REF. No.:- A2ZINFRA/SE/2017-18/082

BY E-FILING

6th October, 2017

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Rotuda Building, Dalal Street,
Mumbai-400 001

Fax-022-22722039
BSE Code- 533292

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor
Plot No. C/1 G Block, Bandra Kurla Complex,
Bandra (E), Mumbai-400051

Fax- 022-26598237/38
NSE Code- A2ZINFRA

Dear Sir,

Sub: - Annual Report for the Financial Year 2016-2017

Pursuant to Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, we **A2Z INFRA ENGINEERING LIMITED**, hereby submit the Annual Report for the Financial Year 2016-17. The said report was approved and adopted by the shareholders of the company in the 16th Annual General Meeting duly held on 29th September, 2017 (Friday).

Kindly take the above information in your records.

Thanking you,

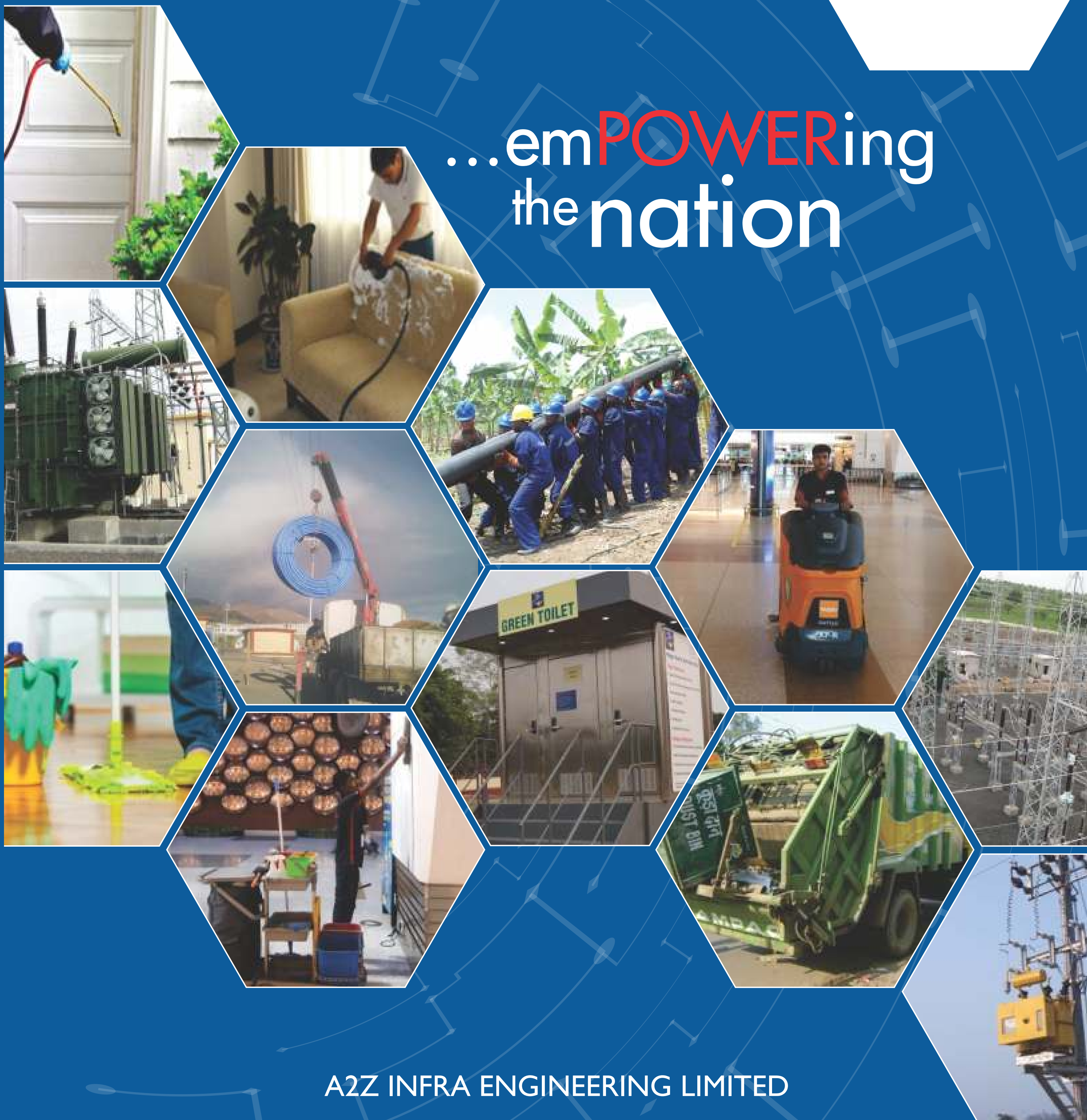
Yours Truly

For A2Z INFRA ENGINEERING LTD.

