR) Package as approved by the CDR EG has been confirmed/ approved by the Shareholders of the Company through postal ballot vide notice dated May 6, 2014, the results of which have been declared on June 24, 2014.

5. CAPITAL STRUCTURE

After the year under review, the Authorised Share Capital of the Company has been increased from Rs.100,00,00,000/- (Rupees One Hundred Crores only) divided into 10,00,00,000 (Ten Crores) equity shares of Rs.10/- (Rupees Ten only) each to 115,00,00,000/- (Rupees One Hundred Fifteen Crores only) divided into 11,50,00,000 (Eleven Crore Fifty Lacs) equity shares of 10/- (Rupees Ten only) each.

The Paid Up Share Capital of the Company is Rs.74,17,76,940/- (Rupees Seventy Four Crores Seventeen Lacs Seventy Six Thousand Nine Hundred Forty only) divided into 7,41,77,694 (Seven Crores Forty One Lac Seventy Seven Thousand Six Hundred Ninety Four) fully paid-up Equity Shares of Rs. 10 each. There is no change in the issued and paid up share capital of the Company during the year.

6. PREFERENTIAL ISSUE:

After the year under review, in terms of the said CDR LOA the Company had sought the approval of the shareholders by way of postal ballot vide notice dated May 6, 2014, the results of which have been declared on June 24, 2014, inter alia for following items Board of Directors of the Company has been authorised to create, issue and offer the following:

a. To issue up to 3,45,40,000 (Three Crore Forty Five Lacs Forty Thousand) Equity Shares of Rs.10/- each of the Company from time to time in one or more tranches, on Preferential Basis to the Promoter/Promoter Group in terms of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”);

b. To issue up to 14,91,40,000 (Fourteen Crore Ninety One Lacs Forty Thousand) Equity Shares of Rs.10/- each of the Company from time to time in one or more tranches, on Preferential Basis to the CDR Lenders on conversion of Funded Interest Term Loan (FITL) and Working Capital Term Loan (WCTL) in terms of CDR Package;

c. To issue up to 8,32,40,000 (Eight Crore Thirty Two Lacs Forty Thousand) Equity Shares of Rs.10/- each of the Company from time to time in one or more tranches, on Preferential Basis to the Non CDR Lenders on conversion of Funded Interest Term Loan (FITL) and Working Capital Term Loan (WCTL), if they wish to participate in the CDR Package in accordance with the CDR Guidelines.

7. BOARD OF DIRECTORS

a) Composition of Board:

The Board comprises of five (5) Directors consisting three (3) Non-Executive Independent Directors one of whom is an additional director and two (2) Executive Directors, one of whom is a Managing Director of the Company. Mr. Amit Mittal and Ms. Dipali Mittal continue to be the Directors of the Company.

b) Change in Composition of Board:

During the period under review, following changes in composition of the Board took place:

Resignations

Sr. No	Name of Director	Category	Date of Resignation
1.	Mr. Gaurav Mathur (Nominee Director of Lexington Equity Holdings Limited)	Non- Executive & Non Independent	2nd May, 2013
2.	Mr. Supratim Banerjee (Alternate Director to Mr. Gaurav Mathur	Non-Executive & Non Independent	2nd May, 2013

The Board places on record their sincere appreciation towards the valuable contribution and guidance provided by the above said directors during their tenure as Directors of Company.

Appointments

Dr. Ashok Kumar appointed as an Additional Director of the Company effective from 1st May, 2013, he was further re-appointed as director of the Company in the Annual General Meeting of the Company duly held on 28th September, 2013.

Mr. Suresh Prasad Yadav was appointed as an Additional Director of the Company effective from 3rd February, 2014 in accordance with the provisions of Section 260 of the erstwhile Companies Act, 1956 read with Article 44 of the Articles of Association of the Company. Mr. Suresh Prasad Yadav shall hold office up to the date of the ensuing Annual General Meeting.

Mr. Surender Kumar Tuteja, Dr. Ashok Kumar and Mr. Suresh Prasad Yadav, directors of the Company, if approved, shall be appointed as independent directors for five consecutive years from the date of the ensuing Annual General Meeting as per provisions of Section 149, 150 & 152 and, if any, other applicable provisions of the Companies Act, 2013.

Necessary resolutions for the appointment/re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM and details of the proposal for appointment/re-appointment are mentioned in the explanatory statement of the notice.

Your directors recommend their appointment/re-appointment. All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013 and they have also filed their consent for such appointment.

c) Reappointment of director(s) retire by rotation

In terms of Article 70 of the Articles of Association of the Company, Ms. Dipali Mittal is liable to be retire by rotation at the ensuing Annual General Meeting, and being eligible, offer herself for re-appointment.

The brief resumes of the Directors who are to be appointed/ re-appointed, the nature of their expertise in specific functional areas, names of companies in which they hold directorships, committee memberships/ chairmanships, their shareholding etc., are furnished in the Annexure-I to the notice of the ensuing Annual General Meeting.

8. **DISINVESTMENTS IN SUBSIDIARIES**

Disinvestments in Madhya Bijlee Private Limited, Proficient Disaster Management & Innovative Response Education Private Limited (previously known as A2Z Disaster Management & Innovative Response Education Private Limited), Pioneer Waste Management Private Limited and Mirage Bijlee Private Limited

During the year under review, pursuant to the Share Purchase Agreement dated 23rd December, 2013, the Company had sold its entire shareholding in Madhya Bijlee Private Limited, Proficient Disaster Management & Innovative Response Education Private Limited and Pioneer Waste Management Private Limited. The above said companies have ceased to be subsidiary of the Company.

Further pursuant to the Share Purchase Agreement entered on 1st March, 2014, the Company had sold its entire shareholding in Mirage Bijlee Private Limited hence it has ceased to be a subsidiary of the Company.

9. **EMPLOYEE STOCK OPTION PLANS**

During the year the Company has the following Schemes/ Plan in operation for granting stock options to the eligible employees/directors of the Company and its subsidiary companies, in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

- A2Z Stock Option Plan 2010
- A2Z Employees Stock Option Plan 2013

A2Z Employees Stock Option Plan 2013

During the year under review, your Company pursuant to a special resolution of the shareholders of the Company at the Annual General Meeting held on 28th September, 2013 adopted the A2Z Employees Stock Option Plan 2013 (“A2Z ESOP”) for the grant of options. The ESOP Compensation Committee in its meeting held on February 3, 2014 has granted 16,95,000 stock options convertible into equivalent number of equity shares of Rs. 10/- each to the eligible employee/ directors of the Company and/or its Subsidiary Companies at the exercise price of Rs 10.35 each which is NSE closing market price on 31st January, 2014 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable on the first anniversary of the grant date till completion of four (4) years since then.

Further the ESOP Compensation Committee in its meeting held on July 03, 2014 has granted 19,05,000 stock options convertible into equivalent number of equity shares of Rs. 10/- each to the eligible employee/ directors of the Company and/or its Subsidiary Companies at the exercise price of Rs 19.95 each which is NSE closing market price on 2nd July, 2014 (i.e. previous trading day of the grant date). The granted option shall be vested in the ratio of 30:30:40 to each of the eligible employees employee/ directors of the Company and/ or its Subsidiary Companies on each anniversary of the Grant Date and will be exercisable till completion of four (4) years from the vesting date.

As required under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the information pertaining to A2Z STOCK OPTION PLAN, 2010 and A2Z EMPLOYEES STOCK OPTION PLAN 2013 as on March 31, 2014 of the Company has been provided in an Annexure I which forms part of the Directors’ Report.

Auditor’s Certificate under clause 14.1 of SEBI (ESOP) Guidelines 1999 shall be placed at ensuing Annual General Meeting.

10. **SHARES HELD IN SUSPENSE ACCOUNT**

At the time of the public issue 1,035 Equity Shares were transferred to suspense account as were unclaimed. At the end of last year i.e. as on 31st March, 2013, 105 shares were lying in the suspense account. During the year no share has been transferred from suspense account to shareholders. Detail of Shares in Suspense Account is as follows:

Particulars	No. of Cases	No. of Shares
Aggregate No. of Shareholders and outstanding shares in suspense account lying at the beginning of the year - 01.04.2013	01	105
Number of Shareholders who approached to issuer/ registrar for transfer of shares from suspense account during the year – 01.04.2013 - 31.03.2014	NIL	NIL
Number of Shareholders to whom shares were transferred from suspense account during the year-01.04.2013-31.03.2014	NIL	NIL
Aggregate No. of Shareholders and outstanding shares in the suspense account lying at the end of the year-01.04.2013-31.03.2014	01	105*

***The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.**

11. **SUBSIDIARY COMPANIES**

As on the date of this Report, Company had 33 (Thirty Three) direct and step down subsidiary Companies and an association of person (AOP) in which Company is having 60% sharing in profits, a list of which is given in the notes to financials.

As per the General Circular 08/2014 No. 1/19/2013-CL-V dated 4th April 2014 issued by the Ministry of Corporate Affairs, the financial statements (and documents required to be attached thereto), auditors report and board’s report in respect of financial years that commenced earlier than 1st April 2014 shall be governed by the relevant provisions/ schedules/rules of the Companies Act, 1956. The Ministry of Corporate Affairs, Government of India has, vide General Circular No. 2/2011 dated 8th February, 2011 read together with General Circular No. 3/2011 dated 21st February, 2011, granted exemption under Section 212(8) of the Companies Act, 1956, for not attaching Annual Report of subsidiary companies, subject to fulfilment of certain conditions by the holding company. As stated in the said circulars, the Board of Directors, vide its resolution dated 14th August, 2014 accorded its consent for not attaching the balance sheet of the subsidiaries.

The detailed financial statements and audit reports of each of the subsidiaries are available for inspection at the registered office of the Company during office hours between 11 a.m. to 1 p.m.

The Annual Report of the Company contains the consolidated audited financial statements prepared pursuant to clause 41 of the Listing Agreement entered into with the stock exchanges and in accordance with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

12. INTERNAL CONTROL SYSTEMS

The Company has a proper, efficient & adequate internal control system. It ensures that all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

An effective programme of internal audit and management review supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal control system has been designed so as to ensure that the financial and other records of the Company are reliable for preparing the financial and other statements and for maintaining accountability of assets of the Company.

The Company has also constituted an Audit Committee comprising of 4 (Four) professionally qualified directors, who regularly interact with the Statutory Auditors and Internal Auditors in dealing with the matters specified within its terms of reference. The Committee mainly deals with accounting matters, financial reporting and internal controls.

13. AUDIT COMMITTEE RECOMMENDATION

During the year under review there was no such recommendation of the Audit Committee which was not accepted by the Board. Hence there is no need for disclosure of the same in this report.

14. RISK MANGEMENT SYSTEM

Risks are an integral part of any business and the risk profile, to a great extent, depends on the climatic conditions, economic and business conditions and the markets and customers we serve.

Your Company has adopted a comprehensive & effective system of Risk Management. The Company has adopted a procedure for risk assessment and its minimization. It ensures that all the risks are timely identified and mitigated in accordance with the well-structured Risk Management process. The Board of directors & the Audit Committee periodically review the Risk management process.

15. LISTING

The Equity shares of the Company continue to remain listed on BSE Limited (Previously known as Bombay Stock Exchange Limited) and National Stock Exchange of India Limited and the stipulated listing fees for FY 2014-15 have been paid to both the Stock Exchanges.

16. PUBLIC DEPOSITS

During the year under review the company has not accepted any deposit from public within the meaning of section 58A of the Companies Act, 1956 and rules made there under.

17. AUDITORS AND AUDITOR'S REPORT

The auditors, M/s. Walker Chandiok & Co. LLP (Firm Registration No. 001076N) Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office as Statutory Auditors, if re-appointed. The proposal for their re-appointment is included in the notice for the ensuing Annual General Meeting.

On recommendation of the Audit Committee the Board has recommended the re-appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants as Statutory Auditors. M/s Walker Chandiok & Co LLP, Chartered Accountants, if re-appointed by members as Statutory Auditor shall hold office from the conclusion of the Company's this Annual General Meeting to the conclusion of the Annual General Meeting to be held for the Financial Year 2018-19, subject to ratification at every Annual General Meeting of the Company.

Certificate from the said Auditors has been obtained to the effect that their re-appointment, if made, would be within the limits specified under section 141 of the Companies Act, 2013.

The auditor's report presented by M/s Walker Chandiok & Co LLP, Statutory Auditors on the accounts of the company for the financial year ended 31st March, 2014 is self-explanatory and requires no comments and the Management replies to the audit observations are as under:

Explanation to para 6 of Auditor's report on Consolidated Financials of A2Z Maintenance & Engineering Services Limited, its subsidiaries and joint ventures & para 6 of Auditor's report on Standalone Financials of A2Z Maintenance & Engineering Services Limited

The Company continues to carry deferred tax assets of Rs. 396.07 Million on items comprising unabsorbed losses and other timing differences between the accounting and taxable income, which, in view of the management, shall be realized on generation of taxable income in future years.

The Group follows Accounting Standard (AS-22) "Accounting for taxes on Income" as notified by the Companies (Accounting Standards) Rules, 2006, (as amended). The company has entered into agreements with its customers for providing engineering services and based on developments in certain new projects, the Company will have certain revenue and sufficient taxable profits against which the deferred tax asset shall be adjusted. Due to accumulated losses, some subsidiaries have recognised deferred tax assets to the extent there is virtual certainty supported by convincing evidence of realization of such deferred tax assets in the near future.

Explanation to para 8 (a) of Auditor's report on Consolidated Financials of A2Z Maintenance & Engineering Services Limited, its subsidiaries and joint ventures & para 8 of Auditor's report on Standalone Financials of A2Z Maintenance & Engineering Services Limited

The Company has incurred a net loss of Rs. 1,949.63 Million for the year ended 31st March, 2014 and is currently facing liquidity problems on account of delayed realisation of trade receivables coupled with delays in commencement of commercial production at its biomass based power generation plants. Management is evaluating various options and in addition to consolidation of business by focusing on core operations and disposing off the noncore assets, had also made reference to Corporate Debt Restructuring Cell ('CDR Cell') for restructuring of its existing debt obligations, including interest and other related terms and conditions (hereinafter referred to as the 'CDR scheme'). Management believes that the approved CDR scheme of the Company and the aspects like inviting strategic investors, disposal of non-core assets would also bring in the additional cash flows into the system, and hence no adjustments are required in the financial statements and accordingly, these have been prepared on a going concern basis.

The Corporate debt restructuring (CDR) proposal to re-structure existing 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. Out of seventeen lenders, twelve lenders (herein after termed as 'CDR lenders') agreed to be part of the CDR scheme.

One of the non CDR lenders filed a civil suit in the Hon'ble High Court of Delhi on the Company against creation of second charge on power plants under the CDR scheme inter alia other matters. The Hon'ble High Court vide its Order dated March 20, 2014 has permitted the signing of Master Restructuring Agreement (MRA) keeping the hearing in the suit adjourned to August 21, 2014. Upon execution of the Master Restructuring Agreement (MRA) with ten CDR lenders Company started the process of fulfilling the other conditions precedent. Pursuant to the CDR Scheme, inter alia other conditions, the promoters were required to bring in Promoter contribution, which has already been infused. On the basis of MRA executed with the CDR lenders, the Company has accounted for impact of the CDR scheme (reclassifications and interest calculations) in the financial results for the year ended March 31, 2014 up to the extent agreed with those CDR lenders. 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. Interest reversal of Rs. 18.44 Million pertaining to period from cut-off dates to March 31, 2013 has been shown as an exceptional item during the year. Reclassification and other adjustments as recorded above are subject to reconciliation with the lender banks. Management is confident that all the conditions precedents are in the process of being complied with and are at advance stage.

Explanation to para 8 (b) of Auditor's report on Consolidated Financials of A2Z Maintenance & Engineering Services Limited, its subsidiaries and joint ventures

One of the subsidiary company, A2Z Infrastructure Limited, has outstanding recoverable of Rs 76.27 Million being receivable from a customer for collection and transportation of municipal solid waste.

The subsidiary company has filed a writ petition with High Court of Patna for recovery of dues. An interim order was passed directing the customer to release 75% of the amount recoverable. Against the interim order, the customer has filed Letters Patent Appeal ('LPA') which has been dismissed, confirming the interim order. Subsequently, the writ petition has been allowed by the Court and customer has been directed to pay the entire amount along with the interest at the rate of 8% p.a. from the due date.

Explanation to Point No. (ix)(a) & (xi) of the Annexure to the Auditor's Report on Standalone Financials of A2Z Maintenance & Engineering Services Limited

In respect of auditor's observation in standalone financial statements regarding certain default in payment of interest and repayment of dues of banks and delay in depositing statutory dues:

It is clarified that the delay arose on account of delayed realisation of trade receivables coupled with delays in commencement of commercial production at its biomass based power generation plants.

Explanation to point No. (xxi) of the Annexure to the Auditor's Report on Standalone Financials of A2Z Maintenance & Engineering Services Limited

During the year, the Company has incurred a loss of Rs. 63.04 Million due to theft of material at various project sites against which the Company has filed an insurance claim with the insurance company and has received an amount of Rs. 12.97 Million as insurance claim from the insurance company. We have taken adequate safeguards to prevent theft of materials in future.

Branch Audit:

Pursuant to Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval in the General Meeting, the accounts of a branch can be audited otherwise than by the Company's auditors and the Board of Directors, in consultation with the Company's auditors, can appoint such branch auditors.

Accordingly the approval of the shareholders is sought to authorise the Board of Directors of your Company to appoint in consultation with the Statutory Auditors of the Company any person other than the Statutory Auditors, the Auditors for any branch office of your Company, which is already opened or is to be opened outside India.

Further the accounts of the branches have been consolidated in the Company's financials.

18. COST AUDITOR:

The Company had appointed M/s. Harendra Singh &

Company, Cost Accountants, as the Cost Auditors to carry out the audit of the cost accounts of the Company for the financial year ended on 31st March, 2014. The report of the Cost Auditor will be filed with MCA within the prescribed period.

Further on the recommendation of the Audit Committee the Board of Directors of the Company has appointed M/s. H A M & Associates (formerly M/s. Harendra Singh & Company), Cost Accountants as Cost Auditors of the Company to conduct audit of cost records for the financial year 2014-15.

19. PARTICULARS OF EMPLOYEES

The information required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is attached as ***Annexure II to Director's Report***.

20. CORPORATE GOVERNANCE REPORT

Your Company believes that Corporate Governance is the basis of stakeholder's satisfaction. The Company is regularly complying with the regulatory norms of Corporate Governance as stipulated under clause 49 of the listing agreement. A detailed report on compliance of corporate governance along with Management Discussion & Analysis forms part of the Annual Report.

The requisite Certificate from the Practicing Company Secretary Mr. Deepak Gupta, a partner of M/s DR Associates, Company Secretaries regarding Compliance with the conditions of Corporate Governance as stipulated in Clause 49 is annexed as ***Annexure III to Report on Corporate Governance***.

Certificate of the CEO/CFO, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is attached in the Corporate Governance Report and forms part of this Report.

21. DIRECTOR'S RESPONSIBILITY STATEMENTS:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your directors state that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2014 and of the profits or loss of the Company for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts of the company have been prepared on a going concern basis.

22. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required to be furnished pursuant to section 217(1)(e) of the Companies act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

i. Part A and B of the Rules pertaining to conservation of energy and technology absorption are not applicable to the Company.

ii. Foreign Exchange earnings and outgo:

Earnings: Revenue from Engineering Services	Rs. 496.57 Million
Outgo: Expenditure in Foreign Currency	Rs. 0.36 Million
CIF value of Imports	Rs. 3.81 Million

23. ACKNOWLEDGEMENT

Your Directors would like to express their gratitude and appreciation for the co-operation and support extended by the Bankers, Vendors, Investors, Business Associates and various Government Agencies/Authorities during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services and untiring efforts of the executives, staff and workers of the Company at all the levels.

For and on behalf of Board of Directors

Sd/-
(Surender Kumar Tuteja)
DIN-00594076
Chairman

Date : August 14, 2014
Place : Gurgaon

ANNEXURE I TO DIRECTOR'S REPORT
A2Z STOCK OPTION 2010: STATUS AS ON 31.03.2014

SI.NO	PARTICULARS	A2Z STOCK OPTION PLAN 2010
1.	Number of Stock options granted	543,250
2.	Pricing Formula	Rs. 314.13
3.	Option Vested	289,450
4.	Number of Option exercised	NIL
5.	Number of Shares arising as a result of exercise of option	NIL
6.	Variation of terms of options	NONE
7.	Number of option lapsed	66,000
8.	Money realized upon exercise of options	NIL
9.	Total number of option in force	477,250
10.	(a) **Options granted to senior managerial personnel**	
	Mr. Surender Kumar Tuteja*	25,000
	Mr. Ashok Kumar Saini	33,750
	Mr. Manoj Gupta	33,750
	Mr. Sanjeev Sharma	33,750
	Mr. Rajesh Jain	25,000
	Mr. Sunil B Chibbar	25,000
	Mr. Atul Kumar Agarwal	5,000
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted duringthe year	None
	(c) Identified employees who were granted options during any 1 year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	None
11.	(i) Method of calculation of employee compensation cost	Intrinsic Value Method
	(ii) Difference between the employee compensation cost so computed at 11(i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	Rs. (2,972,047)
	(iii) The impact of this difference on profits and on EPS of the Company	-
	Loss/ Profit including extra-ordinary items, as reported	Rs. (1,949,631,502)
	Add: Employee stock compensation under intrinsic value method	-
	Less: Employee stock compensation under fair value method*	Rs. (1,176,076)
	Pro-forma (loss)/ profit	Rs. (1,950,807,578)
	Earnings Per Share	
	Basic	
	As reported (including extra-ordinary items)	(26.28)
	Pro-forma	(26.30)
	Diluted	
	As reported (including extra-ordinary items)	(26.28)
	Pro-forma	(26.30)
12.	a) Weighted average exercise prices of option granted	
	b) Weighted average fair value of options granted on the date of grant	
13	Method and significant assumptions used to estimate the fair values of options	Black Scholes Valuation Model
	(i) Weighted average share price / Fair value of share	Rs. 221.75
	(ii) Exercise Price	Rs. 314.13
	(iii) Annual Volatility (Standard Deviation – Annual)	Rs. 34.93%
	(iv) Time To Maturity - in years	5.51
	(v) Dividend Yield	2.25%
	(vi) Risk free Rate – Annual	7.45%

*Being an Independent Director the said options have been cancelled after commencement of provision of Companies Act, 2013

ANNEXURE I TO DIRECTOR'S REPORT
A2Z EMPLOYEES STOCK OPTION PLAN, 2013: STATUS AS ON 31.03.2014

SI.NO	PARTICULARS		A2Z STOCK OPTION PLAN 2013
1.	Number of Stock options granted		1,695,000
2.	Pricing Formula		Rs. 10.35
3.	Option Vested		NIL
4.	Number of Option exercised		NIL
5.	Number of Shares arising as a result of exercise of option		NIL
6.	Variation of terms of options		NONE
7.	Number of option lapsed		NIL
8.	Money realized upon exercise of options		NIL
9.	Total number of option in force		1,695,000
10.	(a)	**Options granted to senior managerial personnel**	
		Mr. Ashok Kumar Saini	350,000
		Mr. Manoj Gupta	350,000
		Mr. Sanjeev Sharma	250,000
		Mr. Rajesh Jain	125,000
		Mr. Gaurav Jain	25,000
		Mr. Atul Kumar Agarwal	25,000
	(b)	Any other employee who receives a grant in any one yearof option amounting to 5% or more of options granted duringthe year	None
	c)	Identified employees who were granted options during any 1 year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	None
11.	(i)	Method of calculation of employee compensation cost	Intrinsic Value Method
	(ii)	Difference between the employee compensation cost so computed at 11(i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	Rs. (2,972,047)
	(iii)	The impact of this difference on profits and on EPS of the Company	-
		Loss/ Profit including extra-ordinary items, as reported	Rs. (1,949,631,502)
		Add: Employee stock compensation under intrinsic value method	-
		Less: Employee stock compensation under fair value method*	Rs. (1,176,076)
		Pro-forma (loss)/ profit	Rs. (1,950,807,578)
		Earnings Per Share	
		Basic	
		As reported (including extra-ordinary items)	(26.28)
		Pro-forma	(26.30)
		Diluted	
		As reported (including extra-ordinary items)	(26.28)
		Pro-forma	(26.30)
12.	a)	Weighted average exercise prices of option granted	Rs. 10.35
	b)	Weighted average fair value of options granted on the date of grant	Rs. 7.23
13	Method and significant assumptions used to estimate the fair values of options		Black Scholes Valuation Model
	(i)	Weighted average share price / Fair value of share	Rs. 7.23
	(ii)	Exercise Price	Rs. 10.35
	(iii)	Annual Volatility (Standard Deviation – Annual)	Rs. 65.19%
	(iv)	Time To Maturity - in years	6
	(v)	Dividend Yield	0.00%
	(vi)	Risk free Rate – Annual	8.90%

ANNEXURE-II TO DIRECTOR'S REPORT

LIST OF PERSONS EMPLOYED THROUGHOUT THE FINANCIAL YEAR - NONE

LIST OF PERSONS EMPLOYED FOR PART OF THE FINANCIAL YEAR

Name	Designation	Gross Remuneration In Rs.	Qualification	Years of Experience	Date of commencement of employment	Age	Last Employment	Last Designation
Ms. Sangeeta Gulati	Group Director-Finance	2,74,194/-	M.Com, Chartered Accountant	19.5	15th March, 2014	49	Jaiprakash Associates Limited	Joint President (Commercial)

Notes:

a. Remuneration includes Salary, allowances, taxable perquisites, and Company's contribution to provident fund.

b. Ms. Sangeeta Gulati is not in relation to any director of the Company.

c. Ms. Sangeeta Gulati has joined effective from March 15, 2014.

Management Discussion & Analysis

Overview of the Company

A2Z is a fast emerging Indian conglomerate with an entrenched presence in Engineering & Infrastructure. The Company operates in the Engineering, Procurement & Construction (EPC) sector for Power Transmission & Distribution Lines and Facilities Management Services (FMS). The company is also expanding presence in Renewable Energy Generation & Municipal Solid Waste Management with a focussed vision to provide solutions that promote Clean and Green Energy.

The company's key source of revenue today is EPC business, primarily in the Power Distribution segment where it helps in expanding reach of power to villages not yet connected to the grid and also helps in reducing Technical and Commercial losses. The FMS business provides housekeeping, security, hospitality and related services in Facility Management.

The group is continuously building presence and scale in Green Technology solutions in all areas of the power sector, starting from generation of power to its distribution to end consumers. Towards it, the company is taking significant steps for generation of power from renewable energy sources like biomass (Renewable Energy Generation). A2Z also operates in the areas of Municipal Solid Waste Management (MSW). A brief description of the business environment and the company's business lines is provided below.

Macroeconomic Environment Overview

Global Economic Outlook – coming back to life

FY14 saw growing cautious optimism and improved growth outlook as a result of strengthening of global economic activity. With the global recovery in a consolidation process, growth is taking place at different rates and in different areas. During the year, much of the impetus came from advanced economies. According to IMF, going forward global growth is projected to strengthen from 3% in 2013 to 3.6% in 2014 and 3.9% in 2015.

GDP Growth (%)	CY-2013	CY-2014 E	CY-2015 E
Advanced Economies	1.3	2.2	2.3
United States	1.9	2.8	3.0
Euro Area	-0.1	1.2	1.5
Japan	1.5	1.4	1.0
Other Advanced	2.3	3.0	3.2
Emerging Markets & Development Economies	**4.7**	**4.9**	**5.3**
CIS	2.1	2.3	3.1
China	7.7	7.5	7.3
India	4.4	5.4	6.4
GLOBAL GDP	3.0	3.6	3.9

In advanced economies, growth is expected to increase to about 2.3% in 2015, an improvement of about 1% compared with 2013. Key drivers are a reduction in fiscal tightening, except in Japan, and still highly accommodative monetary conditions. Growth is expected to be strongest in the United States at about 2.8%. In the Euro area, growth is projected to be positive but varied: stronger in the countries like Germany and UK, but weaker in countries with high debt.

In emerging markets and developing economies, growth is projected to pick up gradually from 4.7% in 2013 to about 5% in 2014 and 2.3% in 2015. Growth will be helped by stronger external demand from advanced economies, but tighter financial conditions will continue to dampen domestic demand growth in these economies. In China, growth is projected to remain at about 7.5% in 2014 as the authorities seek to rein in credit and advance reforms while ensuring a gradual transition to a more balanced and sustainable growth path.

India: Economic Environment – Difficult times

Like most other developing economies, India went through a difficult trough in FY14, marked by challenging headwinds. Home to 1.2 billion people, India is the second most populous and one of the fastest growing nations of the world. With a GDP of $ 1.9 trillion, it is currently the 10th largest economy in the world, and well positioned to be the 4th largest by 2025.

However, India's economy has been dragged down of late by slumping industry performance. Industrial production shrank a provisional 0.1% in FY14, keeping overall economic growth at 4.7%, below 5% for a second straight year. This was due to a mix of factors such as weak global economic recovery, high inflation, depreciating currency, slowdown in domestic demand and delayed policy decisions under the former UPA regime.

FY14 experienced a host of uncertainties and challenges. The slowdown in economic growth and high inflationary pressure impacting the macroeconomic environment. However, there is a sense of optimism harboured by business and industry with the new Government bringing in a wave of fresh ideas and initiatives to resolve deadlocks and revive the economy.

With the economic slide arrested in FY14, there is growing belief that the economy has bottomed out. The new government at the centre is laying a clear emphasis on growth and investor friendly policies. As a result, the economy is set to follow a U-shaped trajectory with growth expected to reach 6.4% in FY15 with industry dominating the contribution to increased GDP growth.

One of the biggest strengths of the Indian economy is its robust and continuously growing domestic demand. Total consumption expenditure is expected to grow to almost $3.6 trillion in 2019-20. The current middle class population of 160 million is expected to increase four-fold by 2030, making India the largest middle class consumer market, surpassing US and China.

Even at 4.7 per cent, India's growth will be faster than the average for emerging markets and more than double the global average. The World Bank has pegged India's GDP growth at 5.5 per cent in 2014-15.

Macro Industry Overview / Industry Outlook

EPC Business

With more than 232 GW of generation capacity currently installed, India is the world's fourth largest energy consumer and fifth largest power system. In FY14, India's power generation grew at 6% to 967.2bn units. However, it failed to meet its target of 975bn units for the year. Although peak power deficit fell to 4.5% in 2013-14 from 9% in 2012-13, it continued to remain a major concern for the economy. At around 800 units, India's annual per capita power consumption is still among the lowest in the world, compared with 7,000 kWh per capita in Europe and 14,000 kWh in the US.

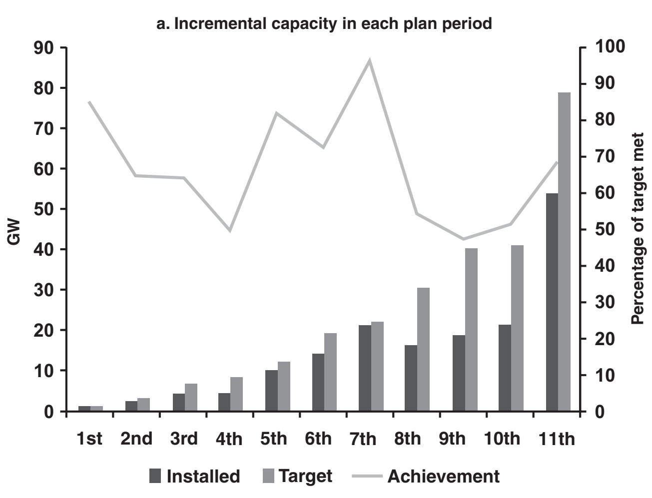
Growth in the sector has been shackled by regulatory blockages and policy paralysis. As per FICCI report, around 120 transmission projects have been stalled or delayed due to Right of Way (RoW) and many other clearances.

The power sector in India is poised at a crucial juncture today, with many new large projects being planned or under implementation by public and private sector players. Improved generation and T&D infra-structure with a planned 88 GW generation capacity addition in the 12th Plan and improved sectoral environment now that fuel issues are being sorted out is providing much needed impetus.

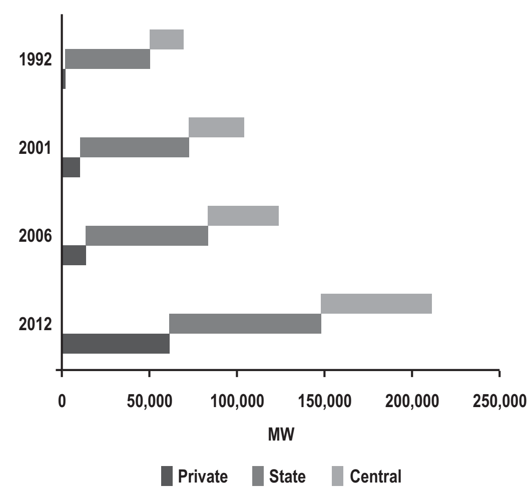
Power Generation

In line with its growing economy, India's generation capacity is further expected to grow to 700 GW by 2032. This will not only need around $500 billion of investment in power generation but also investment of $300 billion to $500 billion in transmission over the next 20 years.

Generation Capacity



Generation capacity added over time



Source: World Bank

The government has set an ambitious generating target of over 1,023 billion units in 2014-15. The domestic energy production is expected to reach 669 MTOE by 2016-17 and 844 MTOE by 2021-22.

Transmission and Distribution

As India's generation capacity is unevenly spread across the country, the transmission and distribution sector plays a key role in ensuring that power reaches the end customer. Although, with the recent linking of the southern part of country, a single state-of-the-art transmission grid now connects India's vast and diverse landscape, current transmission capacity still does not meet requirements. In the last 5 years, power generation capacity has grown by ~50%, whereas transmission capacity has increased by ~30%. Further, it continues to lose 27% of energy while transmitting though technical and commercial losses.

In order to strengthen this weak link, the government has taken many initiatives with a large investment plan in the T&D sector. The 12th Five Year Plan targets transmission line addition of 1,07,440kms which includes multi-fold increase in 765 KV transmission lines addition. In all, investment of $35 billion is planned in the power transmission sector, of which, about $19 billion is planned to come from Power Grid Corporation of India Limited and the remaining $16 billion,~46% of the total investments, needs to be secured from private players.

Sector to overcome challenges

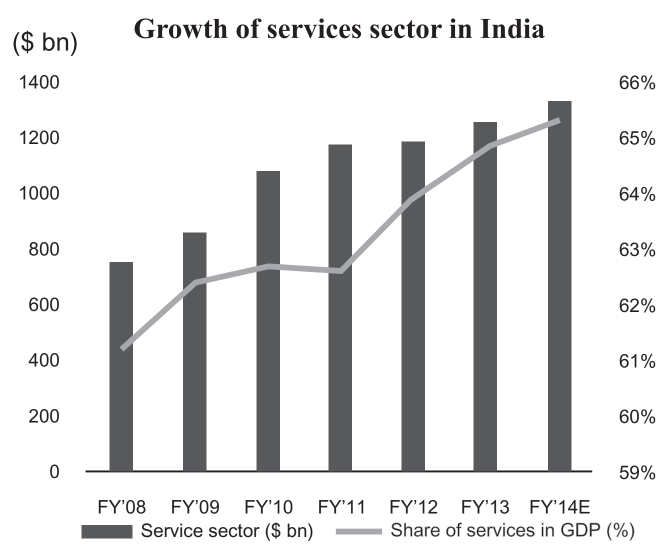
Although many of power projects were halted in recent past due to various reasons like timely clearance, land acquisitions, fuel availability, RoW, etc. many new government initiatives like fast tracking of power projects, guaranteed coal supply, SEB's debt restructuring, tariff increase, are expected to address underlying issues in the generation and transmission sector to ensure power demand is effectively met in the near future.

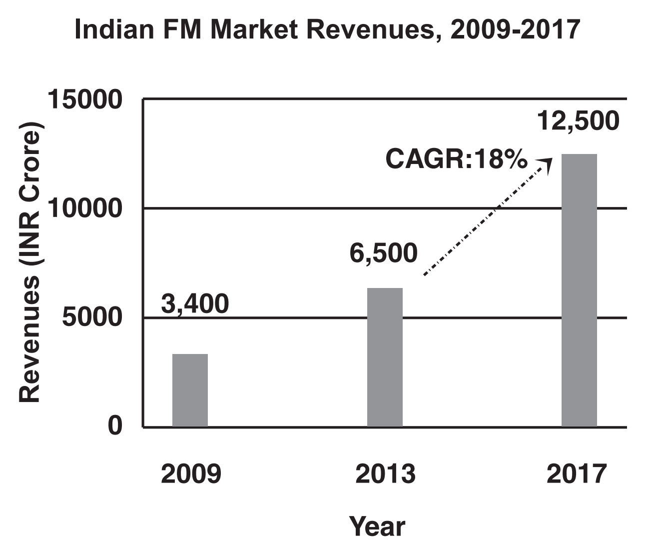
During the year under review, your company won the following orders. This is in line with the company strategy of Consolidation, where in company is being conservative in securing profitable orders from good paying customers plus executing its earlier orders

1) HVPNL (Haryana Vidyut Prasaran Nigam Ltd) G-21 PKG-B amounting to Rs. 27,80,44,478:- Procurement of plant, Design, Supply & installation of 132KV substation urlana, 66KV substation Sector-20, Panchkula & Laha on turnkey basis
2) PSPCL Amritsar & Tarntaran (Punjab State Power Corporation Ltd) amounting to Rs. 66,92,79,427:- Agreement for Supply, Erection, Testing & Commissioning of material for execution of project for shifting of existing single/ three phase energy meter outside the customer premises in the non R-APDRP towns/ villages/ area on turney basis under T&D loss reduction scheme against package for DS circle Sub Urban of PSPCL

Facility Management services business (FMS business)

The facility management (FM) sector in India continued on a strong growth path in the year gone by. As per Frost & Sullivan data, the industry achieved revenues of Rs 6,500 crore in CY13 and is expected to reach Rs 12,500 crore by CY17, growing at a robust 18% CAGR. At present, only 30-35% of FM services are outsourced in India i.e. 65-70% of the services are being performed in-house, giving rise to an even larger potential market and a huge base of potential clients for third-party FM players.





Source: Frost & Sullivan

Facility Management (FM) refers to the management and maintenance of facilities or, in particular, immovable assets. Post liberalisation, the take-off in the Indian services sector across verticals such as financing, insurance, real estate, business services, etc. has given rise to demand for appropriate supporting infrastructure and efficient and world class management of the same.

The industry has strong drivers in place spurring demand given the need for clean, safe, secure, comfortable, and healthy environment or working places, clients concentrating on the core activity of the organization and growing focus on increasing productivity.

Due to low entry barriers, the Indian industry is highly fragmented with very large number of unorganized players. Over 90% of the Indian facility management industry is un-regulated.

The growth in BPO, IT & ITES, Retail sector and Real estate & property sector is the major growth driver for the sector. Slowly but steadily, the organized players are making inroads beyond the metropolitan areas.

Traditionally the FM business has been focused on serving the IT / ITES industry and MNCs. However, the future growth of FM players will be driven by launching new services and wider adoption of service providers by other industries and government.

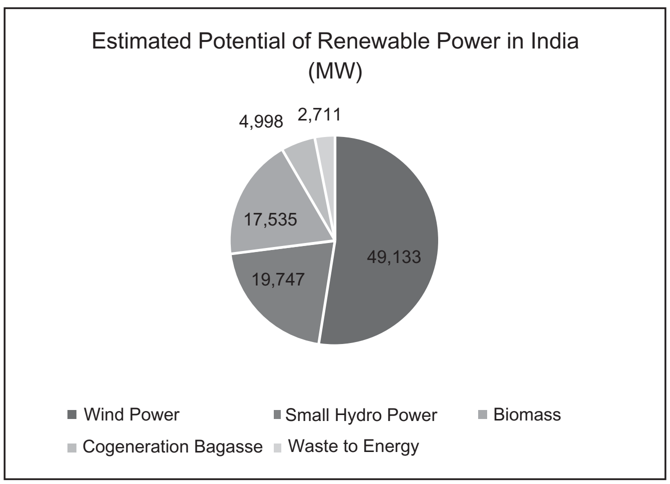
The Company through its subsidiary A2Z Infraservices Limited has been engaged in the FMS business. In the short span of 9 years, it has emerged as a Top 10 player in the sector with 12,000+ employees, an extensive pan-India reach across 200+ cities in all 29 states, diversified clientele and most comprehensive breadth of services. The Company differentiates itself by leveraging its engineering skills and assisting clients in adopting preventive maintenance and energy saving solutions. Its services in the FMS business include engineering maintenance (mechanical, plumbing, electrical, HVAC, DG Set), energy saving solutions, janitorial services, parking management, property lease management, telecommunications tower maintenance, railways and security services to both, public and private sector clients.

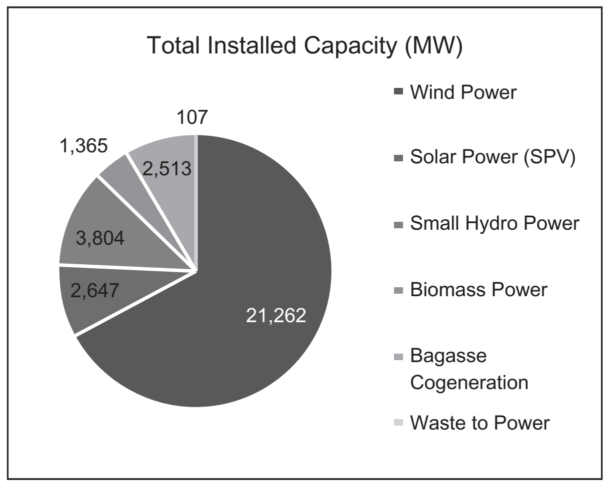
The company's stellar service record has resulted in high client retention rate of ~90% p.a. The company has also successfully been moving up the value chain and increasing share of wallet by selling Integrated FM Services. This involves capitalizing on its rich resource pool of qualified engineers by expanding into upstream activity of complete Industrial plant maintenance. Higher value Integrated FM services already generate 56% of the revenues in the segment.

Renewable

Renewable Energy

As India continues to strive to close the power demand-supply gap and reduce dependence on conventional energy, the role of environment friendly renewable energy is becoming increasingly influential. As per Ernst & Young, renewable energy capacity as a percentage of total generation capacity has gone up from 10.2% in FY07 to 28.8% in FY14 as it grew at more 17% CAGR to reach 32.2GW and is expected to reach 72GW by 2022. Despite outstanding improvement, India still has huge untapped renewable energy potential of 216,918.39 MW i.e. 87% of total renewable energy is still untapped.





But peculiar challenges continues to hamper growth of renewable energy in India

(1) intermittency/variability; (2) location-specific potential (concentrated in areas sometimes away from consumers or the grid; and (3) higher costs.

Growing Renewable Energy Market:

The Ministry of New & Renewable Energy (MNRE) aims to achieve a total renewable energy installed capacity of 41,400 Mw by the year 2017 which in turn would create an opportunity worth $10.51 billion for the renewable energy market.

The key drivers for the renewable energy sector in India include the huge demand-supply gap, especially with increase in population; tax related regulatory incentives; preferential tariffs; Renewable purchase obligations (RPO) of states and the availability of the Clean Development Mechanism (CDM) benefits and/or Indian renewable energy certificates (RECs), as implemented by the Indian government; a large untapped potential; environmental concerns regarding the use of fossil fuels; the desire to strengthen India's energy security; and a viable solution for rural electrification.

Renewed potential

- Wind potential of 45000 MW
- Bagasse cogeneration potential of 5000 MW but about 26% of that has been achieved.
- Economically feasible Small hydro potential of 6000 MW but only 3803 MW realized.
- The solar potential of 20 MW/sqkm remains largely untapped for grid interactive solar power.

Government boost:

The increased focus of new central government will give a deserving boost to renewable companies to increase generation capacity as it clearly puts emphasis on clean energy sources to reduce dependence on coal and other conventional sources of energy as it was visible in the maiden budget. Many initiatives by the government like construction of an $8 billion project to upgrade the grid to handle a more than doubling of renewable power capacity by 2022 and Green Energy Corridor project plans to strengthen transmission infrastructure in eight states to absorb more clean power to drive growth. India has set a target of commissioning 20,000 MW of solar power projects by 2022. The government also plans to provide low-cost loans and grants to set up solar power parks across the country to host as much as 20 gigawatts of capacity, about 10 times what has been built to date.

Biomass potential

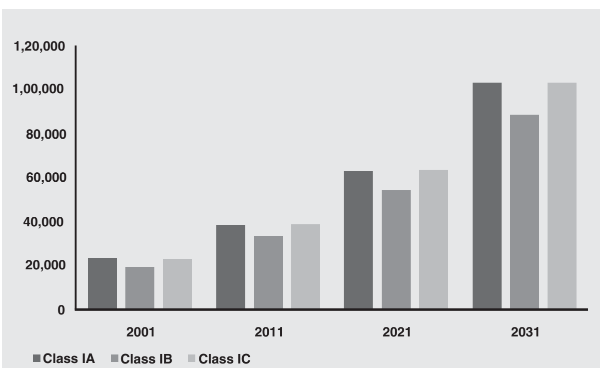
As per government estimates, surplus biomass of about 120 – 150 million metric tonnes per annum is available covering agricultural and forestry residues corresponding to a potential of about 18,000 MW Biomass energy industry provides huge market potential.About 1,300 MW of power can be generated from industrial waste water from distilleries and other industries, besides ample scope of energy generation from solid municipal waste.

A2Z is well positioned to capture this opportunity as it has pioneered in biomass based energy generation in the country by setting up 3 x 15MW biomass based power plants in the state of Punjab. The plants at Nakodar and Fazilka have started generating power and are undergoing trial runs, whereas the plant at Morinda is in advanced stages of completion. The company has also set up a 15 MW power plant at Kanpur under A2Z Infrastructure Ltd. in Kanpur which has already generating Power.

MSW business

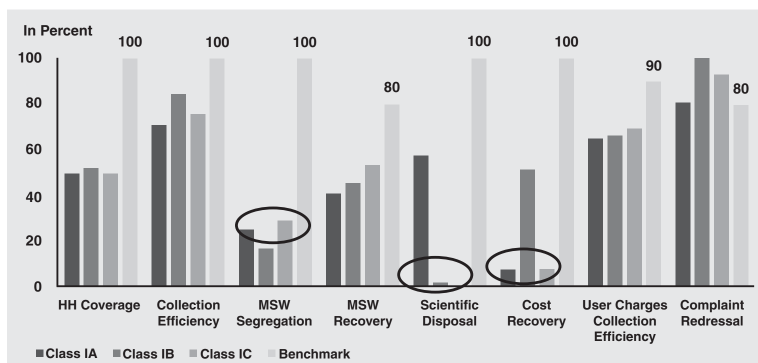
India's increasing population and growing urbanisation has greatly increased need for improved MSW management. As per Athena Research, India's 366 cities generated 47.3 million tons of waste in 2011, a 50% increase over the previous decade and are further expected to generate 161 million tons of MSW in 2041, a five-fold increase in four decades. At this rate, the total urban MSW generated in 2041 would be 230 million TPY (630,000 TPD). Studies have indicated that for every Indian Rs 1,000 increase in income, the solid waste generation increases by one kilogram per month.

Figure 3.1: MSW Generation: Past, Current & Future (MTD)



Source: Athena Research

Status of MSW Management — Class IA, IB & IC Cities

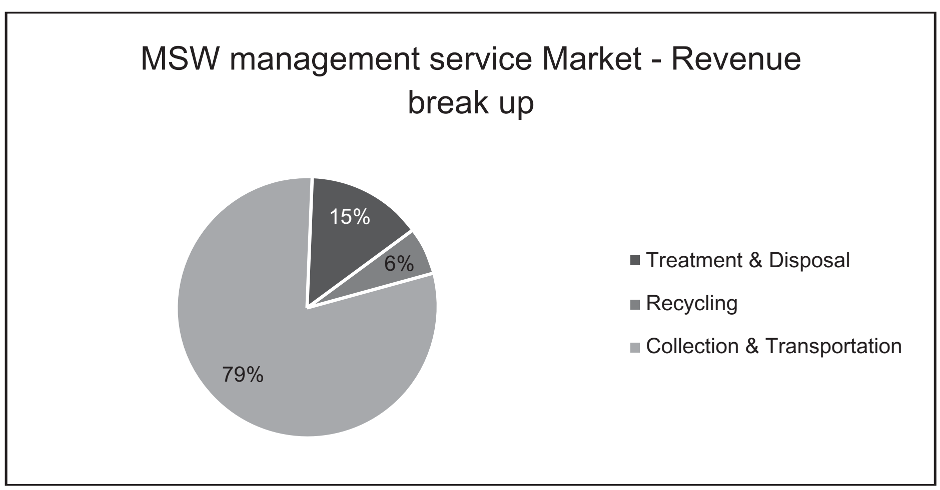


Source: Based on data available in Urban Finance, Vol. 13(1), NIUA (2010)

Class IA= population >5mn; Class IB = Population 1-5mn; Class IC = Population 0.1-1mn

MSW mainly consists of three segments, collection & transportation (C&T), processing and finally, disposal of waste. In India, segregation and storage is lacking and collection efficiencies are extremely poor. But collection and transportation constitutes 80-95% of total cost of MSWM forming a key link in the value chain.

Source: Athena Research



As per a report by the High Powered Expert Committee (HPEC) on urban infrastructure, all class III & IV cities have significant backlog on C&T while around 90% Class I and II have backlog in waste processing and all Indian cities and towns have backlogs in terms of scientific disposal.

Municipal waste generation is rapidly increasing in India with population expansion, increasing urbanization and economic development. India is now among the top 10 countries generating the highest amount of Municipal Solid Waste (MSW) due to growing urbanization and high consumption . Currently of the estimated 62 million Tons of MSW generated annually by 377 million people in urban India, more than 80% is disposed of indiscriminately at dump yards in an unhygienic condition by the Urban Local Bodies , leading to problems of health & environmental degradation. The untapped waste has a potential of generating 439 MW of Power and 5.5 million MT of compost annually. The collection efficiency of waste in India ranges from 70% to 90% in major metro cities and below 50% in some smaller cities. The Government has already initiated various schemes to address concerns of MSW management. These schemes include the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT). Currently, India does have a few MSW-based power generation projects in the private sector. However, they suffer from high generation costs. The steps being envisaged by the government will go a long way in improving the fortunes of this sector.The existing policies, programmes, lack of funding & financing support from Government in the MSW has led to the failure of most of PPP projects under JNNURM .

Planning commission constituted a Task Force on 5th June 2013 to identify the technically feasible, financially affordable and environmentally sound processing & Disposal Technologies for MSW, recommend systems, processes, technological options, financial mechanism and Institutional arrangement to enhance resource recovery and promote Waste to Energy (WE) Technologies. The Task Force has submitted its report on May 12, 2014.

The Hon'ble Prime Minister of India Shri Narendra Modiji has announced as a tribute to Mahatma Gandhi on his 150th Birth Anniversary to clean 50 Indian Cities through 4Ps (People-Public-Private-Partnership) to generate Power, Fertiliser and Re-usable waste by setting up Solid Waste Management Plants .

In the MSW business, the Company through its subsidiary A2Z Infrastrcuture Limited and other subsidiaries companies provide collection, transportation, processing, disposal and treatment of municipal solid waste. In the Fy 14 company has operational plants at 6 cities on BOOT basis with an aggregate MSW capacity of ~2800 tons per day (TPD) under Integrated Resource Recovery facilities (IRRFs). Currently this business is under pressure & facing challenges both operational & Financial front. The delay in recovery of receivables from various Municipal Corporations, Local Authorities & State Government coupled with seasonality in the business has led to stress & liquidity crunch. We are in process of reviving this MSW business in the light of foreseeable support from Government especially after the planning commission report as submitted by Task Force on May 12, 2014.

Company Outlook and strategy

Your company operates in various verticals through its subsidiaries like Facility Management, EPC, Power & Waste to Energy (WTE). During the year under review, your company focus has been on **Consolidation**, rather than Expansion. Current year also saw the signing of MRA under CDR mechanism & thus company focus was more on strengthening internal systems for both collection of receivables & cost optimisation. The company has also started implementing measures to minimise escalation costs by embarking on timely completion of projects & have set up monitoring process.

Going forward, your Company strategy is to completely DE- RISK the project implementation & execution risk by bringing in Partners / Out sourcing / JV setups. Your company focus will be also on securing International orders especially in EPC coupled with securing high value Profitable orders from Governments/ Institutions having good track record of payment.

Operational Performance (Consolidated)

During the year under review, the Company's revenue from Operations stood at Rs 715.91 Cr, registering a de-growth of 23.8% over last year revenues of Rs 939.37 Cr. Out of total revenues from operations, 53.67% is derived from EPC, 34.68% is derived from FMS,12.78% is derived from WTE & other operating revenues contributing the rest.

Expenditure

Direct Expenditure

The direct expenditure for the year under review increased to Rs 424.99 Cr as compared to Rs. 513.11 Cr, recorded in the previous year, registering an increase of 4% of revenue as compared to Previous year. The increase is on account of decrease in revenue for the year under review.

Employee cost

Suring the year under review, the Employee cost stood at Rs 255.03 Cr as against Rs 297.94 Cr in the previous year

Overheads

Overheads during the year under review stood at Rs 109.72 Cr as compared to Rs 106.72 Cr in the previous year

Finance Cost

Finance cost during the year under review stood at Rs 142.19 Cr as compared to Rs 134.22 Cr in the previous year. This is on account of conversion of FITL & WCTL in loan as envisaged in CDR package

Operating Profit

During the year under review, company reported a loss of Rs 73.83 Cr as against profit of Rs 21.6 Cr. This is on account of increased provisioning for bad & doubtful debts, & static cost coupled with decrease in revenue

Profit/(Loss) after Tax

During the year under review, company reported a loss of Rs 247.05 Cr as against Rs 105.87 Cr in the previous year. The increase in loss is on account of cautious strategy of consolidation as adopted by the company, rather than expansion strategy resulting in loss of revenue, coupled with static fixed cost & marginal increase in interest cost.

Strengths

We believe that the following are our key competitive strengths:

a. Proven project execution capabilities and demonstrated track record of in-house engineering capabilities and strong quality management systems

b. Ability to identify new business opportunities and scale businesses in high growth sectors

c. Qualified and experienced management and motivated employee base

d. Diversified business and operations

Based on our strengths as outlined above, our business strategy is focused on expanding our participation in the power, infrastructure, renewable energy generation and waste management sectors in a socially relevant manner. To this end, we intend to continue to provide high quality services to our clients and grow our business by leveraging our strengths and implementing the following strategies:

a. Strengthen presence in the power sector

b. Continue to diversify our EPC business geographically, MSW management, Renewable Energy Generation and FMS businesses

c. Pursue strategic alliances and investments

Threats, Risks & Concerns

While the growth outlook remains strong there are few risks, challenges and concerns associated with business of the company, which can be enumerated as:

a. Commodity price variation;

b. Delays in execution of projects due to external factors;

c. High rate of inflation;

d. Government policies.

e. Deployment and retention of competent employees

To mitigate these risks, the risk management strategies being adopted by the company are periodically reviewed by the management and appropriate actions are taken from time to time.

Internal control systems

The company has an internal control system commensurate with its size and nature of business, which covers the following areas:-

a. Optimum utilization of resources;

b. Accurate & prompt recording of transactions;

c. Efficient communication system between the Projects and Head Office;

d. Safeguarding of assets;

e. Compliance with prevalent statutes, listing agreement provisions, management policies & procedures;

f. Efficient management information system;

g. Adherence to applicable accounting standards and policies;

h. Review of IT and other systems; and

i. The internal control system provides for adherence to approved procedures, policies, guidelines and authorization.

In order to ensure that all checks and balances are in place and all the internal control systems and procedures are in order, regular and exhaustive internal audit is conducted by the qualified Chartered Accountants.

Human Resources

To keep pace with the organic growth of A2Z Group's fast growing business segments; hiring strategy employs a mix of sourcing resources to attract the right talent. Utmost diligence is employed in choosing the right sourcing resource to cater to the diversified business dynamics. We believe in hiring the best talent - talent that can think out of the box and is driven by values. We align our people by cascading visions into goals and business goals into team and individual goals. We have a structured Performance management system that sets specific objectives and measures performance achievement while identifying development opportunities.

Corporate Social Responsibility (CSR)

The Company believes in conducting its operations in a socially relevant manner. It provides employment opportunities to persons in the unorganized sector in the MSW business and aims to enhance their quality of life and dignity of service. The Company intends to improve the standard of living by providing housing facilities to rag pickers employed in its MSW business. With the aim of protecting the environment, the Company's CSR initiative is emphasizing on people's cooperation under the name “Sahyog”. Through its CSR initiative, the Company has taken steps towards spreading clean and green awareness in communities and schools. In schools, environment protection messages are inculcated through sensitization programs, rallies, quizzes, posters, skits and street marches. In communities, awareness is extended through regular awareness drives and meetings.

Safe Harbour Statement

Statement in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectations of future event, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, finish goods prices, changes in Government Regulations and Tax regime etc. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

Report on Corporate Governance

Annexure to the Director's Report

In Compliance with Corporate Governance requirement under clause 49 of the Listing Agreement and other requirements of SEBI and Stock Exchanges, the Company's policies on Corporate Governance for the year ending 31st March, 2014, are set out below for the information of shareholders of the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance philosophy is the collective efforts to achieve business excellence, improving efficiency as well as enhancing investor confidence. Your Directors are committed to practice sound governance principles and believe endlessly. Strong Governance practices and transparency in the Company will be helpful to boost the stakeholder's confidence which will result in improved market capitalization. We at A2Z follows core principle of governance like integrity, fairness, equity, transparency, accountability, disclosure, commitment to values and compliances to enhance the value for all stakeholders.

2. BOARD OF DIRECTORS: -

The Company believes that an effective, well informed and Independent Board ("the Board") is necessary to ensure highest standard of Corporate Governance. The Composition of Board of Directors of the Company is in accordance with the Companies Act, 1956 and clause 49 of the Listing Agreement of the Stock Exchanges. Your Company has an appropriate Combination of executive, non-executive and Independent Directors to maintain independence and efficiency of the Board including its functions of governance & management.

The Board has professional expertise and desired experience in finance, commercial, technology and other related field, which impart the desired level of independence to the Board. The Board reviews and admires the strategy and oversees the action and results of management to ensure the achievement of long term objectives.

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 Managing Director who does overall supervision, direction and control of the Board of Directors. The Board of Directors comply the provisions of listing agreement in regards to the meeting of the Board and Committee thereof. The Management and Board of the Company continuously and actively supervise the Arena of Corporate Strategy, planning, external contracts another board matters on continual basis. The Senior Management Personnel heading separate division are responsible for day to day operation of their respective division.

2.1 Composition and Category of Directors

The Company's policy is to maintain an optimum combination of Executive, Non-Executive and Independent Directors presenting the judicious mix of professionalism, knowledge and experience. The Board comprises of Five (5) Directors. Among them three (3) are Non-Executive Independent directors, one of whom is Non-Executive Independent Chairman, Two (2) Executive Directors one of whom is Managing Director.

The independent directors neither have any pecuniary relationship or transactions with the company, nor with the promoters, and management, which may affect independence or judgment of the directors in any manner. The Board periodically evaluates the needs for change in its composition and size.

The members of our Board are from diverse back grounds with skills and experience in critical areas like technology, finance, entrepreneurship and general management. Many of them have worked extensively in senior management positions in global corporations and others are industrialists of repute with a deep understanding of the Indian business environment. 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 composition of the Board of Directors of the Company is in conformity with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges.

2.2 Number of Board Meetings

The Board of Directors oversees the overall functioning of the Company and take the strategic decision 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 per the occasion(s) arise and as per the statutory requirement. In case of any exigency/emergency, resolutions are passed by circulation. The Board of Directors met Nine (9) times during the financial year ended 31st March, 2014 i.e. on 9th April 2013, 1st May, 2013, 29th May 2013, 10th August 2013, 24th August 2013, 12th November 2013, 30th December 2013, 3rd February 2014, 13th February 2014. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

Directors' Attendance Record and other directorship(s)

As mandated by Clause 49, none of the Directors is a member of more than 10 Board level committees, or Chairman of more than 5 committees in which he is a member. Requisite information as per the requirement of Clause 49 of the Listing Agreement is provided in the following table:

Name of the	Category	No. of other Directorships and Committee memberships/ chairmanships[1]			Attendance Particulars		Whether attended last AGM
		Other Director-ships	Committee Members-hips[2]	Committee Chairman-ships[2]	No of Board Meeting held	No of Board Meeting Attended	
Mr. Surender Kumar Tuteja	Non-Executive & Independent Director	14	5	4	9	9	Yes
Mr. Ashok Kumar[3]	Non-Executive & Independent Director	3	1	1	9	8	Yes
Mr. Suresh Prasad Yadav[4]	Non-Executive & Independent Director	-	2	-	9	2	No
Mr. Amit Mittal	Executive & Non-Independent Director	3	-	-	9	9	Yes
Ms. Dipali Mittal	Executive & Non-Independent Director	4	2	-	9	8	Yes
Mr. Gaurav Mathur[5]	Non- Executive & Non-Independent Director	-	-	-	9	1	No

1. Directorships held by directors as mentioned above, do not include directorship held in foreign companies, private limited companies and companies under section 25 of the Companies Act, 1956.
2. Committees considered for the purpose are those prescribed under clause 49(I)(C)(ii) of the listing agreement(s) viz. audit committee and shareholders/investors grievance committee of Indian public limited companies. Committee membership details provided do not include chairmanship of committees as it has been provided separately.
3. Appointed as Non-Executive & Independent Director w.e.f. 1st May, 2013.
4. Appointed as Non-Executive & Independent Director w.e.f 3rd February, 2014.
5. Resigned with effect from 2nd May, 2013. Attended the Board Meeting through his Alternate Director Mr. Supratim Banerjee.
6. Except Mr. Amit Mittal and Ms. Dipali Mittal, who are husband and wife, none of the directors are relative of any other directors.

The details of the shareholding of Directors as on 31st March, 2014 are as follow:

S. No	Name of the Director	No. of Shares	Percentage (%) of Holding
1	Mr. Amit Mittal	2,67,17,301	36.02
2	Ms. Dipali Mittal	11,70,000	1.58

No other director is holding any shares in the company.

2.3 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 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 Chief Executive Officer 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 31st March, 2014 is attached as ***Annexure-I*** to this report.

3. BOARD COMMITTEES

In compliance with the listing Agreements 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. Constitution and charter of the board committees are given herein below.

3.1 Audit Committee

(a) Constitution and Terms of Reference

The Audit Committee comprises of Four (4) Directors, three (3) of them are Non -Executive Independent Directors. The Chairman of the Audit Committee is an Independent Director.

The terms of reference and scope of the activities of the Audit Committee are as set out in Clause 49 of the Listing Agreement with the Stock Exchanges, as well as in Section 292A of the Companies Act, 1956.

The Audit Committee recommends the appointment and reappointment of Statutory Auditor, Cost Auditor, Branch Auditor and Internal Auditor etc., provides directions to and reviews functions of the Company's audit department. The Committee evaluates internal audit policies, plans, procedures and performance and reviews the other functions through various internal audit reports. Quarterly and annual accounts are placed before the Audit Committee, prior to being presented to the Board along with the recommendations of the Audit Committee.

(b) Meeting and Attendance

During the financial year ended 31st March, 2014, the Committee met eight (8) times i.e. on 2nd April 2013, 9th April 2013, 2nd May 2013, 29th May 2013, 10th August 2013, 24th August 2013, 12th November 2013, 13th February 2014.

The composition and the attendance of members at the meetings held during the financial year ended 31st March, 2014 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Mr. Surender Kumar Tuteja	Chairman	Non- Executive & Independent Director	08
Mr. Ashok Kumar[1]	Member	Non- Executive & Independent Director	06
Mr. Suresh. Prasad Yadav[2]	Member	Non- Executive & Independent Director	01
Ms. Dipali Mittal	Member	Executive Director & Non Independent Director	06
Mr. Supratim Banerjee (Alternate to Mr. Gaurav Mathur)[3]	Member	Non- Executive & Non Independent Director	02

1. Appointed as member on 1st May, 2013
2. Appointed as member on 3rd February, 2014.
3. Resigned w.e.f. 2nd May, 2013.

Mr. Atul Kumar Agarwal, Company Secretary cum Compliance Officer acts as the Secretary to the Audit Committee.

Mr. Surender Kumar Tuteja, Chairman of the Audit Committee was present at the previous Annual General Meeting held on 28th September, 2013.

3.2 Remuneration cum Compensation Committee

(a) Constitution and Terms of Reference

The Remuneration cum Compensation Committee comprises of (3) Three Non-Executive Independent Directors, constitution of which is non mandatory requirement. The Committee was constituted by the Board to recommend/ review remuneration package of executive directors, including the Managing Director and matters related to the Company's Employee Stock Option Plan ('ESOP'). However on 12th November, 2013 an ESOP Compensation Committee was constituted to look after the matters specifically related to Employee Stock Option Plans ('ESOP') of Company.

(b) Meeting and Attendance

During the financial year ended 31st March, 2014, as there was no transaction which requires approval of Remuneration cum compensation policy, no Committee meeting took place.

(c) Remuneration Policy

The Directors' Remuneration Policy of your Company is in conformity with the provisions under the Companies Act, 1956; subject to the approval of the Company's shareholders in general meeting and such other approvals as may be necessary.

The present remuneration structure of Executive Directors comprises of salaries, perquisites, allowances, commission (if any) and contribution to provident fund and gratuity.

The Non-executive directors including the Independent Directors were paid the sitting fees of Rs. 20,000/- (Rupees Twenty Thousand only) for attending each Board and Committee meeting respectively. Further in terms of the shareholders approval obtained at the Annual General Meeting held on 7th December, 2010, the Non Executive Directors are entitled for a commission not exceeding 1% per annum of the net profits of the Company (computed in accordance with section 309(5) of the Companies Act, 1956) in such manner as the Board of Directors of the Company may from time to time determine. However as there were no profits in the Company during the year, no amount has been paid towards commission.

Considering the financial and liquidity crunch to the Company, the Board of Directors reduced the sitting fees and resolved to pay the sitting fees of Rs. 10,000/- (Rupee Ten Thousand only) for every meeting of the Board or any committee thereof attended by a Non-Executive Director with effect from 1st July, 2013.

The sitting fees paid for attending the Board/committee meeting held during the year and commission payable for financial year ended 31st March, 2014 is as under:

(Amount in Rs.)

S.No	Name	Sitting Fees paid	Commission payable
1	Mr. Surender Kumar Tuteja	2,80,000	Nil
2	Mr. Ashok Kumar[1]	3,10,000	Nil
3	Mr. SP Yadav[2]	40,000	Nil
	Total	**6,30,000**	

1. Appointed on 1st May, 2013
2. Appointed on 3rd February, 2014.

Remuneration paid to Managing Director and Whole Time Director and commission payable for financial year ended 31st March, 2014 is as follows:

(Amount In Rs.)

S.No.	Name	Category	Salaries	Commission	Term
1	Mr. Amit Mittal	Managing Director	94,94,496*	Nil	5 years (till 31st December, 2014)
2	Ms. Dipali Mittal	Whole time Director	19,08,000	N.A	5 years (till 31st March, 2015)

*This amount was paid towards salary of Mr. Mittal for the period of April 2013 to November, 2013, however subsequent to rejection of application of waiver of excess remuneration the said amount has been held in trust and shown as receivable from Mr. Mittal in the books of Company.

3.3 Share Transfer & Shareholder's Grievance Committee

The Share Transfer & Shareholder's Grievance Committee comprises of three (3) Directors out of which two (2) are Non-Executive Independent Directors and one (1) Executive Director. The functions of the Committee is to review and look into redress of shareholders' and investors' complaints in relation to transfer of shares, non-receipt of balance sheets or declared dividend etc.

During the Financial year ended 31st March, 2014, the Committee met Six (6) times i.e. on 29th May 2013, 10th August 2013, 17th October 2013, 12th November 2013, 30th December 2013 & 13th February 2014.

Further during the year the Board of Directors in their meeting held on 10th day of August, 2013 reconstituted and changed the name of the committee from "Shareholders and Investors Grievance Committee" to "Share Transfer & Shareholder's Grievance Committee" and the responsibility and functions of the then existing Share Transfer Committee were also vested with this committee.

The composition and attendance of the members of the Share Transfer & shareholder's Grievance Committee at the meetings held during the financial year ended 31st March, 2014 are given below:

S. No.	Name of the Director	Designation	Category	Number of Meeting attended
1.	Mr. Ashok Kumar[1]	Chairman	Non Executive & Independent Director	6
2.	Mr. Suresh Prasad Yadav[2]	Member	Non Executive & Independent Director	1
3.	Mr. Amit Mittal[3]	Member	Executive & Non Independent Director	2
4.	Mrs. Dipali Mittal	Member	Executive & Non Independent Director	5

1. Appointed as chairman of the Committee w.e.f. 29th May, 2013.
2. Appointed as member w.e.f. 3rd February, 2014.
3. Resigned as member w.e.f. 10th August, 2013.

Mr. Atul Kumar Agarwal is the Company Secretary cum Compliance Officer of the Company. During the year under review no complain was received by the Company.

3.4 Other Committee of the Board of Directors

In addition to the above referred committees which are constituted pursuant to the corporate governance code, the Board has constituted Finance Committee & ESOP Compensation Committee, to consider various business matters and delegated their powers and responsibilities with respect to specific purposes.

4. SUBSIDIARY COMPANIES

The Company has 12 Direct and 22 indirect subsidiaries. A2Z Infraservices Limited, a direct Subsidiary of the Company is a material non-listed subsidiary of the Company. Being amaterial non-listed Subsidiary Mr. Ashok Kumar has been appointed as Non-Executive Director on the Board of A2Z Infraservices Limited effective from 29th May, 2013.

The minutes of the Board Meeting of the subsidiaries companies and statements of significant transaction and arrangement entered into by the subsidiaries are placed at the Board Meetings of the Company.

5. CEO/CFO CERTIFICATION

The Managing Director Mr. Amit Mittal and Chief Financial Officer Mr. Gaurav Jain have certified, in terms of clause 49 of the Listing Agreement, to the Board that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards. The above certification about the financial statements is enclosed as ***Annexure – II*** to this report.

6. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as follows:

Financial Year ended 31st March	Venue	Date	Time	Special Resolution passed
2013	HSIIDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana	28th September, 2013	10:30 AM.	1. Approval of A2Z Employee Stock Option Plan, 2013 to the employees of the Company. 2. Approval of A2Z Employee Stock Option Plan, 2013 to Employees of the Subsidiary Company(ies)
2012	HSIIDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana	29th September, 2012	10:30 AM	1. Approval of Remuneration of Mr. Amit Mittal, MD for the remaining tenure of his appointment i.e. 1st January, 2013 to 31st December, 2014. 2. Approval of Remuneration of Mrs. Dipali Mittal, WTD for the remaining tenure of her appointment i.e. 1st April, 2013 to 31st March, 2015.
2011	Convention cum Exhibition Hall, Epicentre at apparel House, Sector-44, Gurgaon-122003, Haryana	29th September, 2011	10:30AM	N.A

7.1 POSTAL BALLOT

No Resolutions have been passed through Postal Ballot during the Financial Year ended 31st March, 2014.

7.2 Proposed Special Resolution through Postal Ballot

There is no special resolution which is proposed to be passed through postal ballot for the Financial Year ended 31st March, 2014

8. DISCLOSURES

8.1. There were no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoter, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large. The related party transactions are duly disclosed in the Notes to the Accounts.

8.2. There was no case of non-compliance by the Company, penalties, stricture imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

8.3. No treatment different from the Accounting standard, prescribed by the Institute of Chartered Accountant of India has been followed in the preparation of financial statements.

8.4. The company has not adopted any whistle blower policy. However the company has not denied access of any personnel to approach the management or the audit committee on any issue.

8.5. The company has complied with mandatory requirements of clause 49 of the listing agreements

8.6. The company at present has adopted the non mandatory requirement with regards to constitution of Remuneration Cum Compensation Committee which has been constituted to determine the remuneration package of the Executive Directors including Managing Director.

9. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

Mr. Deepak Gupta, Practicing Company Secretary, (a partner of DR Associates, Company Secretaries) have carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirmed that the total issued/paid up capital was in agreement with aggregate of the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

10. MEANS OF COMMUNICATION

10.1. The Quarterly and Annual Results are published in prominent daily newspapers, viz. Business Standard (English & Hindi dailies) the local newspaper published in the language of the region in which Registered Office is situated.

10.2. 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.

10.3. Up-to date financial results, shareholding pattern, official news release and other general information and events about the Company are available on the Company's web-site, viz. www.a2zgroup.co.in.

10.4. Communication to shareholders on email: As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, etc. were sent to the shareholders at their email address, as registered with their depository party participants/Company/RTA. This helped in prompt delivery of documents, reduce paper consumption, save trees and avoid loss of documents in transit.

10.5. NEAPS (NSE Electronic Application Processing system):- NEAPS is web based application designed by NSE for corporate. Shareholding Pattern & Corporate Governance Report of every Quarter are also filled electronically on NEAPS.

10.6. 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 compliant against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and Investor can seek and provide clarification online to each other.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management Discussion and Analysis forms part to this Annual Report.

12. SHAREHOLDERS GENERAL INFORMATION

12.1 The Corporate Identity Number alloted to the Company by the Ministry of Corporate Affairs is L74999HR2002PLC034805.

12.2 13th Annual General Meeting

Date : 27th September, 2014
Day : Saturday
Time : 10.30 A.M
Venue : HSIIDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana, India

12.3 Financial Calendar (Tentative, subject to change)

Financial year	: April 1 to March 31
Results for the quarter ending	: Actual/Tentative Date for approval
30th June, 2014	: 14th August, 2014 (Thursday)
30th September, 2014	: Mid of November, 2014
31st December, 2014	: Mid of February, 2015
31st March, 2015	: Latest by 30th May, 2015

12.4 Date of Book Closure

The Register of members and Share Transfer books of the Company will remain closed from Saturday, 20th September, 2014 to Saturday, 27th September, 2014 (both days inclusive) for the purpose of Annual General Meeting.

12.5 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 fee paid
National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1,G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	A2ZMES	Paid
BSE Limited (formerly The Bombay Stock Exchange Limited) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	533292	Paid

12.6 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 A2Z Maintenance & Engineering Services Ltd. is INE619I01012.

12.7 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 2013-14 are as under:

BSE Limited				
	A2Z Stock (in Rs.)		**Sensex**	
Month & Year	**High**	**Low**	**High**	**Low**
April-2013	23.00	17.90	19,622.68	18,144.22
May-2013	20.50	16.05	20,443.62	19,451.26
Jun-2013	16.20	11.95	19,860.19	18,467.16
Jul-2013	14.30	9.20	20,351.06	19,126.82
Aug-2013	11.02	7.93	19,569.20	17,448.71
Sep-2013	10.55	8.55	20,739.69	18,166.17
Oct-2013	11.85	9.20	21,205.44	19,264.72
Nov-2013	10.70	7.51	21,321.53	20,137.67
Dec-2013	12.50	7.51	21,483.74	20,568.70
Jan-2014	13.98	10.00	21,409.66	20,343.78
Feb-2014	11.80	9.65	21,140.51	19,963.12
Mar-2014	11.60	9.26	22,467.21	20,920.98

National Stock Exchange of India Limited				
	A2Z Stock (in Rs.)		Nifty	
Month	High	Low	High	Low
Apr-13	22.95	18.20	5,962.30	5,477.20
May-13	20.55	15.95	6,229.45	5,910.95
Jun-13	16.50	11.90	6011.00	5,566.25
Jul-13	14.25	9.10	6,093.35	5,675.75
Aug-13	11.05	7.95	5,808.50	5,118.85
Sep-13	10.50	8.60	6,142.50	5,318.90
Oct-13	11.80	9.25	6,309.05	5,700.95
Nov-13	10.70	7.75	6,342.95	5,972.45
Dec-13	12.55	7.50	6,415.25	6,129.95
Jan-14	14.00	10.00	6,358.30	6,027.25
Feb-14	11.70	9.65	6,282.70	5,933.30
Mar-14	11.65	9.65	6,730.05	6,212.25

12.8 (a) 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) for processing the transfer of securities issued by the Company. RTA acknowledges and executes, transfer of securities, arranges for issue of dividend. RTA also accepts deals with and resolve complaints of shareholders. The address of RTA is as follow:

M/s Alankit Assignments Limited
2E/21, Alankit House, Jhandewalan Extension, New Delhi – 110 055
Ph.: +91 11 42541234, Fax: +91 11 42541967
Email: info@alankit.com

(b) Share Transfer System

All the transfer are processed by the registrar and share transfer agent and approved by the Company. Pursuant to clause 47(c) of listing agreement with the stock exchanges , certificate on half yearly basis have been issued by the company secretary in practice for due compliance of share transfer formalities by the company. Pursuant to SEBI (Depositories and Participant) Regulations, 1996 certificate has also been received from a Company Secretary in practice for timely dematerialization and rematerialization of the shares of the Company and for conducting secretarial audit on the quarterly basis for reconciliation of the share capital of the Company.

12.9 Distribution of Shareholding

(a) By number of shareholder & shares as on 31st March, 2014

S. No.	Range of Shares	No. of Shareholders	% to Total Shareholders	No. of Shares	% of Shares to total shares
1	1-100	12,777	46.90	6,34,793	0.86
2	101-500	8,692	31.90	24,60,317	3.32
3	501-1000	2,459	9.03	20,58,197	2.77
4	1001-5000	2,611	9.58	57,20,677	7.71
5	5001-10000	369	1.36	26,65,855	3.59
6	10001-20000	174	0.64	23,85,723	3.22
7	20001-30000	59	0.22	14,57,828	1.97
8	30001-40000	30	0.11	10,61,209	1.43
9	40001-50000	17	0.06	7,70,705	1.04
10	50001-100000	20	0.07	14,51,859	1.96
11	100001-500000	28	0.10	60,64,674	8.18
12	500001 and Above	9	0.03	4,74,45,857	63.96
		27,245	**100.00**	**7,41,77,694**	**100.00**

(b) By category of shareholders as on 31st March, 2014

Sr. No.	Category of Shareholder	Total number of shares	% of Holding
I	**Shareholding of Promoter and Promoter Group**		
	(a) Indian	3,29,74,640	44.45
	(b) Foreign	-	-
	Total Shareholding of Promoter & Promoter Group	3,29,74,640	44.45
(II)	**Public shareholding**		
	(A) Institutions		
	(a) Mutual Funds/ UTI	-	-
	(b) Financial Institutions / Banks	-	-
	(c) Central Government/ State Government(s)	-	-
	(d) Venture Capital Funds	-	-
	(e) Insurance Companies	-	-
	(f) Foreign Institutional Investors	2,20,000	0.30
	(g) Foreign Venture Capital Investors	54,49,627	7.35
	(h) Qualified Foreign Investor	-	-
	(i) Any Other (specify)	-	-
	(B) Non-institutions		
	(a) Bodies Corporate	90,10,593	12.15
	(b) Individuals		-
	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1,22,89,597	16.57
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1,34,35,438	18.11
	(c) Qualified Foreign Investor	-	-
	(d) Any Other (specify)	-	-
	(d-i) Non Resident Indian	7,97,099	1.08
	(d-ii) Corporate Body (Foreign Body)	-	-
	(d-iii) Trust	7,00	0.00
	Total Public Shareholding (A+B)	**4,12,03,054**	**55.55**
	GRAND TOTAL (I+II)	**7,41,77,694**	**100.00**

12.10 Dematerialization of Shares

Your Company's equity shares are compulsorily traded in dematerialised form by all categories of investors. Equity shares of your Company are available for trading in the depository systems of both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Detail of Shares in Dematerialized and Physical Form.

(As on 31st March, 2014).

Particulars of Shares	Equity Shares of Rs 10 each		Shareholders	
Dematerialised	**Number**	**% of Total Shares**	**Number**	**% of Total Shareholders**
NSDL	6,07,84,235	81.94	16,145	59.26
CDSL	1,33,86,212	18.05	10,980	40.30
Sub total	**7,41,70,447**	**99.99**	**27,125**	**99.56**
Physical form	7247	0.01	120	0.44
Total	**7,41,77,694**	**100.00**	**27,245**	**100.00**

12.11 Outstanding GDR/ADR or Warrants or any Convertible Instruments, conversion date and likely impact on equity: NIL

12.12 Green Initiative

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) has vide its circular Nos. 17/2011, followed by Circular No.18/2011 dated 21st April, 2011 and 29th April, 2011 respectively has undertaken a "Green Initiative in Corporate Governance" by allowing paperless Compliances by the Companies through electronic mode and introduced e-mail address as one of the modes of sending General Meeting Notices, Annual Reports (including Director's Report, Financial Statements, Auditors Report) etc., to the shareholders under Section 53 of the Companies Act, 1956. This will also ensure prompt receipt of communication(s) and avoid loss in postal transit.

Accordingly, as an initiative to comply with better Corporate Governance Practice and to implement the said Circulars, the Board has proposed to send the Notices, Annual Reports (including Director's Report, Financial Statements, Auditors Report etc.) from the financial year ended 31st March, 2011 onwards in electronic form to the e-mail addresses of the shareholders registered with their respective Depositories (NSDL/CDSL). A communication in this regard was sent to all the members on 29th July, 2011 and they were requested to update their e-mail ids with their respective Depository Participant.

All communications to members shall be sent via e-mail and shall also be pasted at the website of the company www.a2zgroup.co.in The Member who wish to receive the Annual Report in physical form are requested to inform the Compliance Officer at address or id given below.

12.13 Address for Correspondence

The Shareholders may address their queries for Corporate Governance and other Secretarial related matters to:

Company Secretary cum Compliance Officer
A2Z Maintenance & Engineering Services Limited
Corporate Office: Plot no.-B-38, Institutional Area,
Sector-32, Gurgaon-122001, Haryana
Telephone No.: +91 124 4517600
Fax No.: +91 124 4380014
E-mail: complianceofficer@a2zemail.com
Website: www.a2zgroup.co.in

The Shareholders may address their queries for transfer and other grievances to:

M/s Alankit Assignments Limited
Alankit House, 2E/21 Jhandewalan
Extension New Delhi – 110055
Ph.:- +91-11-42541234, 2351234
Fax: - +91 11 23552001
Email ID: - info@alankit.com

12.14 Plant Locations

The locations of company's plants are as mentioned below:

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

12.15 Nomination Facility

Pursuant to the provisions of section 109A of the Companies Act, 1956, Members are entitled to make nominations in respect of shares held by them. Members holding shares in physical from and intending to make/change the nomination in respect of their shares in the Company's, may submit their request in Form No. 2B to Company Registrar, Alankit Assignments Limited. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Form 2B can be obtained from Company's' Registrar Alankit Assignment Limited.

12.16 Certificate on Corporate Governance

A Certificate from Mr. Deepak Gupta, Practicing Company Secretary, (a partner of 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.

Annexure – I to CG Report

DECLARATION-CODE OF CONDUCT

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, 2014.

For A2Z Maintenance & Engineering Services Limited

Sd/-

Place : Gurgaon **Ashok Kumar Saini**
Date : 30.05.2014 **Chief Executive Officer**

Annexure – II to CG Report

CERTIFICATE PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT

We, Amit Mittal, Managing Director and Gaurav Jain, Chief Financial Officer of A2Z Maintenance & Engineering Services Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March, 2014 and its entire schedule and notes on accounts, as well as the Cash Flow Statement.
2. To the best of our knowledge and information:
   (a) These statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading;
   (b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the company's code of conduct.
4. We have established and maintained internal control systems for financial reporting and procedures for the Company and we have evaluated the effectiveness of internal controls and procedures pertaining to financial reporting and there are no deficiencies in the design or operation in the internal controls, which we have already disclosed to the auditors and Audit Committee.
5. We have informed to the auditors and the Audit committee:
   (a) That there is no significant changes in internal control over financial reporting during the year;
   (b) That there is no changes in accounting policies during the year and
   (c) That there is no instance of fraud

	Sd/-	**Sd/-**
Place : Gurgaon	**Amit Mittal**	**Gaurav Jain**
Date : 30.05.2014	Managing Director	Chief Financial Officer

Annexure III to CG Report

CORPORATE GOVERNANCE CERTIFICATE

The Shareholders

A2Z Maintenance & Engineering Services Limited

We have examined the compliance of conditions of corporate governance by A2Z Maintenance & Engineering Services Limited for the year ended on 31st March 2014 as stipulated in clause 49 of the listing agreement of the said Company with stock exchange(s) where equity shares of the Company are listed.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. Our examination may not to be constructed as 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 agreement.

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

Sd/-
Deepak Gupta Partner
CP No. 4629

Place : New Delhi
Date : 14.08.2014

Independent Auditors' Report

To
the Members of
A2Z Maintenance & Engineering Services Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of A2Z Maintenance & Engineering Services Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

6. *As detailed in note 31 to the financial statement, the Company continues to carry deferred tax assets of Rs. 396,071,991 on items comprising unabsorbed losses and other timing differences between the accounting and taxable income, which, in view of the management, shall be realized on generation of taxable income in future years. However, in the absence of virtual certainty supported by convincing evidence of availability of sufficient future taxable income, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Accounting Standard 22, "Accounting for Taxes on Income" as notified under the Companies (Accounting Standards) Rules 2006. Had the Company reversed these deferred tax assets, the loss after tax for the year ended March 31, 2014 would have been higher and reserves and surplus as at March 31, 2014 would have been lower by Rs. 396,071,991, and deferred tax assets as at March 31, 2014 would have been lower by the same amount.*

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph* the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
   ii) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
   iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Emphasis of Matter

8. We draw attention to note 44 to the financial statements which describes that the Company has incurred a net loss of Rs. 1,949,631,502 for the year ended March 31, 2014 and is currently facing liquidity problems. Management is evaluating various options and these conditions as set forth in the aforesaid note coupled with situation relating to Corporate Debt Restructuring Scheme, described in note 45 indicates the existence of a material uncertainty that may cast doubt on Company continuing as a going concern. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
10. As required by Section 227(3) of the Act, we report that:
    a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

c. we have received the reports on the accounts of the branch offices audited under section 228 by other auditors and have appropriately dealt with these while forming our audit opinion.

d. the 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. *Except for the effects of the matter described in the Basis of Qualified Opinion paragraph*, in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and

f. on the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

Other Matter

11. We did not audit the financial statements of certain branches, included in these financial Statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 262,816,339 as at March 31, 2014; as well as the total revenue (after eliminating intra-group transactions) of Rs. 385,077,833 for the year ended March 31, 2014. These financial statements and other financial information have been audited by other auditors whose audit reports have been furnished to us, and our opinion in respect thereof is based solely on the audit reports of such other auditors. Our opinion is not qualified in respect of this matter.

For **Walker Chandiok & Co., LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

Sd/-
per **Neeraj Sharma**
Partner
Membership No.: 502103

Place : Gurgaon
Date : May 30, 2014

Annexure to the Independent Auditors' Report of even date to the members of A2Z Maintenance & Engineering Services Limited, on the financial statements for the year ended March 31, 2014

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of --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) In our opinion, a substantial part of fixed assets has not been disposed off during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable

(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

(viii) 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 clause (d) of sub-section (1) of Section 209 of the Act 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.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, *have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases.* Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable

(b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Amount Paid Under Protest (Rs.)	Period to which the amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Works Contract tax	65,310,875	5,000,000	2009-10	Joint Commissioner appeals, Sales tax
West Bengal Value Added Tax Act, 2003	West Bengal Value Added Tax	101,939,698	17,500,000	2010-11	Joint Commissioner appeals, Sales tax
West Bengal Central Sales Tax Act, 2003	Central Sales Tax	5,412,848	-	2010-11	Honorable High Court, Kolkata
Bihar Value Added Tax Act, 2005	Bihar Value Added Tax	8,354,879	-	2010-11	Remanded back to Assessing Officer by the Joint Commissioner Commercial tax (Appeal), Bihar

Name of the statute	Nature of dues	Amount (Rs.)	Amount Paid Under Protest (Rs.)	Period to which the amount relates	Forum where dispute is pending
Jharkhand Value Added Tax Act, 2005	Jharkhand Value Added Tax	10,650,909	5,823,531	2008-09 to 2011-12	Joint Commissioner, commercial tax, Ranchi, Jharkhand
Andhra Pradesh Value Added Tax Act, 2005	Andhra Pradesh Value Added Tax	6,294,726	3,125,000	2010-11	Andhra Pradesh VAT Tribunal
Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	180,178,725	-	2008-09	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	1,552,490	-	2009-10	Company is in the process of filing appeal with Joint Commissioner, Mumbai, Maharashtra against the demand. Time limit for filing such appeal has not yet expired.
Maharashtra Value Added Tax Act, 2002	Central Sales Tax	15,406,040	-	2009-10	Company is in the process of filing appeal with Joint Commissioner, Mumbai, Maharashtra against the demand. Time limit for filing such appeal has not yet expired.

(x) In our opinion, the Company has no accumulated losses at the end of the financial year. *The Company has incurred cash losses in the current and the immediately preceding financial year.*

(xi) There are no dues payable to or debenture-holders. *The Company has defaulted in repayment of dues to the following banks or financial institutions:*

a) *Corporate Debt Restructuring Lenders with whom Master Restructuring Agreement have been signed:*

The Corporate debt restructuring (CDR) proposal to re-structure existing 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. Out of seventeen lenders, twelve lenders (herein after termed as 'CDR lenders') agreed to be part of the CDR scheme.

Following is the summary of status of the loan, interest and restructuring done under the CDR scheme:

Nature of Amount	Amount (Rs. in Crore)	Outstanding	Restructured	Date of restructuring by the bank
Term Loan	880,000,000	Since June 2013	First installment of the Principal repayment now falls due on March 31, 2015	March 29, 2014
Working Capital Limit	414,400,000	From January 1, 2013 to September 30, 2013	Working capital term Loan (WCTL-1)-First installment of the Principal repayment now falls due on March 31, 2015	Restructuring date ranging from December 30, 2013 to March 31, 2014
Working Capital Limit	197,583,867	From June 1, 2013 to November 30, 2013	Working capital term Loan (WCTL-2)First installment of the Principal repayment of Rs 5,00,00,000 now falls due on March 31, 2014 has been repaid on June 7, 2014 of Rs. 1,76,22,000 & Rs 3,23,78,000 on June 11, 2014	December 31, 2013
Interest on term Loan	117,926,028	From the January 1, 2013 to March 31, 2014	First installment into funded interest term loan (FITL) of the FITL repayment now falls due on March 31, 2015	March 29, 2014
Interest on Working Capital loan	380,219,020	From the January 1, 2013 to March 31, 2014	First installment into funded interest term loan(FITL) of the FITL repayment now falls due on March 31, 2015	Restructuring date ranging from November 22, 2013 to March 31, 2014

b) *Other Lenders:*

Due date	Amount (Rs.)	Delay in days*
November 30, 2012	8,150,709	486
December 31, 2012	67,015	455
January 31, 2013	19,307,893	424
February 28, 2013	16,646,994	396
March 31, 2013	11,384,700	365
April 30, 2013	36,025,569	335
May 31, 2013	21,592,373	304
June 30, 2013	20,578,607	274
July 15, 2013	6,674,922	259
July 31, 2013	17,206,770	243
August 31, 2013	23,457,816	212
September 30, 2013	22,737,868	182
October 15, 2013	6,874,963	167
October 31, 2013	22,017,610	151
November 30, 2013	21,526,899	121
December 31, 2013	22,820,761	90
January 31, 2014	35,947,523	59
February 28, 2014	29,979,360	31

**Delay in number of days as at year end-*

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.

(xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4 (xix) of the Order are not applicable.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, *except for certain thefts of materials amounting to Rs. 63,042,251, identified by management during the year as explained in Note No. 23.1 to the financial statements*. The company has initiated a legal action and has submitted claims for the aforesaid amount with the insurance company.

For **Walker Chandiok & Co., LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

Sd/-
per **Neeraj Sharma**
Partner
Membership No.: 502103

Place : Gurgaon
Date : May 30, 2014

Balance sheet as at March 31, 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

	Notes	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	741,776,940	741,776,940
Reserves and surplus	4	8,354,690,511	10,304,322,013
		9,096,467,451	**11,046,098,953**
Share application money pending allotment	5	221,000,000	-
Non-current liabilities			
Long-term borrowings	6	3,298,897,149	1,927,774,781
Long-term provisions	7	45,567,946	44,719,134
		3,344,465,095	**1,972,493,915**
Current liabilities			
Short-term borrowings	8	5,362,611,887	4,857,404,075
Trade payables	9	1,858,368,567	2,098,392,983
Other current liabilities	10	956,707,137	1,573,825,380
Short-term provisions	11	3,276,207	3,300,313
		8,180,963,798	**8,532,922,751**
		20,842,896,344	**21,551,515,619**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	745,203,535	859,264,331
Intangible assets	13	30,771,863	43,592,189
Capital work in progress	14	4,027,007,226	3,778,688,516
		4,802,982,624	**4,681,545,036**
Non-current investments	15	2,936,249,233	2,950,539,233
Deferred tax assets (net)	31	396,071,991	395,898,187
Long-term loans and advances	16	301,181,660	232,509,303
Other non-current assets	17	186,019,620	214,796,090
		3,819,522,504	**3,793,742,813**
Current assets			
Current investments	18	23,128,150	23,356,300
Inventories	19	136,818,563	162,827,870
Trade receivables	20	6,819,157,500	6,900,971,597
Cash and bank balances	21	85,214,428	122,199,394
Short-term loans and advances	22	1,438,223,457	1,207,843,545
Other current assets	23	3,717,849,118	4,659,029,064
		12,220,391,216	**13,076,227,770**
		20,842,896,344	**21,551,515,619**

The accompanying notes form an integral part of the financial statements.

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

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Sd/-
per **Neeraj Sharma**
Partner

Place : Gurgaon
Date : May 30, 2014

For and on behalf of the Board of Directors

Sd/-	Sd/-
Amit Mittal	**Dipali Mittal**
Managing Director	Director
Sd/-	Sd/-
Gaurav Jain	**Atul Kumar Agarwal**
Chief Financial Officer	Company Secretary

Statement of Profit and Loss for the ended March 31, 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

	Notes	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Revenue			
Revenue from operations	24	3,362,876,915	5,549,580,168
Other income	25	73,632,327	101,100,602
Total revenue		**3,436,509,242**	**5,650,680,770**
Expenses			
Cost of material and services	26	3,193,502,524	4,533,473,548
Purchases of stock-in-trade	43 (e)	66,750,114	25,707,711
Changes in inventories of finished goods and stock-in-trade	27	21,684,261	(1,760,725)
Employee benefits expense	28	384,349,877	512,254,114
Finance costs	29	922,818,213	867,002,520
Depreciation and amortisation expense	12, 13	71,206,114	71,810,473
Other expenses	30	779,561,059	602,982,992
Total expenses		**5,439,872,162**	**6,611,470,633**
Loss before exceptional items and tax		**(2,003,362,920)**	**(960,789,863)**
Exceptional items - Gain	18, 45	70,712,525	101,655,590
Loss for the year before tax		**(1,932,650,395)**	**(859,134,273)**
Tax expense:			
Current tax	42	1,778,131	24,837,036
Deferred tax credit	31	(173,804)	(342,980,761)
Current tax expense / (credit) relating to prior years		15,376,780	(2,885,681)
Total tax expense		**16,981,107**	**(321,029,406)**
Net Loss for the year after tax		**(1,949,631,502)**	**(538,104,867)**
Earnings per share	32		
Basic earning per share		**(26.28)**	**(7.25)**
Diluted earning per share		**(26.28)**	**(7.25)**

The accompanying notes form an integral part of the financial statements.

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

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Sd/-
per **Neeraj Sharma**
Partner

Place : Gurgaon
Date : May 30, 2014

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director

Sd/-
Dipali Mittal
Director

Sd/-
Gaurav Jain
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Cash flows statement for the year ended March 31, 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

		For the Year ended March 31, 2014	For the Year ended March 31, 2013
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net (loss) / profit before tax	**(1,932,650,395)**	**(859,134,273)**
	Adjustment for		
	Depreciation/amortisation	71,206,114	71,810,473
	Interest expense	822,194,564	702,442,957
	Loss on sale of fixed assets	21,550,798	4,763,765
	Profit on sale of investment in subsidiary (Net)	(51,365,645)	(101,655,590)
	Provision for bad and doubtful debts / advances	402,371,354	177,643,065
	Provision for doubtful debts / advances written back	-	(14,000,000)
	Provision for diminution in value of long term investment	13,300,000	-
	Amortisation of loan processing fees	7,325,600	5,833,174
	Bad debts / advances written off	140,247	5,748,772
	Bad debts / liability written back	(27,247)	(7,464,343)
	Rental income from operating leases	(18,651,776)	(900,000)
	Interest income	(42,162,595)	(52,721,263)
	Operating loss before working capital changes	**(706,768,981)**	**(67,633,263)**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	26,009,307	35,003,120
	Trade receivables	(296,286,595)	718,444,364
	Short term loans and advances	(254,790,821)	(56,964,659)
	Long term loans and advances	11,721,425	31,030,407
	Other current assets	964,060,002	153,784,947
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payable	(239,997,160)	(641,250,858)
	Other current liability	(370,614,160)	(81,477,848)
	Short term provision	(24,106)	(783,607)
	Long term provision	848,812	3,123,539
		(865,842,277)	**93,276,142**
	Current taxes paid (net of refunds)	(80,545,981)	(120,279,104)
	Net cash used in operating activities	**(946,388,258)**	**(27,002,962)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including Capital work in progress)	(158,508,111)	(597,058,695)
	Proceeds from sale of fixed assets	25,587,267	6,824,788
	Purchase of long term investment in subsidiaries	-	(2,600,000)
	Proceeds from sale of investment in subsidiaries	20,083,282	120,000,000
	Fixed deposits placed	(157,500,360)	(252,730,270)
	Fixed deposits matured	165,859,522	792,522,701
	Rental income from operating leases	18,651,776	900,000
	Interest received	20,439,822	50,265,021
	Net cash (used in) / generated from investing activities	**(65,386,802)**	**118,123,545**

Cash flows statement for the year ended March 31, 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

		For the Year ended March 31, 2014	For the Year ended March 31, 2013
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from share application money pending allotment	221,000,000	-
	Dividend and corporate dividend tax paid	(480)	(4,976)
	Proceeds from long term borrowings	1,110,860,946	676,291,250
	Repayment of long term borrowings	(17,564,988)	(66,790,682)
	Proceeds from short term borrowings (net)	505,207,812	291,330,247
	Loan processing fees paid	-	(6,500,000)
	Interest paid	(844,713,196)	(1,027,543,765)
	Net cash generated from/(used in) financing activities	**974,790,094**	**(133,217,926)**
	Net decrease in cash and cash equivalents (A+B+C)	**(36,984,966)**	**(42,097,343)**
	Cash and cash equivalents at the beginning of the year	122,199,394	164,296,737
	Cash and cash equivalents at the end of the year	85,214,428	122,199,394

Components of cash and cash equivalents	**As at March 31, 2014**	**As at March 31, 2013**
Cash on hand	291,429	224,986
Balances with banks		
- in current accounts	82,904,374	121,891,526
- in cash credit accounts	1,936,223	-
- in unpaid dividend account*	82,402	82,882
	85,214,428	**122,199,394**

*The Company can utilise these balances only towards settlement of the respective unpaid dividend account.

Notes:

1 Figures in brackets indicate cash outflow.

2 The figures of the previous year have been regrouped/reclassified, where necessary, to confirm with the classification of the current year.

The accompanying notes form an integral part of the financial statements.

This is the cash flows statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Sd/-
per **Neeraj Sharma**
Partner

Place : Gurgaon
Date : May 30, 2014

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director

Sd/-
Dipali Mittal
Director

Sd/-
Gaurav Jain
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Summary of Significant accounting policies and notes forming part of the financial statements

Note 1 : NATURE OF OPERATIONS

A2Z Maintenance & Engineering Services 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's engineering business segment primarily includes supply, erection and maintenance of electrical transmission lines and allied services to power distribution companies. 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 of 15 years.

Note 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The Financial Statements have been prepared to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the "Act") read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Revised Schedule VI to the Companies Act, 1956.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

c) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss (if any). The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Assets acquired for contracts on BOOT basis have been capitalised as fixed assets in accordance with terms of respective contracts.

d) Depreciation

Depreciation is provided using the Straight Line Method (SLM) rates as per the useful lives of the fixed assets as estimated by the management or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used following rates to provide depreciation on its fixed assets:

Particulars	Rate of Depreciation (SLM)
Building	1.63%
Office equipment	4.75% - 25.00%
Plant and equipment	4.75% - 25.00%
Computers	4.75% - 40.00%
Furniture and fixtures	6.33% - 25.00%
Vehicles	9.50% - 35.00%
Leasehold land	Over the lease term on straight line basis.
Assets costing less than Rs 5,000	Fully depreciated in the year of acquisition

e) Intangible assets and amortisation

Softwares which are not integral part of the hardware are classified as intangibles and are stated at cost less accumulated amortisation. These are being amortised on a straight line basis over lower of license period or a period of 5 to 6 years, being the estimated useful life.

Goodwill arising on acquisition and purchase of business is amortised on a straight line basis over a period of five years.

Summary of Significant accounting policies and notes forming part of the financial statements

f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective qualifying asset. Borrowing costs consist of interest and other ancillary costs that an entity incurs in connection with the borrowing of funds. Ancillary costs related to borrowings are amortised over the tenure of loan . All other borrowing costs are expensed in the year they occur.

h) Leases

Where the Company is the lessee: Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor: Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

j) 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.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Revenue from engineering services

Revenue from engineering services is recognised by reference to the stage of completion of the project at the balance sheet date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the balance sheet date bear to the estimated total contract costs as assessed by project managers and validated by project managers and the management. Materials purchased specifically for the projects and identifiable to the project are considered as part of contract costs in accordance with AS-7, "Construction Contracts".

If it is expected that a contract will make a loss, the estimated loss is provided in the books of accounts. Such losses are based on technical assessments. Contract revenue earned in excess of billing has been reflected under "Other current 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

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

(iii) Income from professional and data processing services

Income from professional and data processing services is recognized on the basis of services rendered in accordance with the terms of the agreement.

Summary of Significant accounting policies and notes forming part of the financial statements

(iv) Revenue from sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.

(v) Interest

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

(vi) Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

l) Foreign currency translation

(i) Foreign currency transactions

Initial recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences: Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(ii) Translation of integral foreign operation

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

m) Retirement and other employment benefits

i) Retirement benefits in the form of provident fund and employee state insurance are defined contribution schemes and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due.

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

iii) The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end.

iv) Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses arise

n) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 deferred tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Summary of Significant accounting policies and notes forming part of the financial statements

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

o) Segment reporting

Identification of segments: 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 analysis of geographical segments is based on the areas in which major operating division of the Company operate.

Allocation of common costs: Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items: Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies: The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of shares outstanding during the year are adjusted for bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q) Derivative instruments

As per the guidance provided in the Announcement of the Institute of Chartered Accountants of India dated March 29, 2008, accounting for derivative contracts, other than those covered under AS-11, are marked to market on individual portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the statement of profit and loss. Net gains are ignored.

r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s) Accounting for joint ventures

Accounting for joint ventures undertaken by the Company has been done in accordance with Accounting Standard -27 "Financial Reporting of Interests in Joint Ventures" of the Companies (Accounting Standard) Rule 2006 as follows:

Type of Joint ventures	Accounting treatment
Jointly controlled operations	The Company's share of revenues, expenses, assets and liabilities are included in the financial statements as revenues, expenses, assets and liabilities respectively.

t) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

u) Contingent liability and provisions

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company are accounted for as either provisions or disclosed as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liability in the financial statements.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
***Note 3* : SHARE CAPITAL**				
Authorised				
Equity shares of Rs 10 each	**100,000,000**	**1,000,000,000**	**100,000,000**	**1,000,000,000**
Issued, subscribed and fully paid up				
Equity shares of Rs 10 each	74,177,694	741,776,940	74,177,694	741,776,940
	74,177,694	**741,776,940**	**74,177,694**	**741,776,940**

Note 3.1: There is no movement in the number of equity shares and the amount outstanding during the current or previous year.

Note 3.2: The Company has only one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in indian rupees. 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.

Note 3.3: Details of shares held by shareholder holding more than 5% equity shares of the Company:

	As at March 31, 2014		As at March 31, 2013	
	Number of shares held	% holding	Number of shares shares held	% holding
Equity shares of Rs 10 each fully paid up				
Amit Mittal	26,717,301	36.02%	26,884,301	36.24%
Rakesh Radheshyam Jhunjhunwala	7,425,106	10.01%	13,375,408	18.03%
Beacon India Investors Limited	5,449,627	7.35%	5,449,627	7.35%
Lexington Equity Holdings Limited	-	-	4,393,085	5.92%
	39,592,034	**53.38%**	**50,102,421**	**67.54%**

Note 3.4: Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash and bonus shares for the period of 5 years immediately preceding the Balance Sheet date:

	As at March 31, 2014 Number of shares	As at March 31, 2013 Number of shares
Equity shares of Rs 10 each fully paid up		
Fully paid up by way of bonus shares issued during:		
Financial year 2009-10	34,380,675	34,380,675
Fully paid up pursuant to contracts without payment being received in cash:		
Financial year 2008-09*	2,510,687	2,510,687

*shares were allotted on conversion of 75,000,000 .001% cumulative mandatorily convertible preference shares of Rs 10 each fully paid up.