A2Z INFRA ENGINEERING LTD. GURGAON

Atul Kumar Agarwal
Company Secretary
FCS-6453
Add: - Plot No. B-38, Institutional Area,
Sector-32, Gurgaon-122001, Haryana

...emPOWERing the nation



A2Z INFRA ENGINEERING LIMITED

16th Annual Report 2016-17

ACROSS THE PAGES

Caution regarding Forward Looking Statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Empowering the Nation

"A life is enhanced, a society is lifted and a nation is developed, into a stronger, far better version of its own self, when an infrastructure project is realized, when a new job is created for the weakest member of the society or when a clean and hygienic environment is developed for a healthy life. Every infrastructure project, directly or indirectly, accentuates the quality and efficiency, not just of an economy, but also of a society. When an electric lamp reaches some remote villagers, it adds to the brightness of their smiles. When a road is created, it leads to better opportunities for life. When the telecom services make way to the hinterland, it intertwines the lives of a bunch of natives with that of thousands of others. When sanitation facilities find their way to the hamlets, women enjoy a new-found freedom and respect and many jobs are created for common people to stand against adversities of life. At A2Z Infra Engineering, this is exactly what we strive to achieve. While we may only be doing a small bit towards building India, we do play a part in empowering the nation.

Empowering the Nation

Infrastructure is the lifeline of any modern-day society, and we at A2Z Infra Engineering, take immense pride in working relentlessly for the past 15 years with the aim of making India stand tall. Our ability to conceptualise and deliver some of the country's most critical and challenging infrastructure projects stand as a testimony to our dedication. We started spreading our wings with Facilities Management and today we are present across Power & Telecom (EPC) Projects, Municipal Solid Waste (MSW) Management, Facilities & Industrial Operations Management and formation of Renewable Energy (Waste-to-Energy), and continue to do so. However, with the commencement of FY15, at A2Z Group, we have started to systematically diversify our customer segments. With our offerings like Magic Genie Home Services and the zero waste-discharge Echo-Tech Green Toilets, we are incessantly working towards the betterment of the individuals as well as the society on the whole. In fact, our newest offering the zero-emission e-Bicycles are also ready to make a mark in the society.

Fy17 was marked by some of the most historic changes in India's economic and financial ecosystems. Nonetheless, A2Z Group continued to make a progressive contribution to the nation's infrastructure, and for what it's worth, also expanded its horizons in the global arena, by way of foraying into the promising markets of Nepal and Tanzania. It is with sheer pleasure that we share with you, that amidst all the pandemonium, we remained unflappable and maintained our focus on completing the projects at hand. In fact, we also sifted for projects which promise an elevated financial viability. Of course, our existing end-consumer facing projects such as Magic Genie Home Services and Eco-Tech Green Toilets continued to gain traction in the urban regions of the nation, leaving us brimming with both, anticipation and aspiration for FY18!

FY2016-17 – THE YEAR IN PERSPECTIVE

Fy17 has been an year of consolidating our existing position and gearing up for tomorrow's opportunities. There have been certain achievements worth sharing during FY17:

Global Presence Expansion -
Foray in Nepal & Tanzania locations In addition to existing African countries

End-consumer business expansion –
Launch of Magic Genie e-Bicycle

Magic Genie Eco Tech Green Toilet Expansion -
Ground work began for new installations

Green Toilet-cum-Bus Shelter –
A new viable business model

Magic Genie Home Services –
Gaining Traction

South Delhi Municipal Corporation (SDMC) West Zone –
Best Scientific & Hygienic C & T Launch

From the Desk of Chairman

Dear Shareholders

I am pleased to share with you the annual report for the fiscal year 2016-17, when your Company has stayed the course on a difficult path to long-term sustainability. We have made significant progress in improving business viability by focusing on completing existing projects and taking up only profitable projects.I welcome you to read through the details of our performance and our prospects, which remain bright.