Note 3.5: The Company has two stock option plans:

(a) A2Z Stock Option Plan 2010 ('the plan')'

During the year ended March 31, 2010, the Company had formulated Employee Stock Option Scheme referred as 'A2Z Stock Option Plan 2010 ('the plan')' for all eligible employees/ directors of the Company except an employee who is promoter or belongs to the promoter group of the Company and its subsidiaries in pursuance of the special resolution duly approved by the shareholders on March 30, 2010.

The plan shall be administered and supervised by the Remuneration-cum-Compensation Committee under the powers delegated by Board. Each option shall entitle the option grantee to apply for and be transferred Equity Shares of the Company. On or from the time of the listing of the Equity Shares of the Company, the maximum number of options that can be granted to any employee in any year under the A2Z ESOP shall be less than 5% of the issued share capital of the Company (excluding any outstanding warrants or other securities convertible into Equity Shares) at the time of grant of options, subject to the overall ceiling of 2,865,056 options in the aggregate.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

The Company has granted stock options on June 2, 2010, details of which are as follows:

Options granted	1,075,750
Date of Grant	2-Jun-10
Requirements of vesting, period of vesting and maximum period within which options shall be vested	The vesting schedule is set forth below:

Vesting	Number of months from the date of grant of options	% of options vested	Cumulative % of options vested
1	12	20	20
2	24	20	40
3	36	20	60
4	48	20	80
5	60	20	100

Exercise price	Rs. 314.13
Exercise period and process of exercise	5 years; by way of application
Accounting method used by the Company to value its options	Intrinsic value method
Method of settlement	Equity
Vesting conditions	Eligibility based on employment

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	543,250	314.13	
Granted during the year	-	-	2.79
Forfeited during the year	66,000	314.13	
Exercised during the year	-	-	
Expired during the year	-	-	
Outstanding at the end of the year	477,250	314.13	
Exercisable at the end of the year	289,450	314.13	
Weighted average fair value of options granted on the date of grant	-	-	

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	
Weighted average share price / Fair value of share	Rs. 221.75
Exercise Price	Rs. 314.13
Annual Volatility (Standard Deviation – Annual)	34.93%
Time To Maturity - in years	5.51
Dividend Yield	2.25%
Risk free Rate – Annual	7.45%

As the Company was unlisted at the time of granting of ESOP, the expected volatility was determined based on average of semi - annual volatility of stock price of peer group.

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* As the exercise price is more than the fair value of the shares, under 'Intrinsic Value' Method.

Since the enterprise used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method

In March 2005 the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after April1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(Loss) / profit for the year, as reported	(1,949,631,502)	(538,104,867)
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method*	1,176,076	(2,972,047)
Pro-forma (loss) / profit	(1,950,807,578)	(535,132,820)
Earnings Per Share		
Basic		
— As reported	(26.28)	(7.25)
— Pro-forma	(26.30)	(7.21)
Diluted		
— As reported	(26.28)	(7.25)
— Pro-forma	(26.30)	(7.21)

* The Company has considered an attrition / lapsing rate of 10% for the purpose of above disclosure.

(b) A2Z Employees Stock Option Plan, 2013

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 February 3, 2014 has granted 1,695,000 stock options convertible into equivalent number of equity shares of Rs 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of Rs 10.35 each which is NSE closing market price on January 31, 2014 (i.e previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable on the first anniversary of the grant date till completion of four years since then;

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	-	-	
Granted during the year	1,695,000	10.35	6
Forfeited during the year	-	-	
Exercised during the year	-	-	
Expired during the year	-	-	
Outstanding at the end of the year	1,695,000	10.35	
Exercisable at the end of the year	-	-	
Weighted average fair value of options granted on the date of grant	-	7.23	

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	
Weighted average share price / Fair value of share	Rs. 7.23
Exercise Price	Rs. 10.35
Annual Volatility (Standard Deviation – Annual)	65.19%
Time To Maturity - in years	6
Dividend Yield	0.00%
Risk free Rate – Annual	8.90%

As the Company was unlisted at the time of granting of ESOP, the expected volatility was determined based on average of semi - annual volatility of stock price of peer group.

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* As the exercise price is more than the fair value of the shares, under 'Intrinsic Value' Method.

Since the enterprise used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method

In March 2005 the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after April1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(Loss) / profit for the year, as reported	(1,949,631,502)	(538,104,867)
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method*	1,176,076	(2,972,047)
Pro-forma (loss) / profit	(1,950,807,578)	(535,132,820)
Earnings Per Share		
Basic		
— As reported	(26.28)	(7.25)
— Pro-forma	(26.30)	(7.21)
Diluted		
— As reported	(26.28)	(7.25)
— Pro-forma	(26.30)	(7.21)

* The Company has considered an attrition / lapsing rate of 10% for the purpose of above disclosure.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
Note 4 : **RESERVES AND SURPLUS**		
Securities premium account	**7,714,859,233**	**7,714,859,233**
Surplus in statement of profit and loss		
Opening balance	2,525,448,890	3,063,553,757
Add: Transfer from statement of profit and loss	(1,949,631,502)	(538,104,867)
Closing balance	**575,817,388**	**2,525,448,890**
General reserve	**64,013,890**	**64,013,890**
	8,354,690,511	**10,304,322,013**

Note 5 :

Share application money pending allotment represents contribution received from promoter/promoter group company under Corporate Debt Restructuring (CDR) Scheme, Refer note 45 for further details on CDR Scheme. The equity shares are expected to be allotted against the share application money within a reasonable time. The Company has sufficient authorised capital to cover the share capital amount on allotment of above shares.

	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current	Non Current	Current
Note 6 : **LONG-TERM BORROWINGS**				
Term loans (Secured)				
From banks (Refer note 6.1 and 6.5)	1,896,511,491	22,000,000	1,423,528,927	296,666,667
From financial institutions (Refer note 6.2 and 6.5)	500,734,951	14,482,206	501,667,272	20,843,589
Working capital term loans (Secured)				
From banks (Refer note 6.3)	410,256,000	4,144,000	-	-
Funded interest term loans (Secured)				
From banks (Refer note 6.3)	491,394,707	6,750,341	-	-
Other Loans (Secured)				
Vehicle loan from banks (Refer note 6.4)	-	2,120,866	2,578,582	9,813,568
	3,298,897,149	**49,497,413**	**1,927,774,781**	**327,323,824**

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long-term borrowings:

Note 6.1: Term loans from banks:

1) Term loan from bank amounting to Rs 880,000,000 (Previous year - Rs 880,000,000) having an interest rate of 10.75% as per CDR Scheme is repayable in 33 quarterly installments first installment being due in March 2015.
2) Term loan from bank amounting to Rs 1,038,511,491 (Previous year - Rs 840,195,594) having an interest rate of 13% per annum during the year is repayable in 24 quarterly installments first installment being due in June 2015.

The above loans are secured against:

(a) First charge on pari - passu basis: (i) by way of hypothecation of all current assets of the Company including but not limited to receivables and inventory, relating to the projects both present and future; (ii) on all intangible assets including but not limited to goodwill pertaining to the projects (to the extent permissible by the Punjab state Co-operative sugar mills).
(b) First charge (i) on all the insurance contracts with respect to the projects together with any receivables thereunder; (ii) on all the accounts (including but not limited to the project accounts) with respect to the projects.
(c) An assignment of: (i) all rights and interest by way of first charge on pari passu basis on the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, relating to the projects, present and future; (ii) the rights and interest in the project site to the extent permissible by law; (iii) all its rights and abligations under the assignment orders and memorandum of understandings and; (iv) the rights and interest by way of first charge on pari passu basis into and under each of the project documents, and all the rights under each letter of credit/ guarantee or performance bond that may be posted by any party to a project document for the Company's benefit and all the rights under the approvals in connection with the project (having value above Rs 100,000,000) to the extent permissible by law.
(d) Personal guarantee of Mr Amit Mittal (Managing Director).

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 6.2: Term loans from financial institution:

1) The loan amounting to Rs 500,000,000 (Previous year - Rs 500,000,000) is secured by a first charge by way of hypothecation and escrow of the entire Retention money receivables both present and future. The interest rate is 15% per annum and the loan is repayable after 3 years.
2) The loans amounting to Rs 15,217,157 (Previous year - Rs 22,510,861) is secured against hypothecation of equipments acquired out of loan. The interest rate is 11.50% to 12.66% per annum and the loans are repayable in 12 quarterly and 48 monthly installments.

Note 6.3: Working capital and funded interest term loans from banks

The Corporate debt restructuring (CDR) proposal to re-structure existing 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. Out of seventeen lenders, twelve lenders (herein after termed as ‘CDR lenders’) agreed to be part of the CDR scheme. On the basis of Master Restructuring Agreement (MRA) executed with the CDR lenders, the Company has accounted for impact of the CDR scheme (reclassifications and interest calculations) in the financial results for the year ended March 31, 2014 up to the extent agreed with those CDR lenders.

a) 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.
b) The interest due on term loan from one of the bank w.e.f. January 1, 2013 till March 31, 2014 at revised rates amounting to Rs. 117,926,028 and has been converted into Funded Interest Term Loan (FITL).
c) Letter of Credits devolved has been restructured/ reconstituted for an amount aggregating to Rs 414,400,000 into Working Capital Term Loan.
d) The interest on the restructured debts / fund based working capital loans has been recomputed w.e.f. January 1, 2013 till March 31, 2014 at revised rates amounting to Rs. 380,219,020 and has been converted into Funded Interest Term Loan (FITL).

Note 6.4: Other Loans (Vehicle loans)

Vehicle loans amounting to 2,120,866 (Previous year - Rs 12,392,150) is secured against hypothecation of Vehicles. The loans are having interest rate of 8.25% - 13.84% per annum and are repayable in 35 - 60 monthly installments.

Note 6.5: (i) The Company has defaulted in repayment of interest in respect of term loan from bank as on March 31, 2014 amounting to Rs 11,466,305 for two months and Rs 10,356,663 for one month. (ii) The interest on term loan from financial institution aggregate to Rs 72,510,626 falling due in each month is unpaid for the entire financial year. Also, the Company has defaulted in repayment of principal amount of term loan from financial institution amouting to Rs 6,674,922 for nine months and Rs 6,874,963 for six months.

	As at March 31, 2014	As at March 31, 2013
Note 7 : **LONG-TERM PROVISIONS**		
Provision for warranty (Refer note 7.1)	45,567,946	44,719,134
	45,567,946	**44,719,134**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 7.1:		
Provision for warranty		
Opening provision	44,719,134	41,595,595
Additions during the year	2,700,412	4,956,446
Less: Utlisation during the year	1,851,600	1,832,907
Closing provision	**45,567,946**	**44,719,134**

The estimated liability for warranties is recorded when contract revenue is recognised. 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. 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.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
***Note 8* : SHORT-TERM BORROWINGS**		
Refer Note 8.1 and 8.2)		
From banks (secured)		
- Working capital loans	754,905,920	633,893,901
Other loans (Secured)		
- Cash credit facilities	4,607,705,967	4,223,510,174
	5,362,611,887	**4,857,404,075**

Note 8.1: Working capital loans from banks and other secured loans

a) The working capital loans and cash credit facilities 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, Gurgaon 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 Company's immovable properties i.e. part of Plot / House No 740-A, Block- B, Scheme No 40, Panki, Kanpur Nagar admeasuring 7031.56 sq mts with 74 constructed flats. The rate of interest vary from 9.50% per annum to 16% per annum and these loans are repayable on demand.

b) Second charge on pari-passu basis bais 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.

c) Letter of Credits devolved has been restructured/ reconstituted for an amount aggregating to Rs 197,583,867 into Working Capital Term Loan as per CDR Scheme.

Note 8.2: The Company has defaulted in repayment of interest in respect of cash credit facility as on March 31, 2014 amounting to Rs 13,251,541 for seven months and amounting to Rs 3,269,056 for five months. Also, the Company has defaulted in repayment of interest in respect of working capital loan from banks as on March 31, 2014 amounting to Rs 1,393,166 for fifteen months and amouting to Rs 39,551,693 for eight months.

	As at March 31, 2014	As at March 31, 2013
***Note 9* : TRADE PAYABLES**		
Acceptances	38,633,614	497,956,951
Other than acceptances:		
(a) total outstanding dues of micro and small enterprises (Refer note 9.1)	2,339,884	3,288,575
(b) total outstanding dues of creditors other than micro and small enterprises	1,817,395,069	1,597,147,457
	1,858,368,567	**2,098,392,983**

Note 9.1: Disclosures under Micro, Small and Medium Enterprises 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 Enterprise Development (MSMED) Act, 2006 is as follows:

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

Particulars	**As at March 31, 2014**	**As at March 31, 2013**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
— principal amount	2,175,441	3,288,575
— interest amount	164,443	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
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	164,443	-
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	-	-

Note 10 : OTHER CURRENT LIABILITIES

	As at March 31, 2014	As at March 31, 2013
Current maturities of long-term debt (Refer note 6)	49,497,413	327,323,823
Interest accrued but not due on borrowings and advances	17,102,408	14,695,098
Interest accrued and due on borrowings	168,418,307	40,842,905
Payable on purchase of fixed assets	63,486,726	144,245,911
Book overdrafts	7,538,255	11,100,764
Advance from customers	358,971,116	659,309,420
Advance purchase consideration against sale of investment (Refer note 18.1)	-	17,900,720
Advance purchase consideration against sale of fixed assets	2,100,000	-
Security deposit received	500,000	-
Unclaimed dividend*	82,402	82,882
Billing in excess of contract revenue	126,706,202	105,407,668
Statutory dues payable	162,304,308	252,916,189
	956,707,137	**1,573,825,380**

* not due for deposit with investor education and protection fund

Note 11 : SHORT TERM PROVISIONS

	As at March 31, 2014	As at March 31, 2013
Provision for gratuity (Refer note 28.2)	889,728	224,532
Provision for compensated absences benefits (Refer note 28.3)	2,386,479	3,075,781
	3,276,207	**3,300,313**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 12 : TANGIBLE ASSETS

Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2013	Additions	Sale/ Adjustments	As at March 31, 2014	As at April 1, 2013	Charge for the year*	Deletion/ Adjustment	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible assets										
Leasehold land (Refer note 12.1)	1,136,692	-	-	1,136,692	90,081	17,230	-	107,311	1,029,381	1,046,611
Freehold land	120,156,681	-	37,683,115	82,473,566	-	-	-	-	82,473,566	120,156,681
Leasehold improvement-Owned	2,599,316	-	-	2,599,316	999,737	797,598	-	1,797,335	801,981	1,599,579
Building - owned	328,946,399	-	-	328,946,399	5,240,377	5,347,136	-	10,587,513	318,358,886	323,706,022
Furniture and fixtures-owned	12,443,555	382,272	26,838	12,798,989	8,666,850	421,726	26,838	9,061,738	3,737,251	3,776,705
Office equipments-owned	51,729,448	154,347	11,025	51,872,770	6,654,538	2,433,091	11,025	9,076,604	42,796,166	45,074,910
Plant and equipment-owned	255,852,533	2,686,620	700,000	257,839,153	87,292,814	26,797,484	26,896	114,063,402	143,775,751	168,559,719
Computer-owned	51,765,172	290,734	232,266	51,823,640	24,275,004	7,231,834	169,733	31,337,105	20,486,535	27,490,168
Vehicles-owned	255,220,519	625,040	12,854,658	242,990,901	87,366,583	28,015,644	4,135,344	111,246,883	131,744,018	167,853,936
Total	**1,079,850,315**	**4,139,013**	**51,507,902**	**1,032,481,426**	**220,585,984**	**71,061,743**	**4,369,836**	**287,277,891**	**745,203,535**	**859,264,331**
Previous year figures	721,135,903	379,037,823	20,323,411	1,079,850,315	157,246,850	72,073,992	8,734,858	220,585,984	859,264,331	563,889,053

*Includes depreciation of Rs 13,221,359 (Previous year - Rs 12,647,495) charged on assets used in construction of power plant. Therefore, the depreciation has been carried under capital work in progress (Refer note 14).

Note 12.1: Leasehold land represents land acquired on lease from Orissa Industrial Infrastructure Development Corporation for the lease period of 66 years.

Note 13 : INTANGIBLE ASSETS

Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2013	Additions	Sale/ Adjustments	As at March 31, 2014	As at April 1, 2013	Charge for the year*	Deletion/ Adjustment	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Intangible Assets										
Computer software	52,560,996	545,405	-	53,106,401	18,553,550	8,586,489	-	27,140,039	25,966,362	34,007,446
Goodwill (Refer note 13.1)	23,961,858	-	-	23,961,858	14,377,116	4,779,241	-	19,156,357	4,805,501	9,584,742
Total	**76,522,854**	**545,405**	**-**	**77,068,259**	**32,930,666**	**13,365,730**	**-**	**46,296,396**	**30,771,863**	**43,592,188**
Previous year figures	60,272,872	16,249,982	-	76,522,854	20,546,689	12,383,976	-	32,930,665	43,592,189	39,726,183

Note 13.1: During the year ended March 31, 2010, the Company had entered into three business transfer agreement to purchase the entire business of M/s Surender Chowdhury & Brothers, M/s Mohd. Rashid Contractors and En-Tech Engineers and Contractors for a consideration of Rs 20,000,000, Rs 2,000,000 and Rs 3,000,000 respectively. The difference between the carrying values of Investment and value of net assets acquired amounting to Rs 23,961,858 was carried as goodwill.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
Note 14 : **CAPITAL WORK IN PROGRESS (REFER NOTE 14.1)**		
Buildings under construction	27,875,851	25,240,384
Power plant equipments under erection	2,564,534,144	2,543,621,877
Borrowing costs capitalised (Refer note 14.2)		
— Interest	776,924,337	624,422,993
— Amortisation of ancillary borrowing cost	33,757,879	21,823,454
Other expenses (directly attributable to construction/ erection of fixed assets)		
— Rent	11,944,964	7,791,212
— Legal and professional charges	57,237,688	54,778,566
— Employee benefit expense	157,260,335	134,638,559
— Depreciation	37,679,423	24,458,060
— Insurance charges	13,221,647	12,117,907
— Power and fuel	35,735,268	31,170,427
— Repair and maintenance charges	32,592,204	29,023,500
— Test run expenses	258,279,634	256,003,362
— Other miscellaneous expenses	19,963,852	13,598,215
	4,027,007,226	**3,778,688,516**

Note 14.1: The above capital work in progress represents expenditure incurred on setting up 3 cogeneration power plants of 15 MW each on Built, Own, Operate and Transfer (BOOT) basis with the respective cooperative sugar mills for a period of fifteen years at Fazilka, Morinda and Nakodar in Punjab.

Note 14.2: Borrowing cost capitalised during the year amounting to Rs 164,435,769 (Previous year - Rs 342,890,208).

	As at March 31, 2014	As at March 31, 2013
Note 15 : **NON CURRENT INVESTMENT**		
Long term investments in equity shares of subsidiary Companies (at cost)		
Trade, Unquoted		
3,580,410 (Previous year - 3,580,410) equity shares of Rs 10 each fully paid up in A2Z Infraservices Limited	607,229,353	607,229,353
20,250,000 (Previous year - 20,250,000) equity shares of Rs 10 each fully paid up in A2Z Infrastructure Limited	202,500,000	202,500,000
100,000 (Previous year - 100,000) equity shares of Rs 10 each fully paid up in A2Z Powercom Limited	1,000,000	1,000,000
1,330,000 (Previous year - 1,330,000) equity shares of Rs 10 each fully paid up in A2Z Powertech Limited	13,300,000	13,300,000
Less: Provision for diminution in value of long term investment in A2Z Powertech Limited	(13,300,000)	-
800,000 (Previous year - 800,000) equity shares of Rs 10 each fully paid up in Selligence Technologies Services Private Limited	8,000,000	8,000,000
50,000 (Previous year - 50,000) equity share of Rs 10 each fully paid up in Mansi Bijlee & Rice Mills Limited	500,000	500,000

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
Note 15 : NON CURRENT INVESTMENT (Contd.)		
Nil (Previous year - 70,000) equity share of Rs 10 each fully paid up in Mirage Bijlee Private Limited	-	700,000
Nil (Previous year - 9,000) equity share of Rs 10 each fully paid up in Madhya Bijlee Private Limited	-	90,000
989,996 (Previous year - 989,996) equity share of Rs 10 each fully paid up in Star Transformers Limited	149,941,313	149,941,313
60,000 (Previous year - 60,000) equity share of Rs 10 each fully paid up in A2Z Water Solutions Limited	600,000	600,000
1,146,326 (Previous year - 1,146,326) equity share of Rs 10 each fully paid up in Chavan Rishi International Limited	103,169,340	103,169,340
100,000 (Previous year - 100,000) equity share of Uganda Shilling 100 each fully paid up in A2Z Maintenance & Engineering Services (Uganda) Private Limited	189,416	189,416
30,375 (Previous year - 30,375) equity share of Singapore Dollar 1 each fully paid up in A2Z Singapore Waste Management Holdings Private Ltd.	1,199,811	1,199,811
Nil (Previous year - 10,000) equity share of Rs 10 each fully paid up in A2Z Disaster Management and Innovative Response Education Private Ltd.	-	100,000
Nil (Previous year - 10,000) equity share of Rs 10 each fully paid up in Pioneer Waste Management Private Limited	-	100,000
24,000 (Previous year - 24,000) equity share of Rs 10 each fully paid up in A2Z Waste Management (Nainital) Private Limited	240,000	240,000
10,000 (Previous year - 10,000) equity share of Rs 10 each fully paid up in A2Z Waste Management (Jaipur) Limited	100,000	100,000
	1,074,669,233	**1,088,959,233**
Long term investments in preference shares of subsidiary companies (at cost)		
Trade, Unquoted		
171,200,000 (Previous year - 171,200,000) 0.01% Non Participative Cumulative Redeemable Preference Share of Rs 10 each fully paid up in A2Z Infrastructure Limited	1,712,000,000	1,712,000,000
14,958,000 (Previous year - 14,958,000) 0.01% Non Participative Cumulative Redeemable Preference Share of Rs 10 each fully paid up in Mansi Bijlee & Rice Mills Limited	149,580,000	149,580,000
	1,861,580,000	**1,861,580,000**
Total	**2,936,249,233**	**2,950,539,233**

Note 15.1: The management has committed to provide continued operational and financial support to its subsidiary Companies for meeting their working capital and other financing requirements and based upon approved future projections of the subsidiaries, believes that the diminution (if any) is temporary in nature and accordingly, no provision is required to be created except as already created.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
***Note 16* : LONG-TERM LOANS AND ADVANCES**		
(UNSECURED CONSIDERED GOOD)		
Capital advances	135,099,727	132,696,804
Advance recoverable in cash or in kind	10,658,477	24,731,789
Deferred purchase consideration against sale of investment (Refer note 18.1)	14,599,789	-
Security deposits	10,507,075	8,155,188
TDS recoverable / advance tax	130,316,592	66,925,522
	301,181,660	**232,509,303**

	As at March 31, 2014	As at March 31, 2013
***Note 17* : OTHER NON CURRENT ASSETS**		
Balance in fixed deposit account*	123,099,852	131,459,014
Interest accrued but not due on fixed deposits	-	1,157,283
Unamortised loan processing fee	62,919,768	82,179,793
	186,019,620	**214,796,090**

*held as margin money against bank guarantees and letter of credit and as debt service reserve account against term loans from banks.

	As at March 31, 2014	As at March 31, 2013
***Note 18* : CURRENT INVESTMENT**		
(AT LOWER OF COST OR MARKET VALUE)		
Trade, Unquoted		
22,815 (Previous year - 45,630) equity share of Rs 10 each fully paid up in Weensure E Waste Limited (formerly A2Z E Waste Management Limited) (Refer note 18.1)	228,150	456,300
2,290,000 (Previous year - 2,290,000) 0.01% Non Participative Cumulative Redeemable Preference Share of Rs 10 each fully paid up in Weensure E Waste Limited (formerly A2Z E Waste Management Limited) (Refer note 18.1)	22,900,000	22,900,000
	23,128,150	**23,356,300**

Note 18.1: During the year ended March 31, 2013, pursuant to the Share Purchase Agreement along with addendums thereto executed by and between the Company, Weensure Asset Recovery Private Limited (formerly Sardana Recycling Private Limited) (the “buyer”), Weensure E Waste Limited (formerly A2Z E Waste Management Limited) and Dataserv APAC Limited (formerly A2Z Dataserv Limited), the Company decided to dispose off the entire shareholding in the paid up Equity and Preference Share Capital to the buyer in multiple tranches at a total consideration of Rs. 230,000,000.

During the year ended March 31, 2014, equity shares comprising 22.81% of total paid up equity share capital of Weensure E Waste Limited have been transferred to the buyer and as a consequence, the Company’s holding has reduced to 22.81% from existing 45.63% (as on March 31, 2013) in the paid up Equity Share Capital of Weensure E Waste Limited. Accordingly, the Company has recognized a profit of Rs. 52,272,359 (previous year - Rs 101,655,590) and classified this as an exceptional item as per the accepted accounting principles and practices.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
Note 19 : **INVENTORIES (VALUED AT LOWER OF COST OR MARKET VALUE)**		
Project stores and spares	132,885,963	137,211,009
Finished goods for trading (material in transit)	3,932,600	25,616,861
	136,818,563	**162,827,870**

	As at March 31, 2014	As at March 31, 2013
Note 20 : **TRADE RECEIVABLES (UNSECURED)**		
Receivables due for a period exceeding six months when they became due for payment		
- Considered good	5,588,358,503	5,184,162,884
- Considered doubtful	648,440,568	270,339,876
Other receivables		
- Considered good	1,230,798,997	1,716,808,713
- Considered doubtful	-	-
	7,467,598,068	**7,171,311,473**
Less: Provision for doubtful debts	648,440,568	270,339,876
	6,819,157,500	**6,900,971,597**

Note 20.1: Trade receivables include retention money of Rs 3,545,006,459 (Previous year- Rs 3,433,381,587) which are due on completion of erection / contracts / final acceptance by the customers. The management is confident of recovering these amounts upon erection / contract completion.

	As at March 31, 2014	As at March 31, 2013
Note 21 : **CASH AND BANK BALANCES**		
Cash and cash equivalents		
Cash on hand	291,429	224,986
Balances with banks		
- in current accounts	82,904,374	121,891,526
- in cash credit accounts	1,936,223	-
Other bank balances		
- in unpaid dividend account*	82,402	82,882
	85,214,428	**122,199,394**

* The Company can utilise these balances only towards settlement of the respective unpaid dividend account.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
***Note 22* : SHORT-TERM LOANS AND ADVANCES**		
(UNSECURED, CONSIDERED GOOD)		
Advances recoverable in cash or in kind or for value to be received		
— Considered good*	392,072,926	418,421,571
— Considered doubtful	29,090,793	4,820,131
	421,163,719	423,241,702
Less: Provision for doubtful advances	29,090,793	4,820,131
Advances recoverable in cash or in kind or for value to be received	392,072,926	418,421,571
Prepaid expenses	29,552,112	71,946,698
Earnest money deposit with customers	44,108,823	42,975,613
Security deposits	30,444,444	46,960,329
Loan to employees**	135,650	2,191,620
Loan to director of subsidiary	7,689,877	6,861,579
Loans and advances to subsidiaries (Refer note 36)	508,066,384	221,229,287
Balances with government authorities:		
— CENVAT credit receivable	1,559,025	5,819,113
— Service tax credit receivable	28,305,279	64,225,785
— WCT / VAT input credit receivable	396,288,937	327,211,950
	1,438,223,457	**1,207,843,545**
*Due from a director of the Company- Mr. Amit Mittal (Also refer note 35.2) (Maximum outstanding during the year Rs 19,474,237 (Previous year - Rs 992,393))	19,474,237	-
*Due from a director of the Company- Mrs. Dipali Mittal (Maximum outstanding during the year Rs Nil (Previous year - Rs 235,541))	-	-
*Due from a relative of director of the Company- Mr. Manoj Gupta (Maximum outstanding during the year Rs 832,576 (Previous year - Rs 1,412,000))	517,184	-
** Due from an officer of the Company- Mr. Atul Kumar Agarwal (Maximum outstanding during the year Rs 736,179 (Previous year - Rs 1,176,179))	69,427	736,179

	As at March 31, 2014	As at March 31, 2013
***Note 23* : OTHER CURRENT ASSETS**		
Interest accrued:		
— on fixed deposits	2,444,789	691,052
— on loans given to subsidiary company	30,848,874	9,722,555
Insurance claim recoverable (Refer note 23.1)	60,654,927	22,521,463
Contract revenue in excess of billing	3,604,640,503	4,606,833,969
Unamortised loan processing fee	19,260,025	19,260,025
	3,717,849,118	**4,659,029,064**

Note 23.1: During the year, the Company has incurred a loss of Rs 63,042,251 (Previous year – Rs 29,171,477) due to theft of material at various project sites against which the Company has filed an insurance claim with the insurance company. The Company has received an amount of Rs 12,969,907 (Previous year - Rs 23,477,102) as insurance claim from the insurance company during the year out of the above mentioned claim and from the insurance claim recoverable as on March 31, 2013 and amount of Rs 17,991,265 (Rs 17,170,555) has been written off / capitalised in the books. The balance of Rs 60,654,927 (Previous Year – Rs 22,521,463) has been appearing as insurance claim recoverable in the books. The management believes that it has made reasonable judgment and no further adjustment is expected in the financial statements.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 24 : **REVENUE FROM OPERATIONS**		
Revenue from engineering services	3,084,461,568	5,368,300,956
Revenue from operation and maintenance services	93,223,250	74,412,387
Income from professional services	4,013,530	1,976,476
Revenue from data processing services	52,625,288	32,099,725
Sale of traded goods (Refer note 43 (f))	109,679,598	43,527,000
Other operating revenue		
Liability written back	27,247	7,464,343
Provision for doubtful debts / advances written back	-	14,000,000
Duty drawback	2,196,454	816,211
Scrap sale	16,649,980	6,983,070
	3,362,876,915	**5,549,580,168**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 25 : **OTHER INCOME**		
Interest income:		
- on fixed deposits	9,142,024	41,068,750
- on loan given to subsidiaries	32,873,527	10,657,941
- on other loans and advances	147,044	994,572
Rent income from operating leases	18,651,776	900,000
Foreign exchange fluctuation (net)	-	9,973,556
Miscellaneous income	12,817,956	37,505,783
	73,632,327	**101,100,602**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 26 : **COST OF MATERIAL AND SERVICES**		
Opening stock	137,211,009	173,974,854
Add: Material purchased	1,989,749,506	3,227,840,937
Less: Recovery from contractors	44,096,367	43,207,388
Less: Theft / damage of material (Refer note 23.1)	63,042,251	29,171,477
Less: closing stock	132,885,963	137,211,009
Material consumed (Refer note 43 (d))	**1,886,935,934**	**3,192,225,917**
Freight and cartage	117,626,847	288,249,911
Sub contractor / erection expenses	856,716,957	735,049,332
Labour charges	157,398,035	114,475,759
Fabrication expenses	2,435,907	2,712,752
Site expenditure	22,691,164	42,790,437
Technical consultancy for projects	16,863,393	32,801,173
Other direct cost	132,834,287	125,168,267
	3,193,502,524	**4,533,473,548**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2014	For the year ended March 31, 2013
***Note 27* : CHANGES IN INVENTORIES OF TRADED GOODS**		
Opening inventory of traded goods	25,616,861	23,856,136
Less: Closing inventory of traded goods	3,932,600	25,616,861
Decrease / (Increase) in inventory	**21,684,261**	**(1,760,725)**

	For the year ended March 31, 2014	For the year ended March 31, 2013
***Note 28* : EMPLOYEE BENEFITS EXPENSE**		
Salaries and bonus including directors' remuneration (Refer note 35)	356,834,897	472,525,374
Contribution to provident and other funds (Refer note 28.1)	12,932,453	18,818,623
Gratuity expense (Refer note 28.2)	665,196	(358,836)
Compensated absences benefits (Refer note 28.3)	(689,302)	(78,558)
Staff welfare expenses	14,606,633	21,347,511
	384,349,877	**512,254,114**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 28.1: Defined contribution plans		
Employer's contribution to provident fund	7,671,560	11,693,986
Employer's contribution to employee state insurance	5,260,892	7,124,637
Total	**12,932,453**	**18,818,623**

Note 28.2: Defined Benefit Plans

The Company has a defined benefit gratuity plan. 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. The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss (Net employee benefit expense)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Current service cost	8,592,385	10,314,253
Interest cost on benefit obligation	1,934,135	2,104,367
Expected return on plan assets	(2,083,838)	(2,049,180)
Net actuarial (gain) / loss recognised in the year	(7,777,486)	(10,728,276)
Net benefit expense	**665,196**	**(358,836)**
Actual return on plan assets	**(847,886)**	**(2,808,577)**
	As at March 31, 2014	**As at March 31, 2013**
Balance sheet		
Defined benefit obligation	(22,820,545)	(24,176,693)
Fair value of plan assets	**21,930,817**	23,952,161
Expected return on plan assets	**(889,728)**	**(224,532)**
Plan liability	**(889,728)**	**(224,532)**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Changes in the present value of the defined benefit obligation are as follows:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening defined benefit obligation	24,176,693	24,757,257
Interest cost	1,934,135	2,104,367
Current service cost	8,592,385	10,314,253
Benefits paid	(2,869,230)	(3,030,305)
Actuarial (gains) / losses on obligation	(9,013,438)	(9,968,879)
Closing defined benefit obligation	**22,820,545**	**24,176,693**

Changes in the fair value of plan assets are as follows:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening fair value of plan assets	23,952,161	23,827,676
Expected return	2,083,838	2,049,180
Contributions by employer	-	346,213
Benefits paid	(2,869,230)	(3,030,305)
Actuarial (losses) / gains	(1,235,952)	759,397
Closing fair value of plan assets	**21,930,817**	**23,952,161**

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Discount rate	9.31%	8.00%
Expected rate of return on assets	9.31%	8.70%
Expected rate of increase in compensation level	5.00%	5.00%
Expected average remaining working life of employees	25.68 years	26.39 years

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

The Company expects to contribute Rs 6,829,314 (Previous year - Rs 8,261,060) to gratuity during next year.