In 2016, the world economy continued to be affected by the investment slowdown and was further impacted by declining trade in the face of growing protectionism. Hence, recovery in commodity prices and buoyant financial markets during the year did not result in any acceleration of growth momentum. The growth in economic output in 2016 stayed stagnant at 3.1%, same as 2015. However, the tide has started turning since the last quarter of 2016 and outlook for global economy in 2017 was positive. International Monetary Fund (IMF) has forecast a 3.4% growth, with the acceleration of both organized and developing economies. The Indian economy is also expected to do better in FY18 than the 7.1% GDP growth in FY17, and will remain as the fastest growing large economy in the world.

FY17 saw the Indian government pushing the envelope hard on the reforms front with the passage of Goods & Services Tax Act, Insolvency and Bankruptcy Code, enforcement of Real Estate (Regulation and Development) Act, liberalization of Foreign Direct Investment norms in many sectors and further increase in investments in the infrastructure sectors. However, the one initiative that gathered most attention was demonetization of high value currency notes that amounted to nearly 80% of the value of cash in the economy. Demonetization did affect the growth momentum in the third and fourth quarter of the fiscal year, thus slowing down the growth to 7.1% in FY17. The overall sound macroeconomic conditions, reform push, improving global economy and underlying resilience of the economy meant that the growth momentum returned by the first quarter of FY18. This is likely to further gather steam with the predicted good monsoon and expected reduction in interest rates by the Reserve Bank.

Overall economic growth and especially reform push by the Government are expected to positively impact the sectors in which your Company operates. Overall increase in the budget outlays for the infrastructure sector will also boost the opportunities for EPC players, for e.g. allocations under the Integrated Power Development Scheme (IPDS) and Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) were increased by 35% to Rs 10,635 Crore in Budget 2017 from the revised estimate of Rs. 7,874 Crore in FY17. Recently the central government has declared a budget of Rs. 75,000 to 78,000 Crore for building PAN India Optical Fibre Cable Network specially to reach each Gram Panchayat of India. However, given the anemic credit growth due to NPA issues faced by banks, the recovery in capital investment will continue to be slower than the economic potential. Telecom sector is going to see consolidation going forward because of the disruption brought about by launch of Reliance Jio in September 2016, as seen from the proposed Airtel – Telenor and Vodafone – Idea mergers that were announced recently. The Government has also kept the 5G launch target of 2022 intact in spite of the debt overhang on the sector from spectrum purchases. These factors point to continued investment by the industry majors to retain their market shares. Focus on urbanization and improvement in urban infrastructure and sanitation by the Government is pushing municipal bodies across the country to adopt modern waste management techniques and outsourcing to specialized private players. Commercial Real Estate segment has been a lone bright spot in the real estate market in the last few years. With the launch of Real Estate Investment Trusts (REITs) and 100% FDI in ready projects, institutional investment in the sector will see a huge spurt, in turn leading to more Grade 'A' properties in the country. Hence, all these factors put together allow us to conclude that the Group's businesses have a bright future ahead.

The strategic realignment that we embarked upon few years back is not yet complete and is yet to help us achieve turn around. During the year we posted a higher loss as compared to previous year, however in addition to the declining revenue we were also hit by one-off items such as impairment of project assets and deferred tax exposure. These results are but a temporary setback, which have not undermined our confidence in the steps that we implemented and continue to push to achieve long term sustainability.

On the positive side, the Company has executed most of the old EPC projects successfully, which has generated enough confidence in customers and banks. This would be a key factor in getting new business for the Company, since most of the Infrastructure Companies have struggled and could not survive in recent difficult times. Very few companies could survive and are on revival path and your Company is one of those few companies. Since the Government is increasing the spending on infrastructure to overcome the investment deficit and accelerate growth, this gives your Company a good opportunity to benefit from, as it is fully geared to take up new projects in times to come.

Your Company has a promising future because of its contribution to nation building in key sectors of the world's fastest growing large economy. We are working hard on realizing this potential with a well-crafted strategy. I would like to thank our shareholders, customers, investors, suppliers, the exchequer and employees for their continued trust in us and our long-term success story.

Best regards

Surender Kumar Tuteja
Chairman

Message from the Managing Director

Dear Shareholders

It is my pleasure to share with you the Company's performance for the financial year 2016-17 (FY17). The said year was a tumultuous one for the economy and your Company. Similar to the decline in GDP growth for the country to 7.1% in FY17 even with increased pace of reforms, the Company also saw increase in losses in spite of continued push for strategic realignment of businesses.