Amounts for the current and previous year are as follows:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Defined benefit obligation	22,820,545	24,176,693
Plan Assets	21,930,817	23,952,161
Deficit	(889,728)	(224,532)
Experience gain on plan liabilities	(5,919,548)	(11,553,863)
Experience (loss) / gain on plan assets	(1,235,952)	759,397

Note 28.3: Other employee benefits-compensated leave absences

For determination of the current years' liability in respect of compensated absences, the Company has used following actuarial assumptions:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Discount rate	9.31%	8.00%
Rate of increase in compensation levels	5.00%	5.00%

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2014	For the year ended March 31, 2013
***Note 29* : FINANCE COSTS**		
Interest	822,194,564	702,442,957
Other borrowing costs:		
- Loan processing fees	5,877,206	25,352,385
- Bank charges	94,746,443	139,207,178
	922,818,213	**867,002,520**

	For the year ended March 31, 2014	For the year ended March 31, 2013
***Note 30* : OTHER EXPENSES**		
Electricity	12,708,022	13,786,169
Rent (Refer note 30.1)	46,307,925	88,493,714
Rates and tax	3,176,582	6,432,773
Insurance	32,500,560	45,144,330
Repair and maintenance		
- Building	466,245	711,925
- Plant and machinery	1,566,360	2,883,409
- Others	16,342,995	13,211,532
Brokerage	110,471	378,619
Travelling and conveyance	83,144,343	105,643,935
Communication expenses	12,340,161	16,225,235
Printing and stationery	4,280,026	7,377,382
Legal and professional	48,898,723	37,466,342
Director sitting fees	630,000	1,120,000
Payment to auditors		
As auditor :		
- Statutory audit fees	1,885,224	2,677,843
- Audit fees for consolidated financial statements	300,000	300,000
- Limited review fees	1,800,000	2,400,000
- Reimbursement of expenses	485,000	396,854
In other manner		
- Certification	60,000	180,625
Foreign exchange fluctuation (net)	7,652,878	-
Loss on commodity forwards	-	3,996,102
Loss on sale of fixed assets	21,550,798	4,763,765
Loss on sale of long term investment	906,714	-
Diminution in value of long term investment	13,300,000	-
Donation and contribution other than political party	133,457	552,627
Provision for doubtful advances	24,270,662	4,820,131
Provision for bad and doubtful debts	378,100,692	172,822,934
Tender expenses	1,154,220	1,455,046
Fees and subscription / inspection charges	16,000,646	3,760,541
Business promotion	9,781,903	13,674,662
Warranty expense (Refer note 7)	2,700,412	4,956,446
Bad debts written off	-	3,147,502
Advances/ earnest money deposit written off	140,247	2,601,270
Theft of material (Refer note 23.1)	17,991,265	13,249,930
Miscellaneous expenses	18,874,528	28,351,349
	779,561,059	**602,982,992**

Note 30.1: The Company has entered into various short-term cancellable lease agreements at a notice period up to three months for leased premises. Gross rental expenses aggregate to Rs 46,307,925 (Previous Year – Rs 88,493,714).

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 31 : DEFERRED TAX

Break-up of deferred tax assets / (liabilities):

Timing difference on account of	Deferred tax assets/ (liability) as at March 31, 2013	Current year charge / (credit)	Deferred tax assets/ (liability) as at March 31, 2014
Deferred tax liabilities			
Depreciation	(11,332,201)	(173,804)	(11,158,397)
Sub Total (A)	**(11,332,201)**	**(173,804)**	**(11,158,397)**
Deferred tax assets			
Unabsorbed business loss and depreciation*	290,848,870	-	290,848,870
Expenditure debited to statement of profit and loss in the current year but allowable for tax purposes in the following years	7,654,598	-	7,654,598
Provision for warranty	15,200,034	-	15,200,034
Provision of doubtful debts / advances	93,526,886	-	93,526,886
Sub Total (B)	**407,230,388**	**-**	**407,230,388**
Net deferred tax assets (A+B)	**395,898,187**	**(173,804)**	**396,071,991**

* The Company has entered into agreements with its customers for providing engineering services and based on developments in certain new projects, the Company will have certain revenue and sufficient taxable profits against which the deferred tax asset shall be adjusted.

Particulars	**For the year ended March 31, 2014**	**For the year ended March 31, 2013**
***Note 32* : EARNINGS PER SHARE (EPS)**		
The calculations of earning per share are based on the profit and number of shares as computed below:		
Net loss for the year	(1,949,631,502)	(538,104,867)
Face value of share	10	10
Weighted average number of equity shares in calculating basic EPS	74,177,694	74,177,694
Weighted average number of equity shares in calculating diluted EPS	74,177,694	74,177,694
Basic earnings per share	(26.28)	(7.25)
Diluted earnings per share*	(26.28)	(7.25)

*The effect of dilutive potential equity shares are considered whereas anti-dilutive potential equity shares are ignored in calculating diluted EPS.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Particulars	As at March 31, 2014	As at March 31, 2013
***Note 33* : CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR:**		
a) The details of contingent liabilities are as follows:		
Corporate guarantees given to banks on account of facilities granted by said banks to subsidiaries	6,326,300,000	6,394,300,000
Right to recompense (CDR Scheme) (Refer note 45)	396,600,000	-
Liquidated damages deducted by customers not accepted by the Company and pending final settlement*	-	14,073,312
Open letters of credit	13,699,793	108,073,376
Litigations under workmen compensation act**	1,177,120	1,177,120
Litigations with contractors and others**	4,169,760	4,259,760
Sales tax demand under dispute	395,101,190	71,892,925
Total	**7,137,047,863**	**6,593,776,493**

* excludes possible liquidated damages which can be levied by customers for delay in execution of the projects. The management believes that there exist strong reasons why no liquidated damages shall be levied by these customers.

**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.

b) Commitments outstanding:

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Other commitments	1,272,100,000	2,338,932,000
Total	**1,272,100,000**	**2,338,932,000**

(ii) The management has committed to provide continued operational and financial support to its subsidiary companies for meeting their working capital and other financing requirements.

	For the year ended March 31, 2014	For the year ended March 31, 2013
***Note 34* : DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 7 "CONSTRUCTION CONTRACTS"**		
Contract revenue recognized as revenue in the year	3,084,461,568	5,368,300,956
Aggregate amount of cost incurred and recognized profits/(Losses) up to the reporting date on contract under progress	39,197,564,108	40,825,873,576
Amount of advance received on contract under progress and outstanding at year end	358,971,116	659,309,420
Amount of retentions on contract under progress	3,545,006,459	3,433,381,587
Gross amount due from customers for contract work as an asset	3,604,640,503	4,606,833,969
Gross amount due to customers for contract work as a liability	126,706,202	105,407,668

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
***Note 35* : MANAGERIAL REMUNERATION**		
Remuneration to directors:		
Salaries (including allowances)	1,800,000	14,626,797
Perquisites	-	12,000
Contribution to provident fund	108,000	1,141,344
Sitting Fees	630,000	1,160,000
Total	**2,538,000**	**16,940,141**

Note 35.1: As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors are not included above.

Note 35.2: The managerial remuneration of Managing Director as approved by shareholders in earlier year, for the year ended March 31, 2013 and March 31, 2014 was in excess of limits prescribed under the Companies Act, 1956. The Company's application for the approval from Central Government for the waiver of excess remuneration so paid was not approved pending the requisite details from the Company. The Company is in the process of filing the revision application with requisite information and pending approval from Central Government, the excess remuneration so paid is being held in trust by the Managing Director.

Note 36

The following are the details of loans and advances in the nature of loans given to subsidiaries and associates and firms / Companies in which directors are interested and are outstanding at the end of the year in terms of Securities and Exchange Board of India's circular dated January 10, 2003

	Outstanding amount as at		Maximum amount outstanding during the year ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Loans and advances to subsidiaries in the nature of loans				
— A2Z Infrastructure Limited	159,221,004	128,838,720	159,221,004	128,838,720
— A2Z Powertech Limited	7,110,604	950,000	7,110,604	16,345,063
— Chavan Rishi International Limited	-	-	-	1,671,949
— A2Z Waste Management (Jaipur) Limited	45,477,312	42,137,412	45,477,312	42,137,412
— A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	64,598,694	40,634,722	64,598,694	40,634,722

Note 36.1: All the above loans are repayable on demand and are interest bearing

Note 37 : INTEREST IN JOINT VENTURES

a) The Company's interest and share in joint ventures in the jointly controlled operations as at March 31, 2014 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 June 18, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Maharashtra State Electricity Transmission Company Limited for Design, Manufacture and Supply of all materials, execution of relevant civil works, erection, testing and commissioning of new 220KV Sub-station at Airoli, Sonkhar & Vasai and 132 KV Substation at Jam, Patur, Ghatanji, Wardha, Akola, Pandharkawda, Elichpur and Kundalwadi on turnkey basis.	See Note 37(a). 1 below	*
2	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from December 12, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Construction of 220/132KV Grid Sub-Station at Bishnah (J&K).	See Note 37(a). 1 below	*
3	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 37(a). 1 below	*

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of incorporation
4	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from June 14, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Bihar State Electricity Board for Turnkey Construction of 220/132/33 KV Grid station at Begusarai.	See Note 37(a). 1 below	*
5	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 37(a). 1 below	*
6	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 37(a). 1 below	*
7	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 1x50 MVA, 132/33 KV Grid Sub-Station at Battal, Manwal, District Udhampur (J&K).	See Note 37(a). 1 below	*
8	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 37(a). 1 below	*
9	M/s Linkwell Telesystems Private Limited	Jointly Controlled Operations	Joint Venture Agreement effective from August 9, 2008.The principal activity of the Venture is to bid jointly and enter into contract with Madhya Pradesh Poorva Kshetra Vidyut Vitaran Co. Ltd. ('MPPKVVCL'), Jabalpur for design, manufacture, supply, install, commission, operate and maintain Remote Metering of LT Consumers above 10 BHP.	See Note 37(a). 1 below	*
10	M/s Shyama Power (India) Private Limited	Jointly Controlled Operations	Joint Venture effective from August 22, 2008. The principal activity of the Venture is to submit a bid jointly and enter into contract with NHPC Ltd for the design manufacture, supply and erection, testing and commissioning of Equipment / Materials stipulated in the bidding documents for Rural Electrification works along with 66 KV Transmission Line each in Leh and Kargil District of Jammu & Kashmir.	See Note 37(a). 1 below	*
11	M/s Cobra Instalaciones Y Servicios, S.A	Jointly Controlled Operations	Joint Venture agreement effective from December 12, 2008. The principal activity of the venture is to bid for tender and enter into contract with Maharashtra State Electricity Transmission Company Limited (MSETCL), Mumbai for Design, Manufacture and Supply of all materials execution of relevant civil works, erection, testing and commissioning for establishment of new 220 KV Sub-Station at Kudus, Talegaon, Jath, Patoda, Bhokardhan and 132 KV Sub-station at Badnapur on Turnkey basis.	See Note 37(a). 1 below	*
12	M/s Karamtara Engineering Private Limited	Jointly Controlled Operations	Joint Venture agreement effective from July 10, 2009. The principal activity of the venture is to bid for tender and enter into contract with Power Grid Corporation of India Limited (PGCIL) for Design, Manufacture, Supply, Erection, Testing & Commissioning of Equipments/Materials for 765 KV S/C Meerut-Agra Transmission Line (Part-I) associated with 765 KV system for central part of Northern Grid.	See Note 37(a). 1 below	*
13	M/S Richardson & Cruddas (1972) Limited	Jointly Controlled Operations	Joint Venture agreement effective from September 19, 2008. The principal activity of the venture is to bid for tender and enter into contract with Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RRVPNL), Jaipur for Design, Manufacture and Supply of materials for construction of 220KV/132KV transmission lines on turnkey basis.	See Note 37(a). 1 below	*
14	M/S Satya Builders	Jointly Controlled Operations	Joint Venture agreement effective from September 17, 2010. The principal activity of the venture is survey, design, supply of all material & labour, T & P and laying of Branch – lateral, Main and Trunk sewer lines and appurtenants works under Mussoorie sewerage in different Zones of Mussoorie, Dehradun under Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) Programme.	See Note 37(a). 1 below	*
15	M/S Sudhir Power Projects Limited	Jointly Controlled Operations	Joint Venture agreement effective from May 8, 2013. The principal activity of the venture is procurement of plant, design, supply and installation of package - 21(B) - 132 KV substation Urlana with 2*40/50 MVA, 132/33 KV transformers, 66 KV substation Sector 20, Panchkula with 2*25/31.5 MVA, 66/11 KV transformers, 66 KV substation Laha with 1*12.5/16 MVA, 66/11 KV transformers of HaryanaVidyut Prasaran Nigam Limited.	See Note 37(a). 1 below	*

*Country of Incorporation not applicable, as these are unincorporated Joint Ventures.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 37 (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.

Note 37 (b):
The Company holds 60% interest in an Association of Person (AOP), formed between A2Z Maintenance & Engineering Services Limited and Satya Builders, a jointly controlled entity which is involved in waste water projects at Alwar and Chittorgarh, Rajasthan.

Note 38 : RELATED PARTY

Names of related parties

Subsidiary Companies

A2Z Infraservices Limited*

A2Z Infrastructure Limited

A2Z Powertech Limited

A2Z Powercom Limited

Selligence Technologies Services Private Limited

Mansi Bijlee & Rice Mills Limited

Madhya Bijlee Private Limited (Till December 23, 2013)

Mirage Bijlee Private limited (Till March 1, 2014)

Star Transformers Limited

Chavan Rishi International Limited

A2Z Maintenance & Engineering Services (Uganda) Private Limited

Weensure E Waste Limited (formerly A2Z E Waste Management Limited) (Till March 24, 2013)

A2Z Water Solutions Limited

A2Z Singapore Waste Management Holdings Private Limited

A2Z Disaster Management and Innovative Response Education Private Limited (Till December 23, 2013)

Pioneer Waste Management Private Limited (Till December 23, 2013)

A2Z Waste Management (Nainital) Private Limited

A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)

*Imatek Solutions Private Limited, CNCS Facility Solutions Private Limited, A2Z Infra Management & Services Limited have been amalgamated with A2Z Infraservices Limited effective from August 6, 2012

Subsidiaries of A2Z Infrastructure Limited:

a) A2Z Waste Management (Merrut) Limited
b) A2Z Waste Management (Moradabad) Limited
c) A2Z Waste Management (Varanasi) Limited
d) A2Z Waste Management (Aligarh) Limited
e) A2Z Waste Management (Badaun) Limited
f) A2Z Waste Management (Balia) Limited
g) A2Z Waste Management (Basti) Limited
h) A2Z Waste Management (Fatehpur) Limited
i) A2Z Waste Management (Jaunpur) Limited
j) A2Z Waste Management (Loni) Limited
k) A2Z Waste Management (Mirzapur) Limited
l) A2Z Waste Management (Ranchi) Limited

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

m) A2Z Waste Management (Sambhal) Limited

n) Green Waste Management Private Limited (formerly A2Z Waste Management (Haridwar) Private Limited)

o) A2Z Waste Management (Dhanbad) Private Limited

p) A2Z Waste Management (Ludhiana) Limited

q) A2Z Waste Management (Jaipur) Limited (with effect from July 10, 2012)

r) A2Z Mayo SNT Waste Management (Nanded) Private Limited (with effect from August 7, 2012)

s) A2Z Waste Management (Ahmedabad) Limited (with effect from October 15, 2012)

Subsidiary of A2Z Singapore Waste Management Holdings Private Limited:

a) A2Z Waste Management Private Limited

Subsidiary of Weensure E Waste Limited (formerly A2Z E Waste Management Limited) (Till March 24, 2013):

a) Dataserv APAC Limited (formerly A2Z Dataserv Limited)

Subsidiary of A2Z Waste Management (Moradabad) Limited:

a) Shree Balaji Pottery Private Limited (with effect from April 30, 2012)

Subsidiary of A2Z Waste Management (Varanasi) Limited:

a) Shree Hari Om Utensils Private Limited (with effect from April 30, 2012)

Joint Venture (unincorporated)

M/s UB Engineering Limited

M/s SPIC – SMO Limited

M/s Shyama Power (India) Private Limited

M/s Linkwell Telesystems Private Limited

M/S Cobra Instalaciones Y Servicios, S.A

M/S Karamtara Engineering Pvt. Ltd

M/S Richardson & Cruddas (1972) Ltd.

M/S Satya Builders

M/S Sudhir Power Projects Limited (with effect from May 8, 2013)

Key Management Personnel ('KMP')

Mr. Amit Mittal (Managing director)

Mrs. Dipali Mittal (Whole time director)

Relative of Key Management Personnel

Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)

Mr. Manoj Gupta (Sister's husband of Mrs. Dipali Mittal)

Enterprise in control of relatives of Key Management Personnel

Mestric Consultants Private Limited

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year:

Particulars	For the year ended March 31, 2014				For the year ended March 31, 2013			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Sale of Goods / Services								
- UB Engineering Limited	-	8,564,231	-	-	-	68,400,925	-	-
- SPIC-SMO	-	-	-	-	-	61,375,915	-	-
- Star Transformers Limited	-	-	-	-	17,614,400	-	-	-
- A2Z Infrastructure Limited	15,378,025	-	-	-	2,000,000	-	-	-
- A2Z Waste Management (Ludhiana) Limited	6,352,006	-	-	-	130,601	-	-	-
- A2Z Waste Management (Aligarh) Limited	-	-	-	-	72,000	-	-	-
- A2Z Waste Management (Fatehpur) Limited	-	-	-	-	32,810	-	-	-
Sale of fixed assets								
- A2Z Waste Management (Merrut) Limited	-	-	-	-	37,887	-	-	-
- A2Z Waste Management (Aligarh) Limited	-	-	-	-	138,839	-	-	-
- A2Z Waste Management (Moradabad) Limited	-	-	-	-	225,796	-	-	-
- Dataserv APAC Limited	-	-	-	-	140,112	-	-	-
Rental income								
- A2Z Infrastructure Limited	-	-	-	-	900,000	-	-	-
Interest Income								
- A2Z Infrastructure Limited	18,263,992	-	-	-	6,102,673	-	-	-
- A2Z Powertech Limited	829,425	-	-	-	605,287	-	-	-
- Chavan Rishi International Limited	-	-	-	-	28,909	-	-	-
- A2Z Waste Management (Jaipur) Limited	6,317,283	-	-	-	1,443,755	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	7,462,827	-	-	-	2,477,317	-	-	-
Purchase of Goods or Services								
- A2Z Infraservices Limited	16,049,156	-	-	-	36,925,206	-	-	-
- A2Z Powertech Limited	-	-	-	-	7,029,336	-	-	-
- Star Transformers Limited	70,840,334	-	-	-	201,443,662	-	-	-
- Linkwell Telesystems Private Limited	-	-	-	-	-	1,747,118	-	-
- Richardson & Cruddas (1972) Ltd.	-	-	-	-	-	4,538,854	-	-
- Karamtara Engineering private Limited	-	315,854	-	-	-	27,134,901	-	-
- Cobra Instalaciones Y Servicios, S.A	-	1,385,993	-	-	-	17,939,585	-	-
- A2Z Waste Management (Varanasi) Limited	-	-	-	-	1,687,468	-	-	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year: (Contd.)

Particulars	For the year ended March 31, 2014				For the year ended March 31, 2013			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Purchase of fixed assets								
- A2Z Powertech Limited	-	-	-	-	2,362,500	-	-	-
- A2Z Powercom Limited	-	-	-	-	163,163,512	-	-	-
- Star Transformers Limited	1,001,967	-	-	-	353,085	-	-	-
- A2Z Waste Management (Ludhiana) Limited	36,725	-	-	-	3,245,907	-	-	-
- A2Z Infrastructure Limited	-	-	-	-	424,157	-	-	-
Rent Expense								
- Amit Mittal	-	-	-	420,000	-	-	-	484,600
- Manoj Gupta	-	-	-	409,278	-	-	-	369,050
- Sudha Mittal	-	-	-	330,750	-	-	-	357,500
- Dipali Mittal	-	-	-	1,213,278	-	-	-	270,750
- A2Z Infraservices Limited	-	-	-	-	480,000	-	-	-
- Chavan Rishi International Limited	2,400,000	-	-	-	2,400,000	-	-	-
Fund transferred / includes expenses incurred on behalf of Related Party								
- A2Z Infrastructure Limited	1,536,615	-	-	-	25,899,026	-	-	-
- A2Z Infraservices Limited	80,680	-	-	-	174,639	-	-	-
- A2Z Powertech Limited	5,412	-	-	-	-	-	-	-
- A2Z Powercom Limited	622,843	-	-	-	-	-	-	-
- Weensure E Waste Limited	-	-	-	-	155,500	-	-	-
- Star Transformers Limited	14,032	-	-	-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	-	-	-	-	12,040,203	-	-	-
- A2Z Waste Management (Dhanbad) Limited	561,181	-	-	-	-	-	-	-
- A2Z Waste Management (Merrut) Limited	263,000	-	-	-	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	749,000	-	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	12,989,837	-	-	-	-	-	-	-
- A2Z Waste Management (Moradabad) Limited	208,000	-	-	-	-	-	-	-
- A2Z Waste Management (Sambhal) Limited	67,856	-	-	-	-	-	-	-
- A2Z Waste Management (Jaipur) Limited	5,000	-	-	-	-	-	-	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year: (Contd.)

Particulars	For the year ended March 31, 2014				For the year ended March 31, 2013			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Fund received/includes expenses incurred on behalf of Company								
- A2Z Infraservices Limited	543,777	-	-	-	24,069,741	-	-	-
- A2Z Powercom Limited	112,878	-	-	-	399,007	-	-	-
- A2Z Powertech Limited	-	-	-	-	1,045	-	-	-
- A2Z Infrastructure Limited	2,193,451	-	-	-	-	-	-	-
- Star Transformers Limited	4,015,000	-	-	-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	24,100	-	-	-	-	-	-	-
Provision for doubtful debts expense								
- UB Engineering Limited	-	132,637,436	-	-	-	50,695,758	-	-
- SPIC-SMO	-	37,450,739	-	-	-	25,342,317	-	-
Subscription to equity share capital								
- A2Z Waste Management (Jaipur) Limited	-	-	-	-	100,000	-	-	-
Subscription to preference share capital								
- Weensure E Waste Limited	-	-	-	-	2,500,000	-	-	-
Share application money received								
- Mestric Consultants Private Limited	-	-	221,000,000	-	-	-	-	-
Loan Given / Advances Paid								
- A2Z Powercom Limited	-	-	-	-	100,544,380	-	-	-
- Chavan Rishi International Limited	-	-	-	-	3,000,000	-	-	-
- A2Z Infrastructure Limited	98,738,878	-	-	-	315,861,066	-	-	-
- A2Z Powertech Limited	8,710,604	-	-	-	8,915,063	-	-	-
- A2Z Waste Management (Jaipur) Limited	3,339,900	-	-	-	42,787,412	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	26,197,087	-	-	-	41,634,722	-	-	-
- Amit Mittal	-	-	-	19,372,240	-	-	-	-
Loan / Advances Refunded								
- A2Z Powertech Limited	2,550,000	-	-	-	18,715,063	-	-	-
- A2Z Infrastructure Limited	68,356,594	-	-	-	187,022,346	-	-	-
- Chavan Rishi International Limited	-	-	-	-	2,057,789	-	-	-
- A2Z Waste Management (Jaipur) Limited	-	-	-	-	650,000	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	2,233,115	-	-	-	1,000,000	-	-	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year: (Contd.)

Particulars	For the year ended March 31, 2014				For the year ended March 31, 2013			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Guarantees given on behalf of subsidiaries								
- A2Z Infraservices Limited	-	-	-	-	598,800,000	-	-	-
- A2Z Infrastructure Limited	50,000,000	-	-	-	260,000,000	-	-	-
- A2Z Waste Management (Jaipur) Limited	-	-	-	-	200,000,000	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	-	-	-	-	58,000,000	-	-	-
Cancellation of guarantees given on behalf of subsidiaries								
- CNCS Facility solutions Private Limited	-	-	-	-	130,000,000	-	-	-
- A2Z Infra management & Services Limited	-	-	-	-	268,800,000	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	383,000,000	-	-	-
- A2Z Waste Management (Aligarh) Limited	65,000,000	-	-	-	-	-	-	-
- A2Z Waste Management (Basti) Limited	53,000,000	-	-	-	-	-	-	-
- Weensure E Waste Limited	-	-	-	-	19,741,842	-	-	-
- Dataserv APAC Limited	-	-	-	-	190,000,000	-	-	-
Remuneration								
- Amit Mittal	-	-	-	-	-	-	-	14,253,744
- Dipali Mittal	-	-	-	1,908,000	-	-	-	1,526,397
Balance Outstanding at the end of the year								
Interest bearing loan given								
- A2Z Infrastructure Limited	159,221,004	-	-	-	128,838,720	-	-	-
- A2Z Powertech Limited	7,110,604	-	-	-	950,000	-	-	-
- A2Z Waste Management (Jaipur) Limited	45,477,312	-	-	-	42,137,412	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	64,598,694	-	-	-	40,634,722	-	-	-
Share application money pending allotment								
- Mestric Consultants Private Limited	-	-	221,000,000	-	-	-	-	-
Advance from Customer								
- UB Engineering Limited	-	-	-	-	-	488,255	-	-
Other current assets								
- A2Z Powertech Limited	746,483	-	-	-	-	-	-	-
- A2Z Infrastructure Limited	16,437,593	-	-	-	5,492,406	-	-	-
- A2Z Waste Management (Jaipur) Limited	6,948,255	-	-	-	1,299,379	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	6,716,544	-	-	-	2,229,585	-	-	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year: (Contd.)

Particulars	For the year ended March 31, 2014				For the year ended March 31, 2013			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Trade receivable / Advances recoverable								
- A2Z Infrastructure Limited	143,588,477	-	-	-	-	-	-	-
- A2Z Powercom Limited	100,544,380	-	-	-	100,544,380	-	-	-
- UB Engineering Limited	-	991,586,918	-	-	-	1,022,437,618	-	-
- SPIC-SMO	-	269,848,343	-	-	-	281,503,478	-	-
- Karamtara Engineering Private Limited	-	6,218,312	-	-	-	-	-	-
- A2Z Waste Management (Mirzapur) Limited	9,500,000	-	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	19,327,724	-	-	-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	8,539,871	-	-	-	8,124,971	-	-	-
- A2Z Singapore Waste Management Holdings Private Limited	256,265	-	-	-	256,265	-	-	-
- A2Z Waste Management (Dhanbad) Limited	556,181	-	-	-	-	-	-	-
- A2Z Maintenance & Engineering Services (Uganda) Private Limited	-	-	-	-	128,567	-	-	-
- Amit Mittal	-	-	-	19,372,240	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	1,115,000	-	-	-	-	-	-	-
- A2Z Waste Management (Ranchi) Limited	35,000,000	-	-	-	-	-	-	-
- A2Z Waste Management (Moradabad) Limited	747,396	-	-	-	-	-	-	-
- A2Z Waste Management (Sambhal) Limited	13,022,856	-	-	-	-	-	-	-
- A2Z Waste Management (Jaipur) Limited	5,000	-	-	-	-	-	-	-
Security Deposit Paid								
- Chavan Rishi International Limited	1,200,000	-	-	-	1,200,000	-	-	-
Provision for doubtful debts								
- UB Engineering Limited	-	192,553,964	-	-	-	59,916,529	-	-
- SPIC-SMO	-	72,001,401	-	-	-	34,550,662	-	-
Remuneration Payable								
- Amit Mittal	-	-	-	-	-	-	-	1,371,238
- Dipali Mittal	-	-	-	867,831	-	-	-	275,054
Trade payable								
- A2Z Powercom Limited	58,233,143	-	-	-	138,461,490	-	-	-
- A2Z Infraservices Limited	91,117,649	-	-	-	85,316,798	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	608,615	-	-	-
- Chavan Rishi International Limited	242,480	-	-	-	614,160	-	-	-
- A2Z Waste Management (Merrut) Limited	4,649,825	-	-	-	-	-	-	-

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties during the year: (Contd.)

Particulars	For the year ended March 31, 2014				For the year ended March 31, 2013			
	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
- Linkwell Telesystems Private Limited	-	2,203	-	-	-	2,203	-	-
- Karamtara Engineering Private Limited	-	-	-	-	-	340,289	-	-
- Richardson & Cruddas (1972) Ltd.	-	1,460,542	-	-	-	1,760,542	-	-
- Cobra Instalaciones Y Servicios, S.A	-	485,374	-	-	-	7,780,224	-	-
- Star Transformers Limited	20,359,299	-	-	-	8,618,902	-	-	-
Guarantees given on behalf of subsidiaries								
- A2Z Infraservices Limited	993,800,000	-	-	-	993,800,000	-	-	-
- A2Z Infrastructure Limited	2,532,500,000	-	-	-	2,482,500,000	-	-	-
- A2Z Waste Management (Merrut) Limited	350,000,000	-	-	-	350,000,000	-	-	-
- A2Z Waste Management (Moradabad) Limited	183,000,000	-	-	-	183,000,000	-	-	-
- A2Z Waste Management (Aligarh) Limited	135,000,000	-	-	-	200,000,000	-	-	-
- A2Z Waste Management (Varanasi) Limited	440,000,000	-	-	-	440,000,000	-	-	-
- A2Z Waste Management (Ranchi) Limited	314,000,000	-	-	-	314,000,000	-	-	-
- A2Z Waste Management (Loni) Limited	70,000,000	-	-	-	70,000,000	-	-	-
- A2Z Waste Management (Basti) Limited	-	-	-	-	53,000,000	-	-	-
- A2Z Waste Management (Badaun) Limited	56,000,000	-	-	-	56,000,000	-	-	-
- A2Z Waste Management (Jaunpur) Limited	22,000,000	-	-	-	22,000,000	-	-	-
- A2Z Waste Management (Sambhal) Limited	55,000,000	-	-	-	55,000,000	-	-	-
- A2Z Waste Management (Fatehpur) Limited	41,000,000	-	-	-	41,000,000	-	-	-
- A2Z Waste Management (Mirzapur) Limited	56,000,000	-	-	-	56,000,000	-	-	-
- A2Z Waste Management (Balia) Limited	42,000,000	-	-	-	42,000,000	-	-	-
- A2Z Waste Management (Ludhiana) Limited	508,000,000	-	-	-	508,000,000	-	-	-
- A2Z Waste Management (Jaipur) Limited	200,000,000	-	-	-	200,000,000	-	-	-
- Star Transformers Limited	270,000,000	-	-	-	270,000,000	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	58,000,000	-	-	-	58,000,000	-	-	-

Note: In the opinion of the management, the transactions reported herein are on arms' length basis.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 39 : SEGMENTAL INFORMATION

Business segments

The primary reporting of the Company has been performed on the basis of business segment. Segments have been identified and reported based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. The Company is operating into following segments – (i) Engineering Service (ES), (ii) Power generation projects ('PGP') and (iii) Others represents trading of goods, renting of equipments and providing housekeeping services.

Particulars	ES March 2014	ES March 2013	PGP March 2014	PGP March 2013	Others March 2014	Others March 2013	Total March 2014	Total March 2013
Revenue								
Segment revenue	3,107,348,779	5,399,541,056	-	-	255,528,136	150,039,112	3,362,876,915	5,549,580,168
Other income	20,770,919	48,175,609	-	-	-	-	20,770,919	48,175,609
Total revenue	**3,128,119,698**	**5,447,716,665**	**-**	**-**	**255,528,136**	**150,039,112**	**3,383,647,834**	**5,597,755,777**
Costs								
Segment costs	(4,275,973,111)	(5,587,877,369)	(1,795,078)	(1,212,457)	(239,285,760)	(155,378,287)	(4,517,053,949)	(5,744,468,113)
Result								
Segment result	**(1,147,853,413)**	**(140,160,704)**	**(1,795,078)**	**(1,212,457)**	**16,242,376**	**(5,339,175)**	**(1,133,406,115)**	**(146,712,336)**
Unallocated income							10,698,813	203,730
Interest income							42,162,595	52,721,263
Financial expense							(922,818,213)	(867,002,520)
Exceptional items							70,712,525	101,655,590
Provision for tax								
Current income tax							(1,778,131)	(24,837,036)
Deferred tax (charge)/credit							173,804	342,980,761
Tax expense relating to prior years							(15,376,780)	2,885,681
Net profit after tax							**(1,949,631,502)**	**(538,104,867)**
Other information								
Segment assets	12,181,511,055	13,438,122,125	4,387,658,434	4,188,378,568	279,894,505	267,066,397	16,849,063,994	17,893,567,090
Unallocable corporate assets							3,993,832,350	3,657,948,529
Total assets	**12,181,511,055**	**13,438,122,125**	**4,387,658,434**	**4,188,378,568**	**279,894,505**	**267,066,397**	**20,842,896,344**	**21,551,515,619**
Segment liabilities	2,304,238,411	3,024,341,286	96,253,330	138,461,490	228,327,586	174,490,326	2,628,819,327	3,337,293,102

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Particulars	ES March 2014	ES March 2013	PGP March 2014	PGP March 2013	Others March 2014	Others March 2013	Total March 2014	Total March 2013
Unallocable corporate liabilities							9,117,609,566	7,168,123,564
Total liabilities	**2,304,238,411**	**3,024,341,286**	**96,253,330**	**138,461,490**	**228,327,586**	**174,490,326**	**11,746,428,893**	**10,505,416,666**
Capital expenditure	51,607,795	41,793,635	203,798,256	972,992,547	-	-	255,406,051	1,014,786,182
Depreciation included in segment expenses	71,206,114	70,361,882	-	-	-	1,448,591	71,206,114	71,810,473
Other Non cash expenditure							402,511,601	183,391,837

Geographical segments*: The Secondary reporting segment of the Company has been performed on the basis of Geographical segment. The Company operates in two principal geographical areas of the world, in India, its home country, and the other countries.

The following table presents revenue and trade receivables regarding geographical segments as at March 31, 2014 and March 31, 2013.

Particulars	India March 2014	India March 2013	Other Countries March 2014	Other Countries March 2013	Total March 2014	Total March 2013
Segment revenue	3,051,431,409	5,217,698,438	385,077,833	432,982,332	3,436,509,242	5,650,680,770
Segment trade receivables (including retention money)	6,693,262,949	6,766,770,348	125,894,551	134,201,249	6,819,157,500	6,900,971,597

*The Company has common assets for domestic market and overseas market. Hence, separate figures for assets / additions to assets cannot be furnished.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 40 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE:

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

Particulars	Amount in Rupees	Amount in Foreign currency	Currency	Exchange rate as on March 31, 2014
Foreign currency in hand	239	15	Riyal	1 Riyal = INR 15.93
Foreign currency in hand	814	490	Rubal	1 Rubal = INR 1.66
Foreign currency in hand	49,605	500	GBP	1 GBP = INR 99.21
Bank Balance with Standard chartered Bank (Zambia)	3,959,329	416,600	Zambian Kwacha	1 ZK = INR 9.50
Bank Balance with Standard chartered Bank (Uganda)	20,823,506	898,727,050	Uganda Shillings	1 UGX = Rs 0.02

The detail of unhedged foreign currency exposure as at March 31, 2013 are as under:

Particulars	Amount in Rupees	Amount in Foreign currency	Currency	Exchange rate as on March 31, 2013
Foreign currency in hand	217	15	Riyal	1 Riyal = INR 14.47
Foreign currency in hand	857	490	Rubal	1 Rubal = INR 1.75
Foreign currency in hand	41,362	500	GBP	1 GBP = INR 82.72
Bank Balance with Standard chartered Bank (Zambia)	1,633,935	162,973	Zambian Kwacha	1 ZK = INR 10.03
Bank Balance with Standard chartered Bank (Uganda)	1,707,733	82,419,568	Uganda Shillings	1 UGX = Rs 0.02

Note 41 :

Trade receivable, trade payables, advance to suppliers and advances from customers are subject to confirmation / reconciliation as at year end or any time during the year. As explained, the Company follows a process of informal confirmation with its customers / suppliers and based on such informal confirmations/ discussions, believes that amount recoverable appearing as outstanding at year end are good of recovery, while the amounts payable are due. The management believes that no material adjustments are likely on formal confirmation / reconciliation of these balances.

Note 42 :

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 during the previous year. Pending receipt of further communication from the authorities, management is of the opinion that the income tax provision carried in the books is adequate.

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 43 (a) : Expenditure in foreign currency (on accrual basis):		
Fees and subscription	-	196,862
Operational expenses – Foreign tour	321,211	1,128,855
Tender expenses	7,775	406,512
Business promotion	28,210	1,924,735
Sitting fee expense	-	144,000
	357,196	**3,800,964**
Note 43 (b) : Earnings in foreign currency		
Revenue from engineering services	496,568,517	491,894,985
	496,568,517	**491,894,985**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 43 (c) **: CIF value of imports**		
Capital goods	2,508,826	-
Inventory for execution of projects	1,301,216	12,817,323
	3,810,042	**12,817,323**

Note 43 (d) **: Material consumed**

These comprise of miscellaneous items meant for execution of projects. Since these items are of different nature and specifications, individually being less than 10% in value, it is not practicable to disclose the item wise break up of material consumed. These comprises:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Indigenous - in value	1,885,634,718	3,179,408,594
Indigenous - in percentage (%)	99.93%	99.60%
Imported - in value	1,301,216	12,817,323
Imported - in percentage (%)	0.07%	0.40%
	1,886,935,934	**3,192,225,917**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 43 (e) **: Purchase of trading goods**		
Biomass fuel processing machines/Chippers/ Grinders/Dryer/Shaker	6,227,457	25,616,861
Steel/Galvanised Steel/M S Angle/M S Channel/TMT Bars	8,474,638	-
Cables / GI Wire / GSS Wire	12,893,342	-
Conductor	6,553,958	-
Poles	14,494,079	-
Others	18,106,640	90,850
	66,750,114	**25,707,711**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 43 (f) **: Sale of trading goods**		
Prime CRGO electrical steel sheets in Coil	-	17,614,400
Biomass fuel processing machines/Chippers/Grinders/Dryer/Shaker	31,652,006	-
Steel/Galvanised Steel/M S Angle/M S Channel/TMT Bars	14,410,866	-
Cables/GI Wire/GSS Wire	18,110,801	-
Conductor	6,659,385	-
Poles	14,494,079	-
Transformer	-	465,525
Others	24,352,461	25,447,075
	109,679,598	**43,527,000**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 44 :

The Company has incurred a net loss of Rs. 1,949,631,502 during the year ended March 31, 2014 and is presently facing liquidity problems on account of delayed realisation of trade receivables coupled with delays in commencement of commercial production at its biomass based power generation plants. Management is evaluating various options and in addition to consolidation of business by focusing on core operations and disposing off the noncore assets, had also made reference to Corporate Debt Restructuring Cell ('CDR Cell') for restructuring of its existing debt obligations, including interest and other related terms and conditions (hereinafter referred to as the 'CDR scheme'). Management believes that the approved CDR scheme (refer note 45 for further details on the same) of the Company and the aspects like inviting strategic investors, disposal of non-core assets would also bring in the additional cash flows into the system, and hence no adjustments are required in the financial statements and accordingly, these have been prepared on a going concern basis.

Note 45 :

The Corporate debt restructuring (CDR) proposal to re-structure existing 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. Out of seventeen lenders, twelve lenders (herein after termed as 'CDR lenders') agreed to be part of the CDR scheme.

One of the non CDR lenders filed a civil suit in the Hon'ble High Court of Delhi on the Company against creation of second charge on power plants under the CDR scheme inter alia other matters. The Hon'ble High Court vide its Order dated March 20, 2014 has permitted the signing of MRA keeping the hearing in the suit adjourned to August 21, 2014. Upon execution of the Master Restructuring Agreement (MRA) with ten CDR lenders Company started the process of fulfilling the other conditions precedent. Pursuant to the CDR Scheme, inter alia other conditions, the promoters were required to bring in Promoter contribution out of which substantial contribution has been brought in. On the basis of MRA executed with the CDR lenders, the Company has accounted for impact of the CDR scheme (reclassifications and interest calculations) in the financial results for the year ended March 31, 2014 up to the extent agreed with those CDR lenders. 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. Interest reversal of Rs. 18,440,166 pertaining to period from cut-off dates to March 31, 2013 has been shown as an exceptional item during the year. Reclassification and other adjustments as recorded above are subject to reconciliation with the lender banks. Management is confident that all the conditions precedents are in the process of being complied with and are at advance stage.

Note 46 :

Previous year figures have also been regrouped / recast wherever considered necessary.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

Place : Gurgaon
Date : May 30, 2014

For and on behalf of the Board of Directors

Sd/- **Amit Mittal** Managing Director	Sd/- **Dipali Mittal** Director
Sd/- **Gaurav Jain** Chief Financial Officer	Sd/- **Atul Kumar Agarwal** Company Secretary

Independent Auditors' Report

To the Board of Directors of
A2Z Maintenance & Engineering Services Limited

1) We have audited the accompanying consolidated financial statements of A2Z Maintenance & Engineering Services Limited, ("the Company") and its subsidiaries and joint ventures (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2) Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3) Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

6) *As detailed in note 32 to the consolidated financial statements, the Company continues to carry deferred tax assets of Rs. 396,071,991 on items comprising unabsorbed losses and other timing differences between the accounting and taxable income, which, in view of the management, shall be realized on generation of taxable income in future years. However, in the absence of virtual certainty supported by convincing evidence of availability of sufficient future taxable income, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Accounting Standard 22, "Accounting for Taxes on Income" as notified under the Companies (Accounting Standards) Rules 2006. Had the Company reversed these deferred tax assets, the loss after tax for the year ended March 31, 2014 would have been higher and reserves and surplus as at March 31, 2014 would have been lower by Rs. 396,071,991, and deferred tax assets as at March 31, 2014 would have been lower by the same amount.*

Qualified Opinion

7) 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 other auditors on the financial statements of the subsidiaries and joint ventures as noted below, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph* the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

   ii) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and

   iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

8) We draw attention to

   a) Note 40 to the consolidated financial statements which describes that the Company has incurred a net loss of Rs. 1,949,631,502 for the year ended March 31, 2014 and is currently facing liquidity problems. Management is evaluating various options and these conditions as set forth in the aforesaid note coupled with situation relating to Corporate Debt Restructuring Scheme, described in note 41 indicates the existence of a material uncertainty that may cast doubt on Company continuing as a going concern. Our opinion is not qualified in respect of this matter.

   b) Note 20.1 to the consolidated financial statements where the statutory auditor of one of the subsidiary company in his report has drawn attention regarding outstanding recoverable of Rs. 76,265,817 from a customer which is presently under litigation. There exists however material uncertainty in respect of the collectability of the above receivables. Pending the final outcome of the matter, no adjustments have been made in the statement. Our opinion is not qualified in respect of this matter.

Other Matter

9) We did not audit the financial statements of certain subsidiaries, joint ventures and branches included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 11,109,440,534 as at March 31, 2014; total revenues (after eliminating intra-group transactions) of Rs. 4,161,977,131 and net cash flows aggregating to Rs. 20,711,443 for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **Walker Chandiok & Co., LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

Sd/-
per **Neeraj Sharma**
Partner
Membership No.: 502103

Place : Gurgaon
Date : May 30, 2014

Consolidated Balance sheet as at March 31, 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

	Notes	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	741,776,940	741,776,940
Reserves and surplus	4	6,845,124,080	9,303,285,070
		7,586,901,020	**10,045,062,010**
Share application money pending allotment	5	221,000,000	-
Minority interest		123,327,309	120,279,560
Subsidy		1,364,730,252	1,338,704,212
Non-current liabilities			
Long-term borrowings	6	5,339,391,792	5,628,979,236
Long-term provisions	7	290,474,080	291,789,545
		5,629,865,872	**5,920,768,781**
Current liabilities			
Short-term borrowings	8	6,331,619,613	5,714,396,289
Trade payables	9	2,520,953,800	2,656,211,085
Other current liabilities	10	4,300,704,883	2,766,035,840
Short-term provisions	11	33,415,598	28,436,800
		13,186,693,894	**11,165,080,014**
		28,112,518,347	**28,589,894,577**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	3,846,771,026	4,302,853,480
Intangible assets	13	536,043,860	544,236,092
Capital work in progress	14	7,332,193,102	6,611,012,578
Intangible assets under development	15	2,797,727	9,083,690
		11,717,805,715	**11,467,185,840**
Deferred tax asset (net)	32	480,727,642	447,726,608
Long-term loans and advances	16	1,106,848,811	902,157,495
Other non-current assets	17	239,570,701	374,589,109
		1,827,147,154	**1,724,473,212**
Current assets			
Current investments	18	23,128,150	23,356,300
Inventories	19	576,385,816	603,821,534
Trade receivables	20	8,094,106,905	8,105,481,941
Cash and bank balances	21	243,084,276	274,407,474
Short-term loans and advances	22	1,468,450,492	1,261,446,601
Other current assets	23	4,162,409,839	5,129,721,675
		14,567,565,478	**15,398,235,525**
		28,112,518,347	**28,589,894,577**

The accompanying notes form an integral part of the consolidated financial statements.

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

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Sd/-
per **Neeraj Sharma**
Partner

Place : Gurgaon
Date : May 30, 2014

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director

Sd/-
Dipali Mittal
Director

Sd/-
Gaurav Jain
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Consolidated Statement of Profit and Loss for the ended March 31, 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

	Notes	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Revenue			
Revenue from operations	24	6,987,531,542	9,028,152,399
Other income	25	171,548,798	365,552,742
Total revenue		**7,159,080,340**	**9,393,705,141**
Expenses			
Cost of material and services	26	4,227,991,131	5,175,669,970
Purchases of stock-in-trade		45,020,083	25,707,711
Changes in inventories of finished goods and stock-in-trade	27	(23,148,630)	(70,279,200)
Employee benefits expense	28	2,550,342,899	2,979,417,277
Finance costs	29	1,421,861,779	1,342,243,142
Depreciation and amortisation expense	12, 13	323,948,538	394,027,197
Other expenses	30	1,097,180,199	1,067,226,443
Total expenses		**9,643,195,999**	**10,914,012,540**
Loss before exceptional items and tax		**(2,484,115,659)**	**(1,520,307,399)**
Exceptional items - Gain	18, 41	70,721,645	147,662,136
Loss before tax for the year		**(2,413,394,014)**	**(1,372,645,263)**
Tax expense			
Current tax		43,003,516	45,117,871
Deferred tax credit	32	(33,001,034)	(359,853,887)
Current tax relating to prior years		44,090,332	3,749,172
Deferred tax credit relating to prior years		-	(432,304)
Total tax expense		**54,092,814**	**(311,419,148)**
Net loss before minority interest		**(2,467,486,828)**	**(1,061,226,115)**
Less: Share of minority interest		3,052,621	(2,540,579)
Net loss for the year		**(2,470,539,449)**	**(1,058,685,536)**
Earnings per share	31		
Basic earning per share		(33.31)	(14.27)
Diluted earning per share		(33.31)	(14.27)

The accompanying notes form an integral part of the financial statements.

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

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

Place : Gurgaon
Date : May 30, 2014

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director

Sd/-
Dipali Mittal
Director

Sd/-
Gaurav Jain
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Consolidated Cash flows statement for the year ended March 31, 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

		For the Year ended March 31, 2014	For the Year ended March 31, 2013
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net loss before extra-ordinary and prior period items and tax	**(2,413,394,014)**	**(1,372,645,263)**
	Adjustment for		
	Depreciation and amortisation expense	323,948,538	394,027,197
	Interest expense	1,213,851,046	1,073,259,764
	Amortisaton of loan processing fee	23,239,489	20,211,999
	Loss on sale of fixed assets	24,472,625	11,730,392
	Provision for bad and doubtful debts / advances	414,723,201	196,682,312
	Provision for doubtful advances written back	(9,135,722)	(17,752,859)
	Advances / earnest money deposit written off	145,247	2,965,757
	Unrealised foreign exchange fluctuation (gain) / loss	82,569	(667,045)
	Mark-to-market (gain) / loss on derivatives	(9,639,690)	(2,924,100)
	Bad debts recovered / liability written back	(3,550,318)	(8,759,007)
	Foreign currency translation reserve	(70,167)	(21,476)
	Bad debts written off	3,798,649	17,343,392
	Premium on redemption of debentures amortised	76,544,047	76,532,244
	Rental income from operating leases	(18,651,776)	-
	Profit on sale of current investments	(52,355,641)	(147,662,136)
	Hedging reserve	12,448,626	(5,083,606)
	Subsidy amortised	(106,411,569)	(233,384,924)
	Interest income	(21,793,383)	(67,435,008)
	Operating loss before working capital changes	**(541,748,243)**	**(63,582,367)**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	27,435,718	(75,281,593)
	Trade receivables	(407,146,814)	969,419,831
	Short term loans and advances	(198,013,416)	243,123,017
	Long term loans and advances	6,923,256	53,915,358
	Other current assets	831,157,792	25,451,702
	Other non current assets	-	3,583,670
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payable	(131,706,967)	(682,899,455)
	Other current liability	(367,167,563)	(1,082,841)
	Short term provision	5,175,721	1,151,840
	Long term provision	(1,315,465)	(685,401)
		(776,405,981)	**473,113,761**
	Current taxes paid (net of refunds)	(159,548,492)	(202,758,319)
	Net cash generated from / (used in) operating activities	**(935,954,473)**	**270,355,442**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital work in progress)	(790,411,301)	(1,969,849,743)
	Proceeds from sale of fixed assets	177,564,467	52,097,037
	Purchase of investment in subsidiaries	-	(200,000)
	Proceeds from sale of long term investment in subsidiaries	20,083,282	142,206,556
	Subsidy received	240,172,447	341,732,766
	Fixed deposits placed	(175,263,314)	(336,756,372)
	Fixed deposits matured	199,155,037	852,987,328
	Rental income from operating leases	18,651,776	-
	Interest received	22,644,960	77,746,630
	Net cash used in investing activities	**(287,402,646)**	**(840,035,798)**

Consolidated Cash flows statement for the year ended March 31, 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

		For the Year ended March 31, 2014	For the Year ended March 31, 2013
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Share application money pending allotment	221,000,000	-
	Proceeds from minority share holders	(4,872)	(10,150,010)
	Dividend paid	(480)	(4,976)
	Proceeds from long term borrowings	765,083,229	991,122,951
	Repayment of long term borrowings	426,766,633	(359,205,407)
	Proceeds from short term borrowings (net)	617,223,324	338,825,052
	Loan processing fees paid	(138,871)	(11,506,037)
	Interest paid	(844,563,120)	(1,018,887,798)
	Net cash generated from / (used in) financing activities	**1,185,365,843**	**(69,806,225)**
	Net decrease in cash and cash equivalents (A+B+C)	**(37,991,276)**	**(639,486,581)**
	Cash and cash equivalents at the beginning of the year	174,329,426	813,513,175
	Cash and cash equivalents acquired on acquisition of subsidiaries	-	302,832
	Cash and cash equivalents at the end of the year	**136,338,150**	**174,329,426**

Components of cash and cash equivalents	As at March 31, 2014	As at March 31, 2013
Cash on hand	3,112,989	4,190,062
Balances with banks		
- in current account	131,006,536	157,432,226
- in cash credit accounts	1,936,223	-
- in fixed deposit account (less than 3 month maturity)	200,000	12,624,256
- in unpaid dividend account*	82,402	82,882
	136,338,150	**174,329,426**

* The Company can utilise these balances only towards settlement of the respective unpaid dividend account.

Notes:

1 Figures in brackets indicate cash outflow.

The accompanying notes form an integral part of the financial statements.

This is the cash flows statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

Place : Gurgaon
Date : May 30, 2014

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director

Sd/-
Dipali Mittal
Director

Sd/-
Gaurav Jain
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Summary of Significant accounting policies and notes forming part of the financial statements

Note 1 : NATURE OF OPERATIONS

A2Z Maintenance & Engineering Services 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 Group's main business primarily include (i) Engineering services mainly supply, erection and maintenance of electrical transmission lines and allied services to power distribution companies (ii) Municipal solid waste management which primarily includes door to door collection, intermediate transportation and processing of waste to compost, vermin compost, plastic recyclable and eco bricks and (iii) Facility management services.The Group 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 and also the group is setting up one biomass based power plant at Kanpur in the state of Uttar Pradesh.

Note 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by A2Z Maintenance & Engineering Services Limited ('A2Z or the Company') and its subsidiaries (hereinafter referred to as the "Group") in respect of these consolidated financial statements, are set out below.

a) Basis of preparation

These consolidated financial statements have been prepared to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the "Act") read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. These consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting and reporting requirements of Accounting Standard ('AS') 21 'Consolidated Financial Statements' notified by Companies (Accounting Standards) Rules, 2006, (as amended) and consolidated as per sub-point (b) below for the year ended March 31, 2014. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

b) Principles of consolidation

These financial statements represents consolidated financial statements of the Company and its majority owned subsidiaries as follows:

Entity	Country of Incorporation	Principal service/nature of operations	Relationship	Shareholding as at March 31, 2014
A2Z Infrastructure Limited	India	Solid waste management	Subsidiary	89.01%
A2Z Infraservices Limited	India	Facility management services	Subsidiary	93.83%
A2Z Powercom Limited	India	Engineering services and power generation through biomass	Subsidiary	80.00%
A2Z Powertech Limited	India	System integration services in power sector	Subsidiary	95.00%
Selligence Technologies Services Private Limited	India	ERP implementation services	Subsidiary	80.00%
Mansi Bijlee & Rice Mills Limited	India	Power generation through biomass, waste material , etc.	Subsidiary	100.00%
A2Z Maintenance & Engineering Services (Uganda) Private Limited	Uganda	Engineering services	Subsidiary	100.00%
Star Transformers Limited**	India	Power equipment manufacturing	Subsidiary	49.00%
A2Z Water Solutions Limited	India	Water waste management	Subsidiary	100.00%
Chavan Rishi International Limited	India	Property renting and leasing	Subsidiary	100.00%
A2Z Singapore Waste Management Holdings Private Limited	Singapore	Business of investment holding and solid waste management services	Subsidiary	100.00%
A2Z Waste Management (Nainital) Private Limited	India	Solid waste management	Subsidiary	71.14%
A2Z Maintenance & Engineering Services Ltd. and Satya Builders (Association of person)	India	Water waste management	Subsidiary	60.00%

Summary of Significant accounting policies and notes forming part of the financial statements

Entity	Country of Incorporation	Principal service/nature of operations	Relationship	Shareholding as at March 31, 2014
A2Z Waste Management (Aligarh) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	71.21%
A2Z Waste Management (Moradabad) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	71.21%
A2Z Waste Management (Merrut) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	71.21%
A2Z Waste Management (Varanasi) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	71.21%
A2Z Waste Management (Mirzapur) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Badaun) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Balia) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Basti) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Fatehpur) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Jaunpur) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Loni) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Sambhal) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Ranchi) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
Greenwaste Management Private Limited (formerly A2Z Waste Management (Haridwar) Private Limited)	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Dhanbad) Private Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Ludhiana) Limited	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
A2Z Waste Management (Jaipur) Limited* (July 10, 2012)	India	Solid waste management	Subsidiary of A2Z Infrastructure	91.21%
A2Z Mayo SNT Waste Management (Nanded) Private Limited* (August 7, 2012)	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	53.41%
A2Z Waste Management (Ahmedabad) Limited* (October 15, 2012)	India	Solid waste management	Subsidiary of A2Z Infrastructure Ltd.	89.01%
Shree Balaji Pottery Private Limited* (April 30, 2012)	India	Trading of goods	Subsidiary of A2Z Waste Management (Moradabad) Limited	71.21%
Shree Hari Om Utensils Private Limited* (April 30, 2012)	India	Trading of goods	Subsidiary of A2Z Waste Management (Varanasi) Limited	71.21%
A2Z Waste Management Private Limited	India	Solid waste management	Subsidiary of A2Z Singapore Waste Management Holdings Private Limited	100.00%

* Date of purchase of majority stake / date of incorporation of new subsidiaries

** Star Transformers Limited has been fully consolidated as a group undertaking on the basis of a shareholder agreement that gives the Group control over the board of directors.

Summary of Significant accounting policies and notes forming part of the financial statements

The consolidated financial statements have been prepared on the following basis:

i) The consolidated financial statements include the financial statements of the Company and all its subsidiaries which are more than 50 percent owned or controlled.

ii) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.

iii) The difference between the cost to the Group of investment in subsidiaries and the proportionate share in the equity of the investee company as at the date of the acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is disclosed under Fixed assets – Intangible assets and is not amortised but tested for impairment annually.

iv) Minority interest represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in equity since that date. Their share of net assets is identified and presented in the consolidated financial statements separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.

v) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements.

vi) The financial statements of the entities used for the purpose of consolidation are of the same reporting date as that of the Company i.e. year ended March 31, 2014.

vii) Notes to the consolidated financial statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statement. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statement has not been disclosed in the consolidated financial statements.

c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss (if any). The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Assets acquired for contracts on BOOT basis have been capitalised as fixed assets in accordance with terms of respective contracts.

e) Depreciation

Depreciation is provided using the Straight Line Method (SLM) rates as per the useful lives of the fixed assets as estimated by the management or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used following rates to provide depreciation on its fixed assets:

Particulars	Rate of Depreciation (SLM)
Building	1.63% - 3.34%
Office Equipment	4.75% - 25.00%
Plant and Machinery	4.75% - 25.00%
Computers	4.75% - 40.00%
Furniture and Fixtures	6.33% - 25.00%
Vehicles	7.07% - 35.00%
Tools & Equipments	4.75% - 11.31%
Leasehold land	Over the lease term on straight line basis.
Assets costing less than Rs 5,000	Fully depreciated in the year of acquisition

Summary of Significant accounting policies and notes forming part of the financial statements

Garbage containers are depreciated on straight line basis over their estimated useful life of 7 years. Fibre reinforced plastic bins ('FRP Bins') are depreciated at the rate of 100% on straight line basis. Handheld billing machines are depreciated over their estimated useful life of 5 years.

f) Intangible assets and amortisation

Computer software purchased from outside parties is amortised on a straight line basis over lower of license period or a period of 4 to 6 years, being the estimated useful life.

Goodwill arising on acquisition and purchase of business is amortised on a straight line basis over a period of five years.

g) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective qualifying asset. Borrowing costs consist of interest and other ancillary costs that an entity incurs in connection with the borrowing of funds. Ancillary costs related to borrowings are amortised over the tenure of loan. All other borrowing costs are expensed in the year they occur.

i) Leases

Where the Group is the lessee: Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is the lessor: Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

j) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non current investment. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non current investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

k) Inventories

Inventories are valued as follows:

(i) **Raw materials, Stores and spares:** Lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

(ii) **Work in progress and finished goods:** Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

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

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) **Revenue from engineering services:** Revenue from engineering services is recognised by reference to the stage of completion of the project at the balance sheet date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the balance sheet date bear to the estimated total contract costs as assessed by project managers and validated by independent project managers and the management. Materials purchased

Summary of Significant accounting policies and notes forming part of the financial statements

specifically for the projects and identifiable to the project are considered as part of contract costs in accordance with AS-7, "Construction Contracts".

If it is expected that a contract will make a loss, the estimated loss is provided in the books of accounts. Such losses are based on technical assessments. Contract revenue earned in excess of billing has been reflected under "Other current 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 services: Revenues from services are recognised pro-rata over the period of the contract as and when services are rendered in accordance with the terms of the respective contract.

(iii) Revenue from sale of goods: Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group.

(iv) Interest: Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(v) Dividends: Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

m) Foreign currency translation

(i) Foreign currency transactions

Initial recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences: Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Forward exchange contracts not intended for trading or speculation purposes: The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

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

(iii) Translation of non-integral foreign operation: In translating the financial statements of a non-integral foreign operation for incorporation in consolidated financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expenses items of non-integral foreign operation are translated at the exchange rates at the dates of the transactions or average rate; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

n) Retirement and other employment benefits

i) Retirement benefits in the form of provident fund and employee state insurance are defined contribution schemes and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due.

ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy in case of parent and few of its subsidiaries.

iii) The Group treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end.

iv) Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses arise.

Summary of Significant accounting policies and notes forming part of the financial statements

o) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 deferred tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

p) Segment reporting

Identification of segments: 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 analysis of geographical segments is based on the areas in which major operating division of the Group operate.

Allocation of common costs: Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items: Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies: The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of shares outstanding during the year are adjusted for bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r) Derivative instruments

The Group enters into certain derivative financial instruments to manage its exposure to risk arising from changes in interest rate and currency risk. The Group has adopted recognition and measurement principles for hedge accounting as enunciated in Accounting Standard (AS) 30-Financial Instruments: 'Recognition and Measurement' for accounting of cross currency interest rate swaps taken to hedge currency and interest risk arising from foreign currency external commercial borrowings. Consequently, to the extent these hedges are effective, gain/loss arising on mark to market valuation of cross currency interest rate swap is recorded in the hedging reserve account.

s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

t) Accounting for joint ventures

Accounting for joint ventures undertaken by the Group has been done in accordance with Accounting Standard -27 "Financial Reporting of Interests in Joint Ventures" of the Companies (Accounting Standard) Rule 2006 as follows:

Type of Joint ventures	**Accounting treatment**
Jointly controlled operations	The Group's share of revenues, expenses, assets and liabilities are included in the financial statements as revenues, expenses, assets and liabilities respectively.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

u) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

v) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to a fixed asset, its value has been treated as deferred income which is recognised in statement of profit and loss on a systematic and rational basis over the useful life of the fixed asset.

w) Contingent liability and provisions

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Group are accounted for as either provisions or disclosed as contingent liabilities. In respect of statutory dues disputed and contested by the Group, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. The Group makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liability in the consolidated financial statements.

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Note 3 : **SHARE CAPITAL**				
Authorised				
Equity shares of Rs 10 each	**100,000,000**	**1,000,000,000**	**100,000,000**	**1,000,000,000**
Issued, subscribed and fully paid up				
Equity shares of Rs 10 each	74,177,694	741,776,940	74,177,694	741,776,940
	74,177,694	**741,776,940**	**74,177,694**	**741,776,940**

Note 3.1: There is no movement in the number of equity shares and the amount outstanding during the current or previous year.

Note 3.2: The Company has only one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. 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.

Note 3.3: Details of shares held by shareholder holding more than 5% equity shares of the Company:

	As at March 31, 2014		As at March 31, 2013	
	Number of shares held	**% holding**	**Number of shares shares held**	**% holding**
Equity shares of Rs 10 each fully paid up				
Amit Mittal	26,717,301	36.02%	26,884,301	36.24%
Rakesh Radheyshyam Jhunjhunwala	7,425,106	10.01%	13,375,408	18.03%
Beacon India Investors Limited	5,449,627	7.35%	5,449,627	7.35%
Lexington Equity Holdings Limited	-	-	4,393,085	5.92%
	39,592,034	**53.38%**	**50,102,421**	**67.54%**

Note 3.4: Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash and bonus shares issued for the period of 5 years immediately preceding the Balance Sheet date:

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014 Number of shares	As at March 31, 2013 Number of shares
Equity shares of Rs 10 each fully paid up		
Fully paid up by way of bonus shares issued during:		
Financial year 2009-10	34,380,675	34,380,675
Fully paid up pursuant to contracts without payment being received in cash:		
Financial year 2008-09*	2,510,687	2,510,687

* shares were allotted on conversion of 75,000,000 0.001% cumulative mandatorily convertible preference shares of Rs 10 each fully paid up.

Note 3.5: The Company has two stock option plans:

(a) A2Z Stock Option Plan 2010 ('the plan')'

During the year ended March 31, 2010, the Company had formulated Employee Stock Option Scheme referred as 'A2Z Stock Option Plan 2010 ('the plan')' for all eligible employees/ directors of the Company except an employee who is promoter or belongs to the promoter group of the Company and its subsidiaries in pursuance of the special resolution duly approved by the shareholders on March 30, 2010.

The plan shall be administered and supervised by the Remuneration-cum-Compensation Committee under the powers delegated by Board. Each option shall entitle the option grantee to apply for and be transferred Equity Shares of the Company. On or from the time of the listing of the Equity Shares of the Company, the maximum number of options that can be granted to any employee in any year under the A2Z ESOP shall be less than 5% of the issued share capital of the Company (excluding any outstanding warrants or other securities convertible into Equity Shares) at the time of grant of options, subject to the overall ceiling of 2,865,056 options in the aggregate.

The Company has granted stock options on June 2, 2010, details of which are as follows:

Options granted	1,075,750			
Date of Grant	2-Jun-10			
Requirements of vesting, period of vesting and maximum period within which options shall be vested	The vesting schedule is set forth below:			
	Vesting	**Number of months from the date of grant of options**	**% of options vested**	**Cumulative % of options vested**
	1	12	20	20
	2	24	20	40
	3	36	20	60
	4	48	20	80
	5	60	20	100
Exercise price	Rs. 314.13			
Exercise period and process of exercise	5 years; by way of application			
Accounting method used by the Company to value its options	Intrinsic value method			
Method of settlement	Equity			
Vesting conditions	Eligibility based on employment			

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	543,250	314.13	
Granted during the year	-	-	
Forfeited during the year	66,000	314.13	

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Exercised during the year	-	-	2.79
Expired during the year	-	-	
Outstanding at the end of the year	477,250	314.13	
Exercisable at the end of the year	289,450	314.13	
Weighted average fair value of options granted on the date of grant	-	-	

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	
Weighted average share price / Fair value of share	Rs. 221.75
Exercise Price	Rs. 314.13
Annual Volatility (Standard Deviation – Annual)	34.93%
Time To Maturity - in years	5.51
Dividend Yield	2.25%
Risk free Rate – Annual	7.45%

As the Company was unlisted at the time of granting of ESOP, the expected volatility was determined based on average of semi - annual volatility of stock price of peer group.

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* As the exercise price is more than the fair value of the shares, under 'Intrinsic Value' Method.

Since the enterprise used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method

In March 2005 the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after April1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(Loss) / profit for the year, as reported	(2,470,539,449)	(1,058,685,536)
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method*	1,176,076	(2,972,047)
Pro-forma loss	(2,471,715,525)	(1,055,713,489)
Earnings Per Share		
Basic		
— As reported	(33.31)	(14.27)
— Pro-forma	(33.32)	(14.23)
Diluted		
— As reported	(33.31)	(14.27)
— Pro-forma	(33.32)	(14.23)

* The Company has considered an attrition / lapsing rate of 10% for the purpose of above disclosure.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

(b) A2Z Employees Stock Option Plan, 2013

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 February 3, 2014 has granted 1,695,000 stock options convertible into equivalent number of equity shares of Rs 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of Rs 10.35 each which is NSE closing market price on January 31, 2014 (i.e previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable on the first anniversary of the grant date till completion of four years since then;

The details of activity under the Plan have been summarized below:

Particulars	Number of options	Weighted Average Exercise Price (Rs.)	Weighted average remaining contractual life of options (in years)
Outstanding at the beginning of the year	-	-	
Granted during the year	1,695,000	10.35	
Forfeited during the year	-	-	
Exercised during the year	-	-	
Expired during the year	-	-	6
Outstanding at the end of the year	1,695,000	10.35	
Exercisable at the end of the year	-	-	
Weighted average fair value of options granted on the date of grant	-	7.23	

The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	
Weighted average share price / Fair value of share	Rs. 7.23
Exercise Price	Rs. 10.35
Annual Volatility (Standard Deviation – Annual)	65.19%
Time To Maturity - in years	6
Dividend Yield	0.00%
Risk free Rate – Annual	8.90%

As the Company was unlisted at the time of granting of ESOP, the expected volatility was determined based on average of semi- annual volatility of stock price of peer group.

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	
Total Employee Compensation Cost pertaining to share-based payment plans	Nil*
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	Nil
Total Liability for employee stock options outstanding as at year end	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested (e.g. vested stock appreciation rights)	Nil

* As the exercise price is more than the fair value of the shares, under 'Intrinsic Value' Method.

Since the enterprise used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method.

In March 2005 the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after April1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(Loss) / profit for the year, as reported	(2,470,539,449)	(1,058,685,536)
Add: Employee stock compensation under intrinsic value method	-	-
Less: Employee stock compensation under fair value method*	1,176,076	(2,972,047)
Pro-forma (loss) / profit	(2,471,715,525)	(1,055,713,489)
Earnings Per Share		
Basic		
— As reported	(33.31)	(14.27)
— Pro-forma	(33.32)	(14.23)
Diluted		
— As reported	(33.31)	(14.27)
— Pro-forma	(33.32)	(14.23)

*The Company has considered an attrition / lapsing rate of 10% for the purpose of above disclosure.

	As at March 31, 2014	As at March 31, 2013
Note 4 : **RESERVES AND SURPLUS**		
Securities premium account	**7,714,859,233**	**7,714,859,233**
Surplus in statement of profit and loss		
Opening balance	1,529,526,339	2,566,352,265
Add: Transfer from statement of profit and loss	(2,470,539,449)	(1,058,685,536)
Less: Adjustment on account of further acquisition in subsidiaries	-	(21,859,610)
Closing balance	**(941,013,110)**	**1,529,526,339**
General reserve	**64,013,890**	**64,013,890**
Foreign currency translation reserve	(100,953)	(30,786)
Hedging reserve account	7,365,020	(5,083,606)
	6,845,124,080	**9,303,285,070**

Note 5 :

Share application money pending allotment represents contribution received from promoter/promoter group company under Corporate Debt Restructuring (CDR) Scheme, refer note 41 for more details on CDR Scheme. The equity shares are expected to be allotted against the share application money within a reasonable time. The Company has sufficient authorised capital to cover the share capital amount on allotment of above shares.

	As at March 31, 2014		As at March 31, 2013	
	Non Current	Amount	Non Current	Amount
Note 6 : **LONG-TERM BORROWINGS**				
Secured				
Debentures (Refer note 6.1)	-	1,500,000,000	1,500,000,000	-
External commercial borrowings				
- From banks (Refer note 6.2)	949,324,928	455,529,127	1,071,699,741	209,162,786
Term loans (Refer note 6.3)				
- From banks	2,971,714,863	424,674,209	2,508,363,704	644,345,967
- From financial institution	503,351,232	19,583,412	507,794,255	23,913,712
Working capital term loans (Secured)				
- From banks (Refer note 6.4)	410,256,000	4,144,000	-	-
Funded interest term loans (Secured)				
- From banks (Refer note 6.4)	491,394,707	6,750,341	-	-
Other Loans (Refer note 6.5)				
- Vehicle loan from banks	13,350,062	12,865,263	41,121,536	27,854,012
Unsecured (Refer note 6.6)				
- From others	-	-	-	36,750,000
	5,339,391,792	**2,423,546,352**	**5,628,979,236**	**942,026,477**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 6.1: Details of security, terms of conversion and terms of repayment of fully convertible debentures

A2Z Infrastructure Limited, a subsidiary company, has issued fully convertible 150 debentures of Rs 10,000,000 each on October 25, 2011, which carry interest rate of 12 % per annum payable quarterly. These debentures are convertible at a premium of 5% p.a. compounded monthly at the end of 36 months from the date of subscription.

These debentures are secured by way of pledge of 57% of equity shares of the said subsidiary company held by the Company and personal guarantee of Mr. Amit Mittal (Managing Director).

Details of put option available to debenture holders

The investor shall have the option to put 100% of the outstanding debentures, first on the Company and if the Company fails to honour the put option, then on the Devdhar Trading & Consultants Private Limited (the 'Sponsor') under the following conditions:

i) Anytime after 30 months from the issuance of debentures; or

ii) On filing of draft red herring prospectus by the subsidiary company within the maturity period; or

iii) In the event of any default by the subsidiary company, Company or the sponsor; or

iv) Investor has reasonable grounds to believe that the issuer is not in the position to achieve the base case business plan.

Details of call option available to the Company and the sponsor

The Company or Sponsor shall have a call option anytime after twelve months from the date of the issue of the debentures either by themselves or by their nominees at the exercise price (face value plus 5% p.a. premium compounding monthly) with a 30 day notice in writing.