Year 2016 was a difficult year for the global economy because of slowdown in developed countries, especially USA and increasing protectionism across the world. Similarly in India the holdback in private investment affected the growth in the first two quarters of FY17 and demonetization affected the last two quarters. These factors did had an impact on the Company's performance during the year.

Our strategy in the last few years has been to focus on execution of business-on-hand to ensure financial viability of the operations and consolidation of operational capabilities. Success in the business portfolio that the Company operates is determined by superior execution capability and this was our focus during this time. However, dependence on external factors can impact our performance and profitability. In a difficult macro environment, these effects are amplified. Hence, even though we continued to pursue our strategic realignment with all sincerity, external environment affected our performance. However, given the improving business environment we are hopeful of delivering a much better performance going ahead because of the realignment.

On the operations front there were many achievements during FY17. Our efforts of increasing footprint in international market have started paying off, and we have added Nepal and Tanzania as new business territories by getting new orders. Also, we have started commercial production of E-bicycles which is pollution free, battery based bicycle with an option of using it as an inverter as well. This is a product of the future and we are getting a very good response from the market. In addition to this new development, we have successfully streamlined Magic Genie B2C operations in NCR and in next phase pan-India roll out will take place. In recent times, the Government has taken several initiatives in waste management and new concept has been introduced in Collection & Transportation (C&T) for making collection and transportation more efficient and hygienic and we are one of the front runners to get benefits of these initiatives by getting good business. On EPC front we have been executing old orders successfully, and have recently started bidding for new projects and adding new orders progressively in power and telecom sector.

Diversification has been one of our key strategies to ensure financial viability of the Company. This includes diversification of product portfolio, for e.g. the Telecom EPC business that we added a few years back. One of the major diversification objective is acquiring a wider customer mix across governments, civic bodies, private sector companies and retail presence. With our innovative products Magic Genie Green Toilets and Home Cleaning Services, we have taken the Facility Management Services business right to the doorstep of the consumers. We have also succeeded in entering new countries, such as Nepal and Tanzania to broaden our geographic presence and are also currently executing projects in other African countries such as Uganda and Zambia.

This year also, we were focusing on executing old orders and although we have started taking new orders but starting of execution of these new orders will take some time. In FY17, the Company's operating revenues were Rs. 635 Crore in comparison with Rs. 961 Crore in FY16, a decline of 34%. On a consolidated Group basis, the operating revenues went down by 26.2% from Rs. 1,349 Crore in FY16 to Rs. 996 Crore in FY17. The net loss at the Company level increased from Rs. 40 Crore in FY16 to Rs. 139 Crore. Similarly at the Group level, it increased from Rs. 131 Crore in FY16 to Rs. 305 Crore in FY17. One time hits from exceptional item of Rs. 99 Crore related to charge for impairment of power generation plants in Punjab and write-off of some non-recoverable assets, and a deferred tax charge contributed majorly to the profitability decline.

The numbers however do not reflect the true successes of our pursuit to transform the Group into a value-creating organization. We, along with the whole Infrastructure industry, faced a very tough time and we are one of those who could survive the turbulence of infrastructure industry, any business success depends on it's operational and financial success and we have already proved our operational success by completing our old contracts successfully and our efforts will reflect by achieving improvement in financial situations very soon. We are committed to pursuing this endeavor of ours and with a supporting business environment deliver outstanding performance going forward. I would like to thank all the stakeholders for their continued trust and contributions. I would like to place on record my gratitude to the Board of Directors for their ample support and guidance. Our wonderful team is determined and will rest only when we achieve our goals for taking the organization to unforeseen heights and I thank them for their perseverance.

Sincerely yours

Amit Mittal
Managing Director

Board of Directors

Dr. Ashok Kumar Saini
Whole Time Director

Dr. Ashok Kumar
Non-Executive
Independent Director

Mr. Amit Mittal
Managing Director

Mr. Surender Kumar Tuteja
Non-Executive
Independent Chairman

Ms. Dipali Mittal
Non-Executive Non-Independent Director

Mr. Rajesh Jain
Whole Time Director & CEO

Mr. Gaurav Jain
Non-Executive Non-Independent Director

Corporate Information

BOARD OF DIRECTORS

Mr. Surender Kumar Tuteja
Non-Executive Independent Chairman

Dr. Ashok Kumar
Non-Executive Independent Director

Mr. Amit Mittal
Managing Director

Mr. Rajesh Jain
Whole Time Director & CEO

Dr. Ashok Kumar Saini
Whole Time Director

Ms. Dipali Mittal
Non-Executive Non-Independent Director

Mr. GauravJain
Non-Executive Non-Independent Director

CHIEF FINANCIAL OFFICER

Mr. G. R. Nagendran

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Atul K. Agarwal

STATUTORY AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

M/s. Alankit Assignments Limited
Alankit Heights
1E/13, Jhandewalan Extension
New Delhi - 110 055
Ph.: +91 11 42541234, 23541234
Fax: +91 11 2355200

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 INSTITUTIONS

1. State Bank of India
2. Standard Chartered Bank
3. IDBI Bank Limited
4. ICICI Bank Limited
5. Axis Bank Limited
6. IndusInd Bank Limited
7. Allahabad Bank
8. Union Bank of India
9. Kotak Mahindra Bank Limited
10. YES Bank Limited
11. DBS Bank Limited
12. The Hongkong and Shanghai Banking Corporation Limited (HSBC Bank)
13. SICOM Limited

Boards' Report

To,
The Members of
A2Z Infra Engineering Limited

Your Directors take pleasure in presenting the Sixteenth Annual Report together with the annual audited financial statements for the year ended March 31, 2017.

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

The highlights of financial results on Standalone and Consolidated basis for the financial year ended on March 31, 2017 are as follows:

(INR in lakh)

	Standalone		Consolidated	
Particulars	**2016-17**	**2015-16**	**2016-17**	**2015-16**
Revenue				
Revenue from Operations	63,455.83	96,138.78	99,550.84	1,34,875.78
Add: Other Income	1,563.48	3,337.82	3,773.05	3,509.88
Total revenue	**65,019.31**	**99,476.60**	**1,03,323.89**	**1,38,385.66**
Expenses				
Cost of Material Consumed	47,240.91	77,754.10	56,340.53	87,420.68
Purchase of Stock in Trade	4,996.99	2,512.63	4,996.99	2,512.63
Changes in Inventories	-	7.38	(145.68)	38.58
Employee benefit expenses	1,965.05	2,346.24	25,280.45	25,982.30
Finance Cost	11,967.31	11,743.21	20,053.32	19,843.17
Depreciation and amortization expenses	1,447.52	1,657.35	4,307.91	4,578.38
Other Expenses	4,501.85	7,384.00	6,980.62	10,627.93
Total Expenses	**72,119.63**	**1,03,404.91**	**1,17,814.14**	**1,51,003.67**
Loss before Exceptional Items and Tax	**(7,100.32)**	**(3,928.31)**	**(14,490.25)**	**(12,618.01)**
Exceptional Items	(959.58)	-	(9,877.58)	-
Loss before Tax	**(8,059.90)**	**(3,928.31)**	**(24,367.83)**	**(12,618.01)**
Tax expense				
Current Tax	3.67	38.06	237.67	794.54
Reversal of Tax expense relating to prior years	-	-	(3.78)	(343.06)
Deferred Tax (Net)	5,855.41	54.53	5,968.30	108.91
Total Tax Expense	**5,859.08**	**92.59**	**6,202.19**	**560.39**
Loss for the year	**(13,918.98)**	**(4,020.90)**	**(30,570.02)**	**(13,178.40)**
Other Comprehensive Income				
i) Items that will not be reclassified to profit and loss	29.58	(16.64)	57.44	111.11
ii) Income Tax relating to Items that will not be reclassified to profit and loss	-	-	-	(30.58)
Total Comprehensive Income	**29.58**	**(16.64)**	**57.44**	**80.53**
Total Comprehensive income (Comprising Loss and other Comprehensive Income)	**(13,889.40)**	**(4,037.54)**	**(30,512.58)**	**(13,097.87)**

Note: The above figures are extracted from the Standalone and consolidated annual financial statements of the Company as per Indian Accounting Standards (Ind AS). For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

Indian Accounting Standards

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain class of Companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. For our Company, Ind AS is applicable from April 1, 2016, with a transition date of April 1, 2015 and IGAAP as the previous GAAP.

Operations Review

Standalone:

During the year under review, the turnover of the Company has shown a decrease as compared to that of the previous year figure by 34.00 %.The Company has achieved a turnover of INR 63,455.83 Lakh as against INR 96,138.78 Lakh in the previous year. The Company has made net loss after tax of INR 13,889.40 Lakh whereas in the previous year Company has made loss of INR 4,037.54 Lakh.