Note 6.2: Details of security and terms of repayment for external commercial borrowings ('ECB')

A2Z Infrastructure Limited, a subsidiary company, and its subsidiaries have taken ECB for various municipal solid waste (MSW) projects aggregating to Rs 1,404,854,055 (Previous year - Rs 1,280,862,527) is secured by exclusive charge over all movable assets and on stock and receivables under the aforesaid project. Further secured by charge on the debt service reserve account ('DSRA') account. The ECB is also secured by unconditional corporate guarantee of the Company. The loans are repayable in 16 - 50 installments. The loan is carrying interest rate of LIBOR + 300 bps .

Note 6.3: Details of security and terms of repayment for term loans

1) Term loan from bank amounting to Rs 880,000,000 (Previous year - Rs 880,000,000) having an interest rate of 10.75% as per CDR Scheme is repayable in 33 quarterly installments first installment being due in March 2015.

2) Term loan from bank amounting to Rs 1,038,511,491 (Previous year - Rs 840,195,594) having an interest rate of 13% per annum during the year is repayable in 24 quarterly installments first installment being due in June 2015.

   The above loans are secured against:

   (a) First charge on pari - passu basis: (i) by way of hypothecation of all current assets of the Company including but not limited to receivables and inventory, relating to the projects both present and future; (ii) on all intangible assets including but not limited to goodwill pertaining to the projects (to the extent permissible by the Punjab state Co-operative sugar mills).

   (b) First charge (i) on all the insurance contracts with respect to the projects together with any receivables thereunder; (ii) on all the accounts (including but not limited to the project accounts) with respect to the projects

   (c) An assignment of: (i) all rights and interest by way of first charge on pari passu basis on the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, relating to the projects, present and future; (ii) the rights and interest in the project site to the extent permissible by law; (iii) all its rights and obligations under the assignment orders and memorandum of understandings and; (iv) the rights and interest by way of first charge on pari passu basis into and under each of the project documents, and all the rights under each letter of credit/ guarantee or performance bond that may be posted by any party to a project document for the Company's benefit and all the rights under the approvals in connection with the project (having value above Rs 100,000,000) to the extent permissible by law

   (d) Personal guarantee of Mr Amit Mittal (Managing Director).

3) Term loan from bank aggregating to Rs 45,563,439 (Previous year - Rs 117,833,346), in case of A2Z Infrastructure Limited, for Kanpur, Patna and Muzaffarnagar municipal solid waste (MSW) projects, carrying an interest rate of 15.25%, is secured by escrow on the subsidy receivables from Uttar Pradesh Jal Nigam ('UPJN'), tipping fee for MSW collection from Municipal Corporation and charge from UPJN for disposal in sanitary land fill ('SLF'), further secured by first charges on entire movable and current assets of the subsidiary company (both present and future) and further secured by corporate guarantee of the Company and an irrevocable and unconditional personal guarantee from Mr. Amit Mittal (Managing Director) and Mrs. Dipali Mittal (Director) of the Company. The loan is repayable in 17 - 25 equal monthly installments.

4) Term loan from bank aggregating to Rs 350,000,000 (Previous year - Rs 300,000,000), in case of A2Z Infrastructure Limited, for Kanpur power project, carrying weighted average interest rate of 13%-14%, is secured by first charge over all present and

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

future moveable, immoveable fixed and current assets of the aforesaid project and charge on debt service reserve account (‘DSRA’) and further secured by corporate guarantee of the Company and an irrevocable and unconditional personal guarantee from Mr. Amit Mittal (Managing Director) and Mrs. Dipali Mittal (Director) of the Company. The loan is repayable in 28 equal quarterly installments commencing from June 30, 2015.

5) Term loan from bank aggregating to Rs 336,283,623 (Previous year - Rs 284,325,014), in case of A2Z Infrastructure Limited, for power project at Kanpur, carrying an interest rate of 12%-14.25%, is secured by pari-passu first charge by way of equitable mortgage on land and buildings and hypothecation of on plant and machinery and all other fixed assets related to power project at Kanpur. Further collaterally secured by pari-passu first charge by way of hypothecation on entire current assets relating to the aforesaid project and further secured by corporate guarantee of the Company and an irrevocable and unconditional personal guarantee from Mr. Amit Mittal (Managing Director) and Mrs. Dipali Mittal (Director) of the Company. The loan is repayable in 28 quarterly installments commencing from April 1, 2015.

6) Term loan from bank aggregating to Rs. 132,605,624 (Previous year - Rs 132,605,624), in case of A2Z Infrastructure Limited, for MSW Project at Indore carrying an interest rate of 14%-16%, is secured by exclusive charge over plant and machinery purchased out of the facility, charge over fixed moveable and current assets of the aforesaid project and first charge over the receivables of the aforesaid project and further secured by corporate guarantee of the Company. The loan is repayable in 14 equal quarterly installments.

7) Term loan from bank amounting to Rs 611,308,320 (Previous year - Rs 593,517,698), in case of subsidiaries of A2Z Infrastructure Limited, carrying an interest rate of 11.25%-13,25% per annum, is secured against (i) Unconditional corporate guarantee from the Company (ii) Exclusive charge on all movable assets financed through debt and/or equity (iii) Exclusive Charge receivable under the project (iv) charge on DSRA. The loan is repayable in 42 - 45 equal monthly installments.

8) Term loan from bank amounting to Rs 2,116,574 (Previous year - Rs 4,232,395), in case of A2Z Infraservices Limited, is secured by first charge on the Fixed assets of said subsidiary company (other than vehicles financed by other bank) and current assets including book debts and other receivable and fixed assets of the company and also by corporate guarantee of Company and personal guarantee of two directors of the Company. The loan is repayable in 12 equal quarterly installment. The loan are having interest rate of 4.5% above the bank base rate.

9) Term loan from financial institutions amounting to Rs 22,934,644 (Previous year - Rs 31,707,968) are secured against hypothecation of equipments acquired out of loan. The interest rate is 11.50% to 12.66% per annum and the loans are repayable in 12 quarterly and 45 - 48 monthly installments.

10) The loan amounting to Rs 500,000,000 (Previous year - Rs 500,000,000) is secured by a first charge by way of hypothecation and escrow of the entire Retention money receivables both present and future. The interest rate is 15% per annum and the loan is repayable after 3 years.

Note 6.4: Working capital and funded interest term loans from banks

The Corporate debt restructuring (CDR) proposal to re-structure existing 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. Out of seventeen lenders, twelve lenders (herein after termed as ‘CDR lenders’) agreed to be part of the CDR scheme. On the basis of Master Restructuring Agreement (MRA) executed with the CDR lenders, the Company has accounted for impact of the CDR scheme (reclassifications and interest calculations) in the financial results for the year ended March 31, 2014 up to the extent agreed with those CDR lenders.

a) 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.

b) The interest due on term loan from one of the bank w.e.f. January 1, 2013 till March 31, 2014 at revised rates amounting to Rs. 117,926,028 and has been converted into Funded Interest Term Loan (FITL).

c) Letter of Credits devolved has been restructured/ reconstituted for an amount aggregating to Rs 414,400,000 into Working Capital Term Loan.

d) The interest on the restructured debts / fund based working capital loans has been recomputed w.e.f. January 1, 2013 till March 31, 2014 at revised rates amounting to Rs. 380,219,020 and has been converted into Funded Interest Term Loan (FITL).

Note 6.5: Details of security and terms of repayment for other loans

Vehicle loans amounting to Rs 26,215,325 (Previous year - Rs 68,975,548) are secured against hypothecation of vehicles. The loans are having interest rate of 8% - 14% per annum and are repayable in monthly installments as per respective payment schedule.

Note 6.6: Details of terms of repayment for unsecured loans

The loan of Rs Nil (Previous year - Rs 36,750,000) was having interest of 16.50% per annum. The loan was repayable in eight equal quarterly installment of Rs 13,675,000 each starting from December 2011 and one last installment of Rs 9,400,000 payable on December 31, 2013.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
***Note 7* : LONG-TERM PROVISIONS**		
Provision for warranty (Refer note 7.1)	45,567,946	44,719,134
Provision for premium on redemption of debentures	242,208,347	242,208,347
Provision for gratuity (Refer note 28.2)	2,114,718	3,519,192
Provision for compensated leave absences (Refer note 28.3)	583,069	1,342,872
	290,474,080	**291,789,545**

Note 7.1: Provision for warranty: 'The estimated liability for warranties is recorded when contract revenue is recognised. 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. 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.

	As at March 31, 2014	As at March 31, 2013
***Note 8* : SHORT-TERM BORROWINGS**		
Secured borrowings from banks (Refer note 8.1)		
- Working capital loans	802,061,500	633,893,901
- Cash credit facilities	5,474,812,434	4,953,143,261
- Buyers credit facilities (Refer note 8.2)	-	68,232,500
Unsecured borrowings		
- From others	54,745,679	59,126,627
	6,331,619,613	**5,714,396,289**

Note 8.1: Details of security and terms of repayment of secured short term borrowings

a) The working capital loans, cash credit facilities and vendor financing facilities from banks are secured against whole of the assets (both current as well as fixed) of the Company and the respective subsidiaries, 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 premises of the Company and the respective subsidiaries or wherever else the same may be. The charge is also additionally secured by first charge over immovable properties and corresponding receivables and personal guarantee of directors of Company. The rate of interest vary from 9.50% per annum to 16% per annum and these loans are repayable on demand.

b) Second charge on pari-passu basis bais 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.

c) Letter of Credits devolved has been restructured/ reconstituted for an amount aggregating to Rs 197,583,867 into Working Capital Term Loan as per CDR Scheme.

Note 8.2: Details of security and terms of repayment of buyers credit facility

Buyers credit facility was carved out facility granted by bank to the subsidiary company for setting up of biomass based cogeneration power plant in Punjab. The facility was secured against first charge on the current assets both present and future and first charge on the moveable fixed assets of A2Z Maintenance and Engineering Services Limited located at Nakodar, Morinda and Fazilka in Punjab both present and future.

	As at March 31, 2014	As at March 31, 2013
***Note 9* : TRADE PAYABLES**		
Acceptances	38,633,614	497,956,951
Other than acceptances:		
(a) total outstanding dues of micro and small enterprises (Refer note 9.1)	2,339,884	3,288,575
(b) total outstanding dues of creditors other than micro and small enterprises	2,479,980,302	2,154,965,559
	2,520,953,800	**2,656,211,085**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 9.1: Disclosures under Micro, Small and Medium Enterprises 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 Enterprise Development (MSMED) Act, 2006 is as follows:

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

Particulars	As at March 31, 2014	As at March 31, 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
— principal amount*	12,149,797	13,262,931
— interest amount*	6,723,099	4,164,811
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	6,723,099	4,164,811
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	-	-

*Includes Rs 16,533,012 (Previous year - Rs 14,139,167) which has been shown under other current liabilities (Refer note 10)

	As at March 31, 2014	As at March 31, 2013
***Note 10* : OTHER CURRENT LIABILITIES**		
Current maturities of long-term debt (Refer note 6)	2,423,546,352	942,026,477
Interest accrued and due on borrowings	462,095,822	82,873,919
Interest accrued but not due on borrowings and advances	32,034,692	41,968,669
Security deposits	500,000	210,000
Creditors for purchase of fixed assets		
— Dues to micro and small enterprises (Refer note 9.1)	16,533,012	14,139,167
— Dues to others	338,004,575	244,186,540
Advance purchase consideration against sale of land	3,218,125	30,500,000
Advance purchase consideration against sale of investment (Refer note 18.1)	-	17,900,720
Book overdrafts	23,501,114	12,014,100
Advance from customers	367,611,114	781,912,862
Mark-to-market loss on derivatives	38,157,238	47,796,928
Unclaimed dividend*	82,402	82,882
Billing in excess of contract revenue	131,882,996	6,738,626
Statutory dues payable	463,537,441	543,684,950
	4,300,704,883	**2,766,035,840**

* Not due for deposit with investor education and protection fund

	As at March 31, 2014	As at March 31, 2013
***Note 11* : SHORT TERM PROVISIONS**		
Provision for corporate tax (net of advance tax)	-	196,923
Provision for tax on proposed dividend	3,813	3,813
Provision for gratuity (Refer note 28.2)	29,657,666	23,784,404
Provision for compensated leave absences (Refer note 28.3)	3,754,119	4,451,660
	33,415,598	**28,436,800**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 12 : TANGIBLE ASSETS

Assets	GROSS BLOCK						ACCUMULATED DEPRECIATION						NET BLOCK	
	As at April 1, 2013	Additions	Adjustments on acquisition/ sale of subsidiary	Adjustments of subsidy	Sale/ Adjustments	As at March 31, 2014	As at April 1, 2013	Charge for the year*	Adjustments on acquisition/ sale of subsidiary	Adjustments of subsidy	Deletion/ Adjustment	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible assets - owned unless otherwise specified														
Leasehold land (Refer note 12.1)	1,136,693	-	-	-	-	1,136,693	90,081	17,230	-	-	-	107,311	1,029,382	1,046,612
Freehold Land	308,866,635	-	-	-	163,826,770	145,039,865	-	-	-	-	-	-	145,039,865	308,866,635
Leasehold improvement	7,346,562	-	-	-	-	7,346,562	5,746,983	797,598	-	-	-	6,544,581	801,981	1,599,579
Buildings	1,417,570,648	3,660,586	-	-	-	1,421,231,234	47,781,719	41,232,831	-	-	-	89,014,550	1,332,216,684	1,369,788,929
Furniture and fixtures	54,063,168	799,139	-	-	185,246	54,677,061	23,981,795	3,204,580	-	-	72,526	27,113,849	27,563,212	30,081,373
Office equipments	88,063,886	531,595	-	-	282,671	88,312,810	17,747,071	4,624,440	-	-	46,360	22,325,151	65,987,659	70,316,815
Plant and equipments	1,605,037,674	34,279,611	-	-	1,001,305	1,638,315,980	234,819,912	94,257,916	-	-	39,860	329,037,968	1,309,278,012	1,370,217,762
Steel containers	157,116,022	3,182,955	-	-	2,056,832	158,242,145	48,542,589	21,463,794	-	-	629,435	69,376,948	88,865,197	108,573,433
Computer	102,992,195	664,888	-	-	232,266	103,424,817	57,590,688	12,232,924	-	-	169,733	69,653,879	33,770,938	45,401,507
Vehicles	1,289,410,278	9,211,379	-	-	18,301,421	1,280,320,236	303,380,070	142,356,778	-	-	6,173,622	439,563,226	840,757,010	986,030,208
Tools and equipments	1,405,780	-	-	-	-	1,405,780	515,057	59,659	-	-	-	574,716	831,064	890,723
Fibre reinforced plastic bins	68,620,247	549,302	-	-	-	69,169,549	58,580,343	9,959,184	-	-	-	68,539,527	630,022	10,039,904
	5,101,629,788	**52,879,455**	**-**	**-**	**185,886,511**	**4,968,622,732**	**798,776,308**	**330,206,934**	**-**	**-**	**7,131,536**	**1,121,851,706**	**3,846,771,026**	**4,302,853,480**
Previous year figures	2,801,631,663	1,669,335,930	2,342,946	713,049,853	84,730,604	5,101,629,788	417,775,035	275,681,293	(1,926,093)	127,560,298	20,314,225	798,776,308	4,302,853,480	2,383,856,628

* Current year depreciation includes Rs 22,328,252 (Previous year - Rs 22,314,686) which has been carried under capital work in progress and Rs Nil (Previous year - Rs 2,481,288) which has been capitalised under buildings during the year after its completion.

Note 12.1: Leasehold land represents land acquired on lease from Orissa Industrial Infrastructure Development Corporation for the lease period of 66 years.

Note : Gross block includes assets acquired on contracts entered on BOOT basis in accordance with terms of respective agreements

Note 13 : INTANGIBLE ASSETS

Assets	GROSS BLOCK						ACCUMULATED DEPRECIATION						NET BLOCK	
	As at April 1, 2013	Additions	Adjustments on acquisition/ sale of subsidiary	Adjustments of subsidy	Sale/ Adjustments	As at March 31, 2014	As at April 1, 2013	Charge for the year*	Adjustments on acquisition/ sale of subsidiary	Adjustments of subsidy	Deletion/ Adjustment	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Intangible assets														
Computer software	79,178,242	7,928,762	-	-	-	87,107,004	40,992,364	11,290,614	-	-	-	52,282,978	34,824,026	38,185,878
Goodwill (Refer note 13.1)	23,961,858	-	-	-	-	23,961,858	14,377,116	4,779,242	-	-	-	19,156,358	4,805,500	9,584,742
Goodwill on consolidation	496,465,472	-	(51,138)	-	-	496,414,334	-	-	-	-	-	-	496,414,334	496,465,472
	599,605,572	**7,928,762**	**(51,138)**	**-**	**-**	**607,483,196**	**55,369,480**	**16,069,856**	**-**	**-**	**-**	**71,439,336**	**536,043,860**	**544,236,092**
Previous year figures	580,536,136	19,100,795	(31,359)	-	-	599,605,572	39,884,977	15,581,580	(97,077)	-	-	55,369,480	544,236,092	540,651,159

Note 13.1: During the year ended March 31, 2010, the Company had entered into three business transfer agreement to purchase the entire business of M/s Surender Chowdhury & Brothers, M/s Mohd. Rashid Contractors and En-Tech Engineers and Contractors for a consideration of Rs 20,000,000, Rs 2,000,000 and Rs 3,000,000 respectively. The difference between the carrying values of Investment and value of net assets acquired amounting to Rs 23,961,858 was carried as goodwill.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
***Note 14* : CAPITAL WORK IN PROGRESS**		
Plant and equipments (including power plant equipments) under erection	3,448,212,407	3,304,912,626
Building under construction	952,347,473	942,447,387
Borrowing costs capitalised*	1,600,980,136	1,120,606,049
Other expenses (directly attributable to construction / erection of fixed assets)		
— Employee benefits expense	411,823,907	382,330,186
— Depreciation and amortisation expense	59,403,815	36,371,463
— Other directly attributable expenses (including trial / test run expenses)	913,761,170	855,636,837
Less: Revenue during trial run period	54,335,806	31,291,970
	7,332,193,102	**6,611,012,578**

*Borrowing cost capitalised during the year amounting to Rs 480,374,087 (Previous year - Rs 535,077,854) is net of amount transfer to fixed assets and amount written off.

	As at March 31, 2014	As at March 31, 2013
***Note 15* : INTANGIBLE ASSETS UNDER DEVELOPMENT**		
Software under implementation	2,797,727	9,083,690
	2,797,727	**9,083,690**

	As at March 31, 2014	As at March 31, 2013
***Note 16* : LONG-TERM LOANS AND ADVANCES**		
(UNSECURED CONSIDERED GOOD)		
Capital advances	618,097,222	493,340,160
Advance recoverable in cash or in kind	10,854,038	24,816,374
Deferred purchase consideration against sale of investment (Refer note 18.1)	14,599,789	-
Security deposits	47,294,841	47,788,382
Works contract tax recoverable	30,173,044	22,520,307
TDS recoverable / advance tax (net of provision for tax)	374,815,494	302,557,773
Earnest money deposit	10,484,499	10,584,499
Loans to employees and directors	529,884	550,000
	1,106,848,811	**902,157,495**

	As at March 31, 2014	As at March 31, 2013
***Note 17* : OTHER NON CURRENT ASSETS**		
Balance in fixed deposit account having maturity more than one year*	159,296,069	189,855,870
Retention money of subsidy	-	16,085,000
Interest accrued but not due on fixed deposits	-	1,157,283
Unamortised premium on redemption of debentures	-	45,524,560
Unamortised loan processing fee	80,274,632	121,966,396
	239,570,701	**374,589,109**

*Held as margin money against bank guarantees and letter of credit and as debt service reserve account against term loans from banks.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
Note 18 **: CURRENT INVESTMENT (at lower of cost or market value)**		
Other than trade, Unquoted		
22,815 (Previous year - 45,630) equity share of Rs 10 each fully paid up in Weensure E Waste Limited (formerly A2Z E Waste Management Limited) (Refer note 18.1)	228,150	456,300
2,290,000 (Previous year - 2,290,000) 0.01% Non Participative Cumulative Redeemable Preference Share of Rs 10 each fully paid up in Weensure E Waste Limited (formerly A2Z E Waste Management Limited) (Refer note 18.1)	22,900,000	22,900,000
	23,128,150	**23,356,300**

Note 18.1: During the year ended March 31, 2013, pursuant to the Share Purchase Agreement along with addendums thereto executed by and between the Company, Weensure Asset Recovery Private Limited (formerly Sardana Recycling Private Limited) (the "buyer"), Weensure E Waste Limited (formerly A2Z E Waste Management Limited) and Dataserv APAC Limited (formerly A2Z Dataserv Limited), the Company decided to dispose off the entire shareholding in the paid up Equity and Preference Share Capital to the buyer in multiple tranches at a total consideration of Rs. 230,000,000.

During the year ended March 31, 2014, equity shares comprising 22.81% of total paid up equity share capital of Weensure E Waste Limited have been transferred to the buyer and as a consequence, the Company's holding has reduced to 22.81% from existing 45.63% (as on March 31, 2013) in the paid up Equity Share Capital of Weensure E Waste Limited. Accordingly, the Company has recognized a profit of Rs. 52,272,359 (previous year - Rs 101,655,590) and classified this as an exceptional item as per the accepted accounting principles and practices.

	As at March 31, 2014	As at March 31, 2013
Note 19 **: INVENTORIES (Valued at lower of cost or market value)**		
Project stores and spares	141,918,109	145,685,196
Raw material	14,201,763	43,404,624
Work-in progress	18,202,518	20,309,242
Finished goods	398,130,826	351,191,211
Raw Material in transit	-	17,614,400
Finished goods in transit	3,932,600	25,616,861
	576,385,816	**603,821,534**

	As at March 31, 2014	As at March 31, 2013
Note 20 **: TRADE RECIVABLES (Unsecured)**		
Receivables due for a period exceeding six months when they became due for payment		
— Considered good	6,181,926,127	5,684,793,142
— Considered doubtful	733,835,543	349,453,104
Other receivables		
— Considered good	1,912,180,778	2,420,688,799
— Considered doubtful	6,425,902	6,456,278
	8,834,368,350	**8,461,391,323**
Less: Provision for doubtful receivables	740,261,445	355,909,382
	8,094,106,905	**8,105,481,941**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 20.1: One of the subsidiary company, A2Z Infrastructure Limited, has outstanding recoverable of Rs 76,265,817, being receivable from a customer for collection and transportation of municipal solid waste. The subsidiary company has filed a writ petition with High Court of Patna for recovery of dues. An interim order was passed directing the customer to release 75% of the amount recoverable. Against the interim order the customer has filed Letters Patent Appeal ('LPA') which has been dismissed, confirming the interim order. Subsequently, the writ petition has been allowed by the Court and customer has been directed to pay the entire amount along with the interest at the rate of 8% p.a from the due date.

	As at March 31, 2014	As at March 31, 2013
Note 21 : **CASH AND BANK BALANCES**		
Cash and cash equivalents		
Cash on hand	3,112,989	4,190,062
Balance with Banks		
— in current account	131,006,536	157,432,226
— in cash credit accounts	1,936,223	-
— in fixed deposit account (less than 3 month maturity)*	200,000	12,624,256
— in unpaid dividend account**	82,402	82,882
	136,338,150	**174,329,426**
Other bank balances		
— in fixed deposit account (with maturity more than 3 months but less than 12 months)*	106,746,126	100,078,048
	106,746,126	**100,078,048**
	243,084,276	**274,407,474**

*Held as margin money against bank guarantees and letter of credit and as debt service reserve account against term loans from banks.

**The Company can utilise these balances only towards settlement of the respective unpaid dividend account.

	As at March 31, 2014	As at March 31, 2013
Note 22 : **SHORT-TERM LOANS AND ADVANCES (Unsecured)**		
Advances recoverable in cash or in kind or for value to be received		
— Considered good	**894,406,833**	698,128,014
— Considered doubtful	32,917,972	11,647,068
	927,324,805	**709,775,082**
Less: Provision for doubtful advances	32,917,972	11,647,068
	894,406,833	**698,128,014**
Earnest money deposit with customers	64,413,072	64,109,074
Security deposits	42,409,480	66,677,236
Loan to employees and directors	9,318,392	10,782,551
MAT credit entitlement	1,571,782	1,571,782
Balances with government authorities:		
— CENVAT credit receivable	4,010,048	10,954,162
— Service tax credit receivable	37,134,604	68,883,444
— WCT / VAT input credit receivable	415,186,281	340,340,338
	1,468,450,492	**1,261,446,601**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	As at March 31, 2014	As at March 31, 2013
***Note 23* : OTHER CURRENT ASSETS**		
Interest accrued:		
— on fixed deposits	4,727,778	3,996,211
— on loans and advances	982,205	1,408,066
Insurance claim recoverable	60,654,927	22,521,463
Contract revenue in excess of billing	3,751,339,793	4,756,882,418
Subsidy Receivable	57,315,239	148,965,077
Derivative instrument	205,815,013	69,374,860
Unamortised premium on redemption of debentures	45,303,565	80,662,451
Unamortised loan processing fee	36,271,319	45,722,345
Unamortised premium on forward contract	-	188,784
	4,162,409,839	**5,129,721,675**

	For the year ended March 31, 2014	For the year ended March 31, 2013
***Note 24* : REVENUE FROM OPERATIONS**		
Revenue from engineering services	3,402,003,163	5,503,085,630
Revenue from operation and maintenance services	93,223,250	74,412,387
Revenue from facility management services	2,446,647,704	2,493,813,554
Revenue from collection and transportation of municipal solid waste	730,853,110	744,170,745
Income from professional services	4,013,530	1,976,476
Revenue from data processing and other services	52,625,288	32,913,158
Sales of compost, refuse derived fuel, fluff and bricks	55,299,133	95,064,112
Sales of goods	171,333,890	48,276,360
Other operating revenue		
Bad debts recovered / liability written back	3,550,318	8,759,007
Provision for doubtful debts / advances written back	9,135,722	17,752,859
Duty drawback	2,196,454	816,211
Scrap sale	16,649,980	7,111,900
	6,987,531,542	**9,028,152,399**

	For the year ended March 31, 2014	For the year ended March 31, 2013
***Note 25* : OTHER INCOME**		
Interest income:		
— on fixed deposit	20,522,522	63,092,592
— on income tax refund	545,886	568,540
— on loans and advances	724,975	3,773,876
Mark-to-market Gain on derivatives	9,639,690	2,924,100
Subsidy amortised	106,411,569	233,384,924
Lease Rent income	18,651,776	-
Profit on sale of fixed assets	170,484	261,352
Foreign exchange fluctuation (net)	26,925	10,637,641
Miscellaneous income	14,854,971	50,909,717
	171,548,798	**365,552,742**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 26 : COST OF MATERIAL AND SERVICES		
Opening stock - project inventory	142,879,632	181,672,570
Opening stock - raw material	61,019,023	67,846,034
Add: Stock acquired on acquisition of subsidiary	-	1,929,416
Add: Raw material purchased	169,889,828	151,330,799
Add: Material purchased for execution of projects	2,200,064,621	3,189,706,463
Less: Recovery from contractors	44,096,367	43,207,388
Less: Theft of material	63,042,251	29,171,477
Less: Stock removed on sale of subsidiary	-	2,312,162
Less: Closing stock - raw material	14,201,763	61,019,023
Less: Closing stock - project inventory	138,250,145	142,879,632
Material consumed	**2,314,262,578**	**3,313,895,600**
Freight and cartage	129,063,937	303,310,667
Sub contractor / erection expenses	1,020,892,805	913,781,073
Electricity expense	24,792,692	24,305,543
Labour charges	157,907,348	114,505,059
Fabrication expenses	2,435,907	2,712,752
Site expenditure	80,186,323	51,575,555
Deduction and demurrage	96,718,149	30,220,841
Technical consultancy for projects	16,863,393	32,801,173
MSW collection charges / Fuel charges	173,565,155	161,775,378
Consumables / stores and spares	6,668,646	6,782,325
Other direct cost	204,634,198	220,004,004
	4,227,991,131	**5,175,669,970**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 27 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE		
Opening inventory of work in progress	20,309,242	31,775,492
Opening inventory of finished goods	376,808,072	246,463,935
Add: Capital work in progress converted into stock in trade	-	49,758,154
Less: Closing inventory of work in progress	18,202,518	20,309,242
Less: Closing inventory of finished goods*	402,063,426	377,967,539
	(23,148,630)	**(70,279,200)**

*Includes Rs Nil (Previous Year Rs 1,159,467) pertaining to inventory of Weensure E Waste Limited (formerly A2Z E Waste Management Limited).

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 28 : EMPLOYEE BENEFITS EXPENSE		
Salaries, bonus and other allowances (including directors' remuneration)	2,331,630,660	2,725,839,267
Contribution to provident and other funds (Refer note 28.1)	192,989,157	213,581,370
Gratuity expense (Refer note 28.2)	5,898,936	2,923,837
Compensated leave absences (Refer note 28.3)	(799,606)	701,953
Staff welfare expenses	20,623,752	36,370,850
	2,550,342,899	**2,979,417,277**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 28.1: Defined contribution plans		
Employer's contribution to provident fund*	127,828,609	150,041,686
Employer's contribution to employee state insurance*	64,748,233	64,052,671
Employer's contribution to labour welfare fund*	556,680	633,500
	193,133,522	**214,727,857**

*includes Rs 144,365 (Previous year - Rs 1,146,487) which has been carried under capital work in progress

Note 28.2: Defined benefit plans

The group has a defined benefit gratuity plan. 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 in case of parent and few of its subsidiaries. The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss (Net employee benefit expense)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Current service cost	27,605,144	35,222,941
Interest cost on benefit obligation	5,367,156	4,761,096
Expected return on plan assets	(3,558,573)	(3,115,106)
Net actuarial gain recognised in the year	(23,386,079)	(37,123,450)
Net benefit expense*	**6,027,648**	**(254,519)**
Actual return on plan assets	**(2,116,636)**	**(4,417,385)**

*Includes Rs (128,712) (Previous year - Rs (2,514,680)) which has been carried under capital work in progress and Rs Nil (Previous year - Rs (663,676)) which has been carried under provision written back.

Amount recognised in the balance sheet

	For the year ended March 31, 2014	For the year ended March 31, 2013
Defined benefit obligation	(69,041,343)	(68,206,732)
Fair value of plan assets	37,268,958	40,903,136
Plan asset / (liability)	**(31,772,385)**	**(27,303,596)**

Changes in the present value of the defined benefit obligation are as follows:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening defined benefit obligation	68,206,732	74,496,623
Interest cost	5,367,156	4,761,096
Current service cost	27,605,145	35,222,942
Benefits paid	(6,255,814)	(8,344,550)
Actuarial gains on obligation	(25,881,876)	(37,929,379)
Closing defined benefit obligation	**69,041,343**	**68,206,732**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Changes in the fair value of plan assets are as follows:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening fair value of plan assets	40,903,136	44,231,890
Expected return	3,558,573	3,116,078
Contributions by employer	505,000	597,439
Benefits paid	(6,255,814)	(8,344,550)
Actuarial (losses) / gains	(1,441,937)	1,302,279
Closing fair value of plan assets	**37,268,958**	**40,903,136**

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Discount rate	9.25% - 9.31%	8.00% - 8.50%
Expected rate of return on assets	9.25% - 9.31%	8.60% - 8.70%
Expected rate of increase in compensation level	5%	5%
Expected average remaining working life of employees (in years)	19 - 32	17 - 31

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

Amounts for the current and previous year are as follows:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Defined benefit obligation	69,041,343	68,206,732
Plan assets	37,268,958	40,903,136
Surplus / (deficit)	(31,772,385)	(27,303,596)
Experience (gain)/loss on plan liabilities	(15,909,815)	(40,613,050)
Experience gain / (loss) on plan assets	(1,441,937)	1,302,279

Note 28.3: Other employee benefits-Compensated leave absences

For determination of the current years' liability in respect of compensated absences, the Company has used following actuarial assumptions:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Discount rate	9.25% - 9.31%	8.00% - 8.50%
Rate of increase in compensation levels	5%	5%

	For the year ended March 31, 2014	For the year ended March 31, 2013
Note 29 : **FINANCE COSTS**		
Interest cost	1,213,851,046	1,073,259,764
Loan processing fees	21,791,095	40,682,957
Amortisation of premium on redemption of debentures	76,544,047	76,532,244
Bank charges	109,675,591	151,768,177
	1,421,861,779	**1,342,243,142**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended March 31, 2014	For the year ended March 31, 2013
***Note 30* : OTHER EXPENSES**		
Electricity	17,411,132	18,352,212
Rent (Refer note 30.1)	155,875,500	247,037,945
Rates and tax	7,288,839	8,211,311
Insurance	40,582,984	59,208,687
Freight outward	7,412,173	30,796,504
Repair and maintenance		
- Building	480,941	906,967
- Plant and machinery	32,328,814	39,938,197
- Others	80,807,488	70,721,398
Brokerage	278,846	960,858
Travelling and conveyance	104,357,928	148,302,297
Communication expenses	24,805,080	35,658,335
Printing and stationary	10,302,296	15,869,275
Legal and professional charges (including payment to statutory auditors)	81,220,650	88,070,194
Director sitting fees	630,000	1,120,000
Foreign exchange fluctuation (net)	7,746,051	-
Loss on commodity forwards	-	3,996,102
Donation and contribution (other than political party)	184,457	652,627
Provision for bad and doubtful debts / advances	414,723,201	196,682,312
Bad debts written off	3,798,649	17,343,392
Tender expenses	1,496,703	1,764,569
Fees and subscription / inspection charges	17,969,027	5,496,469
Business promotion	12,706,593	19,541,663
Warranty expense (Refer note 7.1)	2,700,412	4,956,446
Advances written off	145,247	2,965,757
Theft of material	17,991,265	13,249,930
Loss on sale of fixed assets (net)	24,643,109	11,991,744
Royalty expenses	4,235,874	5,873,183
Miscellaneous expenses	25,056,940	17,558,069
	1,097,180,199	**1,067,226,443**

Note 30.1: The Group has entered into various short-term cancellable lease agreements at a notice period up to three months for leased premises and equipments. Gross rental expenses aggregate to Rs 155,875,500 (Previous year – Rs 247,037,945).