The Net Worth of the Company has decreased to INR 60,470.49 Lakh as at the end of the current year from INR 71,252.61 Lakh as at the end of the previous year representing a decrease in Net Worth by 15.13 %.

The Debt Equity ratio of the Company has gone up to 1.59 as at the end of the current year as compared to 1.31 as at the end of the previous year.

Consolidated:

The consolidated Turnover of the Company for the current financial year is INR 99,550.84 Lakh as against INR 1,34,875.78 Lakh in the previous year representing decrease in Turnover by 26.19 %.The Company on consolidated basis has made a net Loss of INR 30,512.58 Lakh as against INR 13,097.87 Lakh in the previous year.

The consolidated Net Worth of the Company has come down to INR 35,868.08 Lakh as at the end of the current year from INR 49,093.04 Lakh as at the end of previous year representing a decrease in Net Worth by 26.94 %.

The consolidated Debt Equity ratio of the Company has gone up to 4.59 as at the end of the current year compared to 3.24 as at the end of previous year.

2. Consolidated Financial Statements

The Audited Consolidated Financial Statements of your Company as on March 31, 2017, have been prepared in accordance with the relevant Indian Accounting Standards (Ind AS) hosted by MCA on its Website and Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

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

3. Dividend

On account of the losses reported by the Company during the current financial year, the Board of Directors do not recommend any dividend for the financial year ended March 31, 2017.

4. Operational highlights

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

Power Transmission & Distribution:

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

- Substations & Switchyards up to 765 kV
- Transmission lines up to 765 kV
- 11 / 33 kV distribution lines comprising of Feeder Renovation Projects, High Voltage Distribution System, AT&C Loss Reduction, Tube Well Connection, Segregation of Domestic and Agriculture load, Augmentation of Lines, Providing Laying of HT & LT Aerial Bunched Cables and Offering BPL Connections.

Company has its presence out of India in Nepal, Zambia, Uganda, Kenya and Tanzania.

Telecom Infrastructure EPC

The Company has a strong and proven presence in the potential business of Telecom Infrastructure projects on Turnkey basis. Your company is successfully executing orders for construction of Telecom Network Backbone on Turnkey basis is the toughest terrains of the country to help in building the optical Network to cover every part of the Nation.

Your Company is maintaining the Network of one of the largest Telecom Operator in India. A2Z is now expanding its System Integration capabilities to build and operate Data Network and Digital Transmission of Telecom Operators.

Your Company is also planning to foray into the area of building and operating Surveillance Networks of ongoing Smart Cities Project.

Waste to Energy

The Company being an Infrastructure Company provides solutions that promote Clean and Green Energy. The Company is attempting to build 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 has taken significant steps for generation of power from renewable energy sources like RDF & Biomass. The Company has entered into collaboration with sugar mills for setting up three power plants on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years in the state of Punjab.

5. Change in the nature of business

During the year under review, the Memorandum of Association (''MOA") of the Company has been amended via special resolution passed through Postal Ballot on 19th July, 2016 by inserting new sub-clauses 9 & 10 in the Main object clause under Part- A of Clause III to undertake the manufacture or production, and otherwise dealing in all kinds of telecom equipment's for all type of wireline and wireless networks, etc. However there is no change in the main business activities of the Company.

6. Material Changes and Commitments

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

7. Updates on Corporate Debt Restructuring (CDR)

As approved by Corporate Debt Restructuring Empowered Group ("CDR EG"), Corporate Debt Restructuring (CDR) package of Company for restructuring of its debts has been successfully implemented. Company has duly complied and continues to comply with the terms and conditions of approved CDR package. The CDR Lenders of the Company have appointed SBICAP Trustee Company Limited (SBICAP) as their Security Trustee on the terms and conditions contained in Security Trustee Agreement executed on March 27, 2014 among the Company, Lenders, and the Security Trustee. For securing the due repayment, discharge and redemption of all the Facilities by the Company to the CDR Lenders together with interest, additional interest, liquidated damages, and other monies in accordance with the Master Restructuring Agreement (MRA), the security creation by way of charge on the assets of the Company and pledge of shares of the Promoter/Promoter Group in favour of the security trustee for and on behalf of the CDR Lenders have been successfully completed.