	For the year ended March 31, 2014	For the year ended March 31, 2013
***Note 31* : EARNINGS PER SHARE (EPS)**		
The calculations of earning per share are based on the profit and number of shares as computed below:		
Net profit / (loss) including extra-ordinary and prior period items	(2,47,05,39,449)	(1,05,86,85,536)
Face value of share	10	10
Weighted average number of equity shares in calculating basic EPS	7,41,77,694	7,41,77,694
Weighted average number of equity shares in calculating diluted EPS	7,41,77,694	7,41,77,694
Basic earnings per share	(33.31)	(14.27)
Diluted earnings per share*	(33.31)	(14.27)

*The effect of dilutive potential equity shares are considered whereas anti-dilutive potential equity shares are ignored in calculating diluted EPS.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 32 : DEFERRED TAX

Break-up of deferred tax assets / (liabilities):

Timing difference on account of	Deferred tax assets/ (liability) as at April 1, 2013	Current year charge / (credit)	Deferred tax assets/ (liability) as at March 31, 2014
Deferred tax liabilities			
Depreciation	(2,79,97,336)	13,37,635	(2,93,34,971)
Sub Total (A)	**(2,79,97,336)**	**13,37,635**	**(2,93,34,971)**
Deferred tax assets			
Unabsorbed business loss and depreciation*	32,63,94,569	1,05,22,917	31,58,71,652
Expenditure debited to statement of profit and loss in the current year but allowable for tax purposes in the following years	3,55,75,055	(4,78,14,157)	8,33,89,212
Provision of doubtful advances	2,04,012	9,73,272	(7,69,260)
Provision of doubtful debts	11,35,50,308	19,79,299	11,15,71,009
Sub Total (B)	**47,57,23,944**	**(3,43,38,669)**	**51,00,62,613**
Net Deferred tax assets (A+B)	**44,77,26,608**	**(3,30,01,034)**	**48,07,27,642**

*The Group follows Accounting Standard (AS-22) "Accounting for taxes on Income" as notified by the Companies (Accounting Standards) Rules, 2006, (as amended).The company has entered into agreements with its customers for providing engineering services and based on developments in certain new projects, the Company will have certain revenue and sufficient taxable profits against which the deferred tax asset shall be adjusted. Due to accumulated losses, some subsidiaries have recognised deferred tax assets to the extent there is virtual certainty supported by convincing evidence of realization of such deferred tax assets in the near future.

	As at March 31, 2014	As at March 31, 2013
Note 33 : CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR:		
a) The details of contingent liabilities are as follows:		
Right to recompense (CDR Scheme) (Refer note 41)	396,600,000	-
Liquidated damages deducted by customers not accepted by the Company and pending final settlement*	-	14,073,312
Open letters of credit	13,699,793	108,073,376
Litigations under workmen compensation act**	1,177,120	1,177,120
Litigations with contractors and others**	4,169,760	4,259,760
Sales tax demand under dispute	395,101,190	71,892,925
Unasserted claims	-	256,775
	810,747,863	**199,733,268**

* excludes possible liquidated damages which can be levied by customers for delay in execution of the projects. The management believes that there exist strong reasons why no liquidated damages shall be levied by these customers.

**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.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

b) Commitments outstanding:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Capital commitments	346,093,778	461,148,473
Other commitments	1,272,100,000	2,338,932,000
	1,618,193,778	**2,800,080,473**

Note 34 : DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 7 "CONSTRUCTION CONTRACTS"

	For the year ended March 31, 2014	For the year ended March 31, 2013
Contract revenue recognized as revenue in the year	3,402,003,162	5,503,085,630
Aggregate Amount of cost incurred and recognized profits/(losses) up to the reporting date on contract under progress	40,076,525,974	41,387,820,336
Amount of advance received on contract under progress and outstanding at year end	362,308,954	660,202,175
Amount of retentions on contract under progress	3,568,661,014	3,434,774,301
Gross amount due from customers for contract work as an asset	3,707,609,473	4,718,338,786
Gross amount due to customers for contract work as a liability	131,882,996	6,738,626

Note 35 : INTEREST IN JOINT VENTURES

a) The Company's interest and share in joint ventures in the jointly controlled operations as at March 31, 2014 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 June 18, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Maharashtra State Electricity Transmission Company Limited for Design, Manufacture and Supply of all materials, execution of relevant civil works, erection, testing and commissioning of new 220KV Sub-station at Airoli, Sonkhar & Vasai and 132 KV Substation at Jam, Patur, Ghatanji, Wardha, Akola, Pandharkawda, Elichpur and Kundalwadi on turnkey basis.	See Note 35.1 below	*
2	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from December 12, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Construction of 220/132KV Grid Sub-Station at Bishnah (J&K).	See Note 35.1 below	*
3	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 35.1 below	*
4	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from June 14, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Bihar State Electricity Board for Turnkey Construction of 220/132/33 KV Grid station at Begusarai.	See Note 35.1 below	*
5	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 35.1 below	*
6	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 35.1 below	*
7	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 1x50 MVA, 132/33 KV Grid Sub-Station at Battal, Manwal, District Udhampur (J&K).	See Note 35.1 below	*
8	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 35.1 below	*

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of incorporation
9	M/s Linkwell Telesystems Private Limited	Jointly Controlled Operations	Joint Venture Agreement effective from August 9, 2008.The principal activity of the Venture is to bid jointly and enter into contract with Madhya Pradesh Poorva Kshetra Vidyut Vitaran Co. Ltd. ('MPPKVVCL'), Jabalpur for design, manufacture, supply, install, commission, operate and maintain Remote Metering of LT Consumers above 10 BHP.	See Note 35.1 below	*
10	M/s Shyama Power (India) Private Limited	Jointly Controlled Operations	Joint Venture effective from August 22, 2008. The principal activity of the Venture is to submit a bid jointly and enter into contract with NHPC Ltd for the design manufacture, supply and erection, testing and commissioning of Equipment / Materials stipulated in the bidding documents for Rural Electrification works along with 66 KV Transmission Line each in Leh and Kargil District of Jammu & Kashmir.	See Note 35.1 below	*
11	M/s Cobra Instalaciones Y Servicios, S.A	Jointly Controlled Operations	Joint Venture agreement effective from December 12, 2008. The principal activity of the venture is to bid for tender and enter into contract with Maharashtra State Electricity Transmission Company Limited (MSETCL), Mumbai for Design, Manufacture and Supply of all materials execution of relevant civil works, erection, testing and commissioning for establishment of new 220 KV Sub-Station at Kudus, Talegaon, Jath, Patoda, Bhokardhan and 132 KV Sub-station at Badnapur on Turnkey basis.	See Note 35.1 below	*
12	M/s Karamtara Engineering Private Limited	Jointly Controlled Operations	Joint Venture agreement effective from July 10, 2009. The principal activity of the venture is to bid for tender and enter into contract with Power Grid Corporation of India Limited (PGCIL) for Design, Manufacture, Supply, Erection, Testing & Commissioning of Equipments/Materials for 765 KV S/C Meerut-Agra Transmission Line (Part-I) associated with 765 KV system for central part of Northern Grid.	See Note 35.1 below	*
13	M/S Richardson & Cruddas (1972) Limited	Jointly Controlled Operations	Joint Venture agreement effective from September 19, 2008. The principal activity of the venture is to bid for tender and enter into contract with Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RRVPNL), Jaipur for Design, Manufacture and Supply of materials for construction of 220KV/132KV transmission lines on turnkey basis.	See Note 35.1 below	*
14	M/S Satya Builders	Jointly Controlled Operations	Joint Venture agreement effective from September 17, 2010. The principal activity of the venture is survey, design, supply of all material & labour, T & P and laying of Branch – lateral, Main and Trunk sewer lines and appurtenants works under Mussoorie sewerage in different Zones of Mussoorie, Dehradun under Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) Programme.	See Note 35.1 below	*
15	M/S Sudhir Power Projects Limited	Jointly Controlled Operations	Joint Venture agreement effective from May 8, 2013. The principal activity of the venture is procurement of plant, design, supply and installation of package - 21(B) - 132 KV substation Urlana with 2*40/50 MVA, 132/33 KV transformers, 66 KV substation Sector 20, Panchkula with 2*25/31.5 MVA, 66/11 KV transformers, 66 KV substation Laha with 1*12.5/16 MVA, 66/11 KV transformers of HaryanaVidyut Prasaran Nigam Limited.	See Note 35.1 below	*
16	M/s Ram Engineering & Construction Co. M/s Bhumika Transport M/s Karnataka Compost Development Corporation	Jointly Controlled Operations	Joint venture agreement with M/s Ram Engineering & Construction Co. and M/s Bhumika Transport effective from February 6, 2008 and M/s Karnataka Compost Development Corporation effective from March 3, 2008. The principal activity of the venture is Collection, segregation, storage, transportation of solid waste to site, construction of waste processing system, composting, treatment of leachate and integrated landfill facility including supply and installation of all equipments and accessories required to handle municipal solid waste in various cities of Uttar Pradesh on turnkey basis as well Build, Own, Operate, Transfer contract for operation and maintenance.	See Note 35.1 below	*
17	Eco Save System (P) Limited (Representative of Burn Environmental and Technologies Private Limited)	Jointly Controlled Operations	Joint venture agreement effective from March 20, 2008. The principal activity of the venture is to bid for tender and take support in technical, plant engineering, installation, operations, maintenance and management of various municipal solid waste to compost projects in state of Uttar Pradesh.	See Note 35.1 below	*
18	M/s Maccaferri Environmental Solutions Pvt. Ltd	Jointly Controlled Operations	Joint venture agreement effective from February 15, 2008. The principal activity of the venture is to bid for tender and enter into contract for Collection, segregation, storage, transportation of solid waste to site, construction of waste processing system, composting, treatment of leachate and integrated landfill facility including supply and installation of all equipments and accessories required to handle municipal solid waste on National Level on turnkey basis as well Build, Own, Operate, Transfer contract for operation and maintenance.	See Note 35.1 below	*

*Country of Incorporation not applicable, as these are unincorporated Joint Ventures.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 35.1: As per joint venture agreements, the scope and value of work of each partner has been clearly defined and accepted by the clients. The Group's share in assets, liabilities, income and expenses are duly accounted for in the consolidated financial statements of the Group 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 36 : RELATED PARTY

Names of related parties

Joint venture partners

UB Engineering Limited
Southern Petrochemical Industries Corporation Limited (SPIC-SMO)
Shyama Power (India) Private Limited
Linkwell Telesystems Private Limited
Cobra Instalaciones Y Servicios, S.A
Karamtara Engineering Private Limited
Richardson & Cruddas (1972) Limited
Satya Builders
Bhumika Transport
Ram Engineering & Construction Co.
Karnataka Compost Development Corporation Limited
Maccaferri Environmental Solutions Private Limited
Eco Save System (P) Limited (Representative of Burn Environmental and Technologies Private Limited)
Sudhir Power projects Limited (with effect from May 8, 2013)

Key Management Personnel ('KMP')

Amit Mittal
Dipali Mittal
Manoj Gupta
Deepak Agarwal
Rajneesh Mehra (Resigned with effect from August 31, 2012)
Ashish Mittal
Indu Mittal
Hemant Gupta (Resigned with effect from September 1, 2012)
Sanjiv Saklani
Anil Sharma (Resigned with effect from November 1, 2012)

Relatives of Key Management Personnel

Sudha Mittal (Mother of Mr. Amit Mittal)

Enterprise in control of Relatives of Key Management Personnel

Mestric Consultants Private Limited

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties :

Particulars	For the year ended March 31, 2014			For the year ended March 31, 2013		
	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Sale of Goods / Services						
- UB Engineering Limited	8,564,231	-	-	68,400,925	-	-
- SPIC-SMO	-	-	-	61,375,915	-	-
- Amit Mittal	-	-	357,242	-	-	-
Purchase of goods or services						
- Linkwell Telesystems Private Limited	-	-	-	1,747,118	-	-
- Richardson & Cruddas (1972) Limited	-	-	-	4,538,854	-	-
- Karamtara Engineering Private Limited	315,854	-	-	27,134,901	-	-
- Cobra Instalaciones Y Servicios, S.A	1,385,993	-	-	17,939,585	-	-
Purchase of fixed assets						
- Maccaferri Environment Solutions Private Limited	-	-	-	3,395,617	-	-
Rent expense						
- Amit Mittal	-	-	510,000	-	-	484,600
- Manoj Gupta	-	-	409,278	-	-	369,050
- Dipali Mittal	-	-	1,213,278	-	-	270,750
- Sudha Mittal	-	-	330,750	-	-	357,500
Share application money received						
- Mestric Consultants Private Limited	-	221,000,000	-	-	-	-
Provision for doubtful debts expense						
- UB Engineering Limited	132,637,436	-	-	50,695,758	-	-
- SPIC-SMO	37,450,739	-	-	25,342,317	-	-
Loan / advances given						
- Satya Builders	-	-	-	4,034,000	-	-
- Amit Mittal	-	-	19,372,240	-	-	-
Remuneration						
- Amit Mittal	-	-	-	-	-	14,253,744
- Manoj Gupta	-	-	-	-	-	4,687,500
- Dipali Mittal	-	-	1,908,000	-	-	1,526,397
- Deepak Agarwal	-	-	1,800,000	-	-	-
- Rajneesh Mehra	-	-	-	-	-	2,160,000
- Sanjiv Saklani	-	-	7,544,880	-	-	3,135,197
- Hemant Gupta	-	-	-	-	-	1,750,000

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Transactions with related parties : (Contd.)

Particulars	For the year ended March 31, 2014			For the year ended March 31, 2013		
	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
- Anil Sharma	-	-	-	-	-	2,100,000
- Ashish Mittal	-	-	1,185,000	-	-	1,185,000
- Indu Mittal	-	-	592,500	-	-	-
Balance outstanding at the end of the year						
Share application money pending allotment						
- Mestric Consultants Private Limited	-	221,000,000	-	-	-	-
Advance from customers						
- UB Engineering Limited	-	-	-	488,255	-	-
Trade receivable / advances recoverable						
- UB Engineering Limited	991,586,918	-	-	1,022,437,618	-	-
- SPIC-SMO	269,848,343	-	-	281,503,478	-	-
- Karamtara Engineering Private Limited	6,218,312	-	-	-	-	-
- Satya Builders	5,144,000	-	-	5,144,000	-	-
- Amit Mittal	-	-	19,372,240	-	-	-
Provision for doubtful debts						
- UB Engineering Limited	192,553,964	-	-	59,916,529	-	-
- SPIC-SMO	72,001,401	-	-	34,550,662	-	-
Remuneration payable						
- Amit Mittal	-	-	-	-	-	1,371,238
- Manoj Gupta	-	-	-	-	-	897,845
- Deepak Agarwal	-	-	130,200	-	-	-
- Anil Sharma	-	-	-	-	-	-
- Dipali Mittal	-	-	867,831	-	-	275,054
Other current liability (creditor for capital goods)						
- Maccaferri Environment Solutions Private Limited	13,968,020	-	-	-	-	-
Trade payable						
- Linkwell Telesystems Private Limited	2,203	-	-	2,203	-	-
- Eco Save Systems (P) Limited	985,400	-	-	-	-	-
- Karamtara Engineering Private Limited	-	-	-	340,289	-	-
- Richardson & Cruddas (1972) Ltd.	1,460,542	-	-	1,760,542	-	-
- Cobra Instalaciones Y Servicios, S.A	485,374	-	-	7,780,224	-	-
- Bhumika Transport	288,287	-	-	-	-	-

Note: In the opinion of the management, the transactions reported herein are on arms' length basis.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 37 : SEGMENTAL INFORMATION

Business segments

The primary reporting of the group has been performed on the basis of business segment. Segments have been identified and reported based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. The 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 which primarily includes trading of goods, renting of equipments, manufacturing of electrical equipment and operation and maintenance services, etc

Particulars	ES March 31, 2014	ES March 31, 2013	FMS March 31, 2014	FMS March 31, 2013	MSW March 31, 2014	MSW March 31, 2013	PGP March 31, 2014	PGP March 31, 2013	Others March 31, 2014	Others March 31, 2013	Elimination March 31, 2014	Elimination March 31, 2013	Total March 31, 2014	Total March 31, 2013
Revenue														
Operating income	3,424,921,258	5,537,971,887	2,455,840,944	2,495,341,896	786,457,329	839,234,857	-	-	320,312,011	155,603,759	-	-	6,987,531,542	9,028,152,399
Other income	31,469,733	47,466,747	-	-	108,222,371	247,689,714	114,105	11,617	309,516	25,556	-	-	140,115,725	295,193,634
Intersegment Revenue	-	900,000	23,967,566	59,551,041	-	5,357,532	-	-	84,901,619	216,877,794	108,869,185	282,686,367	-	-
Total revenue	**3,456,390,991**	**5,586,338,634**	**2,479,808,510**	**2,554,892,937**	**894,679,700**	**1,092,282,103**	**114,105**	**11,617**	**405,523,146**	**372,507,109**	**108,869,185**	**282,686,367**	**7,127,647,267**	**9,323,346,033**
Costs														
Segment costs	(4,539,050,188)	(5,665,511,977)	(2,328,430,001)	(2,431,529,150)	(1,031,516,508)	(1,280,815,262)	(26,936,225)	(8,638,111)	(418,631,244)	(467,696,844)	(123,229,946)	(282,421,947)	(8,221,334,220)	(9,571,769,397)
Result														
Segment result	**(1,082,659,197)**	**(79,173,343)**	**151,378,509**	**123,363,787**	**(136,836,808)**	**(188,533,159)**	**(26,822,120)**	**(8,626,494)**	**(13,108,098)**	**(95,189,735)**	**(14,360,761)**	**264,420**	**(1,093,686,953)**	**(248,423,364)**
Unalocated income													9,639,690	2,924,100
Interest income													21,793,383	67,435,008
Financial Expense													(1,421,861,779)	(1,342,243,142)
Prior period items													-	-
Exceptional items													70,721,645	147,662,136
Provision for tax														
Income tax													(43,003,516)	(45,117,871)
Deferred tax (charge)/credit													33,001,034	359,853,887
Tax adjustment for earlier years													(44,090,332)	(3,316,868)
Net (loss) / profit after tax													**(2,467,486,828)**	**(1,061,226,114)**
Other information														
Segment assets	12,287,382,059	13,519,316,867	1,227,155,191	1,153,572,826	6,702,568,428	6,439,656,818	6,172,571,238	5,870,240,512	690,938,454	669,880,906	(151,659,912)	(162,014,184)	27,232,275,281	27,814,682,113
Unallocable corporate assets													880,243,068	775,212,463
Total assets	**12,287,382,059**	**13,519,316,867**	**1,227,155,191**	**1,153,572,826**	**6,702,568,428**	**6,439,656,818**	**6,172,571,238**	**5,870,240,512**	**690,938,454**	**669,880,906**	**(151,659,912)**	**(162,014,184)**	**28,112,518,349**	**28,589,894,576**
Segment liabilities	2,310,475,873	3,095,877,674	544,643,403	477,639,144	1,088,775,347	796,344,150	437,638,755	338,515,102	323,166,865	192,223,376	476,832,561	225,195,977	4,227,867,682	4,675,403,469
Unallocable corporate liabilities													14,933,019,393	12,530,724,886
Total Liabilities	**2,310,475,873**	**3,095,877,674**	**544,643,403**	**477,639,144**	**1,088,775,347**	**796,344,150**	**437,638,755**	**338,515,102**	**323,166,865**	**192,223,376**	**476,832,561**	**225,195,977**	**19,160,887,075**	**17,206,128,355**
Capital expenditure	51,607,802	42,146,247	24,398,376	18,941,838	310,053,562	897,052,245	511,401,697	1,164,802,067	-	62,312,736	(2,998,387)	156,409,067	900,459,825	2,028,846,065
Depreciation included in segment expenses	71,801,086	70,937,706	15,883,973	22,401,285	228,940,893	290,657,032	2,214,265	1,911,461	5,262,369	8,273,760	154,048	154,048	323,948,538	394,027,196
Other Non cash expenditure													414,951,017	198,981,024

Geographical segments*

The secondary reporting segment of the Group has been performed on the basis of geographical segment. The Group operates in two principal geographical areas of the world, in India, its home country, and the other countries.

The following table presents revenue and trade receivables regarding geographical segments as at march 31, 2014 and March 31, 2013.

Particulars	India March 31, 2014	India March 31, 2013	Other countries March 31, 2014	Other countries March 31, 2013	Total March 31, 2014	Total March 31, 2013
Segment revenue	**6,726,098,008**	8,960,722,809	**432,982,332**	432,982,332	**7,159,080,340**	9,393,705,141
Segment trade receivables (including retention money)	**7,959,905,656**	7,971,280,692	**134,201,249**	134,201,249	**8,094,106,905**	8,105,481,941

*The Group has common assets for domestic market and overseas market. Hence, separate figures for assets / additions to assets cannot be furnished.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 38 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE:

a) **Derivative instruments**

i) **In case of A2Z Infrastructure Limited and its subsidiaries**

The Group uses cross-currency rate swap to hedge its risks associated with fluctuations in foreign currencies and interest rates relating to foreign currency liabilities. The following are outstanding derivatives contracts as on March 31, 2014.

Nature of hedge instrument	Description of hedge	Name of Company	As at March 31, 2014		As at March 31, 2013	
			USD	INR (notional)	USD	INR (notional)
Currency swap						
USD/INR currency option	To take protection against appreciation in INR against USD payable in respect of external commercial borrowings	A2Z Infrastructure Limited	**5,216,250**	**303,711,478**	5,216,250	278,622,368
		A2Z Infrastructure Limited	**3,705,000**	**210,403,602**	3,705,000	192,583,285
		A2Z Waste Management (Aligarh) Limited	**875,000**	**46,978,575**	875,000	42,287,875
		A2Z Waste Management (Badaun) Limited	**1,100,000**	**65,306,780**	1,100,000	59,409,900
		A2Z Waste Management (Balia) Limited	**800,000**	**46,191,840**	800,000	41,903,200
		A2Z Waste Management (Merrut) Limited	**3,375,000**	**199,728,075**	3,375,000	181,635,375
		A2Z Waste Management (Mirzapur) Limited	**1,000,000**	**57,489,800**	1,000,000	52,129,000
		A2Z Waste Management (Moradabad) Limited	**875,000**	**46,978,575**	875,000	42,287,875
		A2Z Waste Management (Ranchi) Limited	**5,300,000**	**324,974,815**	5,300,000	296,562,575
		A2Z Waste Management (Fathehpur) Limited	**800,000**	**45,991,840**	800,000	41,703,200
		A2Z Waste Management (Sambhal) Limited	**1,000,000**	**57,098,675**	1,000,000	51,737,875
Interest rate swap						
USD/INR interest rate swap	3 months LIBOR + 300 bps interest rate liability swapped with 10.975% fixed INR rate interest liability.	A2Z Infrastructure Limited	**5,216,250**	**303,711,478**	5,216,250	278,622,368
		A2Z Infrastructure Limited	**3,705,000**	**210,403,602**	3,705,000	192,583,285
		A2Z Waste Management (Badaun) Limited	**1,100,000**	**65,306,780**	1,100,000	59,409,900
		A2Z Waste Management (Balia) Limited	**800,000**	**46,191,840**	800,000	41,903,200
		A2Z Waste Management (Mirzapur) Limited	**1,000,000**	**57,489,800**	1,000,000	52,129,000
		A2Z Waste Management (Ranchi) Limited	**5,300,000**	**324,974,815**	5,300,000	296,562,575
		A2Z Waste Management (Fathehpur) Limited	**800,000**	**45,991,840**	800,000	41,703,200
		A2Z Waste Management (Sambhal) Limited	**1,000,000**	**57,098,675**	1,000,000	51,737,875
	3 months LIBOR + 300 bps interest rate liability swapped with 9.65 % fixed INR rate interest liability.	A2Z Waste Management (Aligarh) Limited	**875,000**	**46,978,575**	875,000	42,287,875
		A2Z Waste Management (Moradabad) Limited	**875,000**	**46,978,575**	875,000	42,287,875
	3 months LIBOR + 300 bps interest rate liability swapped with 10.15 % fixed INR rate interest liability.	A2Z Waste Management (Merrut) Limited	**3,375,000**	**199,728,075**	3,375,000	181,635,375

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

Particulars	Amount in Rupees	Amount in Foreign currency	Currency	Exchange rate as on March 31, 2014
Foreign currency in hand	**20,716**	347	USD	**1 USD = INR 59.70**
Foreign currency in hand	**15,400**	945	AED	**1 AED = INR 16.30**
Foreign currency in hand	**5,920**	371	Riyal	**1 Riyal = INR 15.96**
Foreign currency in hand	**814**	490	Rubal	**1 Rubal = INR 1.66**
Foreign currency in hand	**75,403**	760	GBP	**1 GBP = INR 99.21**
Foreign currency in hand	**7,302**	753	RMB	**1 RMB = Rs 9.70**
Foreign currency in hand	**10,711**	130	EURO	**1 EURO = INR 82.39**
Foreign currency in hand	**6,976**	15,250	SLR	**1 SLR = INR 0.46**
Bank Balance with Standard chartered Bank (Zambia)	**3,959,329**	416,600	Zambian Kwacha	**1 ZK = INR 9.50**
Bank Balance with Standard chartered Bank (Uganda)	**20,823,506**	898,727,050	Uganda Shillings	**1 UGX = Rs 0.02**

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

The detail of unhedged foreign currency exposure as at March 31, 2013 are as under:

Particulars	Amount in Rupees	Amount in Foreign currency	Currency	Exchange rate as on March 31, 2013
Foreign currency in hand	11,937	220	USD	1 USD = INR 54.26
Foreign currency in hand	12,965	875	AED	1 AED = INR 14.82
Foreign currency in hand	5,383	371	Riyal	1 Riyal = INR 14.51
Foreign currency in hand	857	490	Rubal	1 Rubal = INR 1.75
Foreign currency in hand	41,362	500	GBP	1 GBP = INR 82.72
Foreign currency in hand	6,533	753	RMB	1 RMB = Rs 8.68
Foreign currency in hand	9,076	130	EURO	1 EURO = INR 69.82
Foreign currency in hand	6,545	15,250	SLR	1 SLR = INR 0.43
Trade receivables	554,438	10,210	USD	1 USD= Rs 54.30
Bank Balance with Standard chartered Bank (Zambia)	1,633,935	162,973	Zambian Kwacha	1 ZK = INR 10.03
Bank Balance with Standard chartered Bank (Uganda)	1,707,733	82,419,568	Uganda Shillings	1 UGX = Rs 0.02

Note 39 :

Trade receivable, trade payables, advance to suppliers and advances from customers are subject to confirmation / reconciliation as at year end or any time during the year. As explained, the Group follows a process of informal confirmation with its customers / suppliers and based on such informal confirmations/ discussions, believes that amount recoverable appearing as outstanding at year end are good of recovery, while the amounts payable are due. The management believes that no material adjustments are likely on formal confirmation / reconciliation of these balances.

Note 40 :

The Company has incurred a net loss of Rs. 1,949,631,502 during the year ended March 31, 2014 and is presently facing liquidity problems on account of delayed realisation of trade receivables coupled with delays in commencement of commercial production at its biomass based power generation plants. Management is evaluating various options and in addition to consolidation of business by focusing on core operations and disposing off the noncore assets, had also made reference to Corporate Debt Restructuring Cell (‘CDR Cell’) for restructuring of its existing debt obligations, including interest and other related terms and conditions (hereinafter referred to as the ‘CDR scheme’). Management believes that the approved CDR scheme (refer note 41 for further details on the same) of the Company and the aspects like inviting strategic investors, disposal of non-core assets would also bring in the additional cash flows into the system, and hence no adjustments are required in the financial statements and accordingly, these have been prepared on a going concern basis.

Note 41 :

The Corporate debt restructuring (CDR) proposal to re-structure existing 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. Out of seventeen lenders, twelve lenders (herein after termed as ‘CDR lenders’) agreed to be part of the CDR scheme.

One of the non CDR lenders filed a civil suit in the Hon’ble High Court of Delhi on the Company against creation of second charge on power plants under the CDR scheme inter alia other matters. The Hon’ble High Court vide its Order dated March 20, 2014 has permitted the signing of MRA keeping the hearing in the suit adjourned to August 21, 2014. Upon execution of the Master Restructuring Agreement (MRA) with ten CDR lenders Company started the process of fulfilling the other conditions precedent. Pursuant to the CDR Scheme, inter alia other conditions, the promoters were required to bring in Promoter contribution out of which substantial contribution has been brought in. On the basis of MRA executed with the CDR lenders, the Company has accounted for impact of the CDR scheme (reclassifications and interest calculations) in the financial results for the year ended March 31, 2014 up to the extent agreed with those CDR lenders. 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. Interest reversal of Rs. 18,440,166 pertaining to period from cut-off dates to March 31, 2013 has been shown as an exceptional item during the year. Reclassification and other adjustments as recorded above are subject to reconciliation with the lender banks. Management is confident that all the conditions precedents are in the process of being complied with and are at advance stage.

Summary of Significant accounting policies and notes forming part of the financial statements

(Unless otherwise stated, all amounts are in Indian Rupees)

Note 42 :

The Income tax authorities conducted a search and survey at certain premises of the Company and few of its subsidiaries under section 132 and 133 of the Income Tax Act, 1961. Pending receipt of further communication from the authorities, management is of the opinion that the income tax provision carried in the books is adequate.

Note 43 :

Previous year figures have been regrouped/recast wherever necessary to make them comparable with those of the current year.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

Place : Gurgaon
Date : May 30, 2014

For and on behalf of the Board of Directors

Sd/- **Amit Mittal** Managing Director	Sd/- **Dipali Mittal** Director
Sd/- **Gaurav Jain** Chief Financial Officer	Sd/- **Atul Kumar Agarwal** Company Secretary

Pursuant to the exemption by the Ministry Corporate Affairs, Government of India, the company is presenting summary financial information about the Individual subsidiaries as at 31st March, 2014

Sr. No.	Name of the Susidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investments Other than Investment in Subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
1	A2Z Infrastructure Limited	1,939,500,000	(1,283,657,949)	5,803,031,084	5,147,189,033	-	431,880,745	(413,180,539)	-	(413,180,539)	-
2	A2Z Infraservices Limited	38,159,780	399,165,470	1,454,743,944	1,017,418,694	-	2,479,808,509	72,596,156	22,883,942	49,712,214	-
3	A2Z Powercom Limited	1,250,000	9,546,227	252,414,525	241,618,298	-	-	(6,714,701)	(631,201)	(6,083,500)	-
4	A2Z Powertech Limited	14,000,000	(45,409,623)	21,796,437	53,206,060	-	10,621,190	(4,429,212)	12,600,901	(17,030,113)	-
5	Mansi Bijlee & Rice Mills Limited	150,080,000	(19,687,203)	130,652,630	259,833	-	-	(12,986,007)	-	(12,986,007)	-
6	A2Z Water Solutions Limited	600,000	(527,607)	94,865	22,472	-	-	(17,927)	-	(17,927)	-
7	Chavan Rishi International Limited	11,463,260	20,540,596	109,805,446	77,801,590	-	7,200,000	(3,834,765)	(1,184,943)	(2,649,822)	-
8	Selligence Technologies Services Private Limited	10,000,000	1,456,296	12,180,897	724,601	-	-	459,393	150,216	309,177	-
9	A2Z Maintenance & Engineering Services (Uganda) Private Limited (Currency: Ugandan shilling)	10,000,000	(10,000,000)	-	-	-	1,325,513	206,957	-	206,957	-
10	A2Z Singapore Waste Management Holdings Private Limited (Currency: Singapore Dollar)	30,375	(49,024)	3,373	22,022	-	-	(3,384)	-	(3,384)	-
11	A2Z Waste Management (Aligarh) Limited *	65,000,000	(67,928,855)	441,110,576	444,039,431	-	57,946,638	(33,819,736)	3,677	(33,823,413)	-
12	A2Z Waste Management (Moradabad) Limited *	75,000,000	(71,887,917)	489,950,273	486,838,190	-	7,017,164	(57,588,988)	-	(57,588,988)	-
13	A2Z Waste Management (Merrut) Limited *	160,000,000	(43,394,707)	590,860,516	474,255,223	-	-	(9,294,217)	-	(9,294,217)	-
14	A2Z Waste Management (Varanasi) Limited *	70,000,000	(23,268,830)	1,128,856,531	1,082,125,361	-	-	(2,757,960)	-	(2,757,960)	-
15	A2Z Waste Managment (Jaunpur) Limited *	7,500,000	860,061	36,122,342	27,762,281	-	-	(6,150)	-	(6,150)	-
16	A2Z Waste Managment (Badaun) Limited *	25,000,000	(851,152)	146,291,802	122,142,954	-	-	(47,906)	-	(47,906)	-
17	A2Z Waste Managment (Sambhal) Limited *	15,150,000	1,862,429	142,810,662	125,798,233	-	-	(23,474)	-	(23,474)	-
18	A2Z Waste Managment (Basti) Limited *	500,000	(289,924)	351,409	141,333	-	-	(21,305)	-	(21,305)	-
19	A2Z Waste Managment (Mirzapur) Limited *	25,000,000	1,811,519	188,182,377	161,370,859	-	-	(15,617)	145,433	(161,050)	-
20	A2Z Waste Managment (Loni) Limited *	500,000	(316,250)	406,901	223,151	-	-	(22,631)	-	(22,631)	-
21	A2Z Waste Managment (Balia) Limited *	20,000,000	1,471,539	125,694,396	104,222,857	-	-	(41,053)	-	(41,053)	-
22	A2Z Waste Managment (Fatehpur) Limited *	20,000,000	(13,090,000)	205,635,897	198,725,897	-	4,124,451	(11,502,873)	-	(11,502,873)	-
23	Star Transformers Limited	20,204,090	175,245,527	308,735,018	113,285,401	-	394,691,937	11,897,655	3,099,984	8,797,671	-
24	A2Z Waste Managment (Ranchi) Limited *	63,500,000	(32,527,899)	639,595,363	608,623,262	-	84,998,829	1,814,799	-	1,814,799	-
25	A2Z Waste Managment (Ludhiana) Limited *	10,000,000	(4,079,945)	336,505,101	330,585,046	-	171,425,614	(390,304)	-	(390,304)	-

Pursuant to the exemption by the Ministry Corporate Affairs, Government of India, the company is presenting summary financial information about the Individual subsidiaries as at 31st March, 2014 (Contd...)

Sr. No.	Name of the Susidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investments Other than Investment in Subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
26	Green Waste Management Private Limited (formerly A2Z Waste Management (Haridwar) Private Limited	100,000	(74,977)	56,912	31,889	-	-	(15,394)	-	(15,394)	-
27	A2Z Waste Managment (Dhanbad) Private Limited	100,000	(5,021,515)	55,352,032	60,273,547	-	28,980,337	(4,436,899)	-	(4,436,899)	-
28	A2Z Waste Managment (Nainital) Private Limited	500,000	(1,167,573)	115,774,552	116,442,125	-	4,096,110	(284,175)	-	(284,175)	-
29	A2Z Waste Management Private Limited**	100,000	7,067	116,187	9,120	-	-	(1,484)	1,150	(334)	-
30	Shree Balaji Pottery Private Limited#	100,000	(761,261)	2,324,661	2,985,922	-	-	(351,146)	-	(351,146)	-
31	Shree Hari Om Utensils Private Limited##	100,000	(761,261)	2,324,661	2,985,922	-	-	(351,146)	-	(351,146)	-
32	A2Z Waste Managment (Jaipur) Limited *	500,000	(55,771,390)	46,219,385	101,490,775	-	-	(16,127,784)	-	(16,127,784)	-
33	A2Z Mayo SNT Waste Management (Nanded) Private Limited*	500,000	(11,536)	13,867,996	13,379,532			(5,918)	-	(5,918)	
34	A2Z Waste Managment (Ahmedabad) Limited *	500,000	(11,466)	569,810	81,276	-	-	(5,618)	-	(5,618)	-

* Indirect Subsidiary through A2Z Infrastructure Limited
** Indirect Subsidiary through A2Z Singapore Waste Management Holdings Private Limited
# Indirect Subsidiary through A2Z Waste Management (Moradabad) Limited
Indirect Subsidiary through A2Z Waste Management (Varanasi) Limited

For and on behalf of Board of Directors

Sd/-
Amit Mittal
Managing Director

Sd/-
Dipali Mittal
Director

Sd/-
Gaurav Jain
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

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