Your Company is committed to honour its debt obligation in time and has always maintained very good relations with all its lenders but due to delayed realization of past receivables from Govt Agencies/ PSUs and also slowdown in its operations and fall in revenue caused severe liquidity crunch at times and as a result, there has been delay at times in debt servicing to Lenders.

Management of the Company is exploring various opportunities including bidding in International Market, and in short time Company has already received new orders from International market mainly from new territories. With the increase in International exposure and limiting risk in all projects of EPC, Company expects good business recovery in coming times and will be able to meet its debt service obligations.

8. Scheme of Arrangement/Reconstruction/Re-Organization

The Scheme of Arrangement/Reconstruction/Re-Organization ("the Scheme") between your Company and its Secured Creditors under Sections 391 to 394 of the Companies Act, 1956 for implementation of the Corporate Debt Restructuring Package ("CDR Package") as approved by the Corporate Debt Restructuring Empowered Group ("CDR EG") on all the Secured Creditors of the Company was earlier approved by the Board of Directors during the F.Y. 2014-15.

The Company's Petition for first Motion has been disposed off by the Hon'ble High Court of Punjab & Haryana at Chandigarh and the Company has filed a Petition for second Motion in connection with the Company's earlier Petition in this matter.

The matter is presently sub-judice with the NCLT/Hon'ble High Court of Punjab & Haryana at Chandigarh.

9. Deposits

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

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

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

11. Internal Financial Controls and systems:

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

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

Significant observations including recommendations for improvement of the business processes are reviewed by the Management before reporting to the Audit Committee. The Audit Committee then reviews the Internal Audit reports and the status of implementation of the agreed action plan. This system of internal control facilitates effective compliance of Section 138 of Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Board regularly reviews the effectiveness of controls and takes necessary corrective actions where weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls. Based on this evaluation, there is nothing that has come to the attention of the Directors to indicate any material break down in the functioning of these controls, procedures or systems during the year. There have been no significant events during the year that have materially affected, or are reasonably likely to materially affect, our internal financial controls.

12. Secretarial Standard

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

13. Share Capital

Authorised Share Capital:

There was no change in Authorised Share Capital of the Company. At present, the Authorised Share Capital of the Company is Rs. 160,00,00,000 (Rupees One Hundred Sixty Crore Only) divided into 16,00,00,000 (Sixteen Crore) equity shares of Rs. 10/- (Rupees Ten only) each.

Paid up Share Capital:

During the year, following allotments were made: -

1. The Nomination & Remuneration Committee of the Board of Directors of the Company in its meeting duly held on August 02, 2016 has allotted 2,28,000 (Two Lakh Twenty Eight Thousand) Equity Shares on the conversion of the ESOP's as per Employee Stock Option Plan, 2013 and 9,00,000 (Nine Lakh) Equity Shares on the conversion of the ESOP's as per Employee Stock Option Plan, 2014 of face value of Rs.10/- each to the eligible Employees of the Company who have exercised their stock options under the A2Z Employee Stock Option Plan 2013 & 2014.
2. The Board of Directors in its meeting duly held on September 15, 2016 has allotted 16,00,000 (Sixteen Lakh) equity shares pursuant to conversion of warrants into equal no. of equity shares of face value of Rs. 10/- each at an issue price of Rs. 21.66/- each.
3. Further, the Nomination & Remuneration Committee of the Board of Directors of the Company in their meeting duly held on December 01, 2016 has allotted 1,67,495 (One Lakh Sixty Seven thousand Four Hundred Ninety Five) Equity Shares of the face value of Rs.10/- each on the conversion of the ESOP's as per Employee Stock Option Plan, 2013 and 3,15,000 (Three Lakh Fifteen Thousand) Equity Shares of the face value of Rs.10/- on the conversion of the ESOP's as per Employee Stock Option Plan, 2014.
4. Further the Board of Directors in its meeting duly held on December 30, 2016 has allotted 9,07,788 (Nine Lakh Seven Thousand Seven Hundred Eighty Eight) equity shares pursuant to conversion of warrants into equal no. of equity shares of face value of Rs.10/- each at an issue price of Rs. 21.66/- each.
5. Further the Board of Directors in its meeting duly held on March 16, 2017 has allotted 1,39,37,206 (One Crore Thirty Nine Lakh Thirty Seven Thousand Two Hundred Six) equity shares pursuant to conversion of warrants into equal no. of equity shares of face value of Rs. 10/- each at an issue price of Rs. 21.66/- each

   Update on Warrants: The Company had allotted 2,46,95,780 (Two Crore Forty Six Lakh Ninety Five Thousand Seven Hundred Eighty)Warrants convertible into equal no. of equity shares of Company in the meeting of the Board of Directors of the Company held on 17th September, 2015 to the persons other than the promoters. The issuance of said Warrants was duly approved by the Shareholders of Company through Special Resolution passed in their Extra Ordinary General Meeting held on 17th August, 2015. All the above mentioned Warrants have been converted into equal number of fully paid equity shares of the Company as on 16th March, 2017 and the Company has received total amount of Rs. 53,49,10,595/- (Rupees Fifty Three Crore Forty Nine Lakh Ten Thousand Five Hundred Ninety Five only) pursuant to such conversion.

   Consequent to the above said allotments, the paid up share capital of the Company was increased to Rs. 144,94,94,690/- (Rupees. One Hundred Forty Four Crore Ninety Four Lakh Ninety Four Thousand Six Hundred Ninety Only) divided into 14,49,49,469 (Fourteen Crore Forty Nine Lakh Forty Nine Thousand Four Hundred Sixty Nine) Equity Shares of Rs. 10/- each as at March 31, 2017.

14. Subsidiaries, Joint Ventures, and Associate Companies

As on March 31, 2017, the Company had 32 (Thirty Two) direct and step down subsidiary Companies. Further the Company has entered into Joint Venture agreements with unincorporated JV's for bidding of tenders & contracts the details of which is given in the note no. 34 & 35 to the standalone and note no. 34 & 35 to the consolidated financial statements. Also the Company is a member of an association of person (AOP) in which Company is having 60% sharing in profits.

As per sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements and performance of the Company's subsidiaries and associate company for the year ended March 31, 2017, is included as per the prescribed format in this Annual Report. The Financial Statements of these subsidiaries are uploaded on the website of the Company in compliance with Section 136 of the Companies Act, 2013. The Financial Statements of these subsidiaries and the other related detailed information will be made available to any Member of the Company /its subsidiary(ies) seeking such information at any point of time and are also available for inspection by any Member at the Registered Office of the Company on all working days during business hours upto the date of the Annual General Meeting.

During FY 2016-17, there has been no major change in the nature of business of your Company and its subsidiaries.

During the year under review, two step down subsidiaries i.e. A2Z Infraservices Lanka (Pvt.) Limited and Magic Genie Smartech Solutions Limited were incorporated on January 06, 2017 & June 24, 2016 respectively and Green Waste Management Private Limited has ceased to be a subsidiary of the Company w.e.f September 23, 2016.

In terms of the Regulation 46(2)(h) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy for determining material subsidiaries is placed on the website of the Company -www.a2zgroup.co.in.

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

15. Auditors

Statutory Auditors and Auditors' Report

M/s. Walker Chandiok & Co LLP (Firm Registration No. 001076N/N500013), Chartered Accountants, were appointed as auditors of the Company from the conclusion of the Thirteenth Annual General Meeting (AGM) of the Company held on September 27, 2014 to the conclusion of the Eighteenth Annual General Meeting to be held for the Financial Year 2018-19, subject to ratification of their appointment at every Annual General Meeting (AGM). In view of the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the Company has received a letter from Walker Chandiok & Co LLP to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and the Rules framed thereunder and that they are not disqualified for such appointment within the meaning of the said Act.

The Board of Directors recommends to the Members to pass the resolution ratifying the appointment of Walker Chandiok & Co LLP as the Auditors of the Company as stated in Item No. 3 of the Notice, convening the ensuing Annual General Meeting.

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 March 31, 2017 is self-explanatory and requires no comments and the Management replies to the audit observations are as under:

Explanation to Point (vii)(a),(b) & (viii) of Auditor's report on Standalone Financials of A2Z Infra Engineering 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 realization of trade receivables coupled with delays in commencement of commercial production at its biomass based power generation plants. The approved CDR package of the Company which got implemented in March 2015 only, envisages the due payment towards statutory dues of the Company. Further, the Company has requested all its lenders to expedite the GAP funding proposal and has also fasten its process for realization of fund from old completed projects, which will result in better cash flow position from the projects. The management believes that by that way Company shall make the payments as and when the funds are released by the bankers.

Explanation to Para 9(i) of Auditor's report on Consolidated Financials of A2Z Infra Engineering Limited, its subsidiaries, joint ventures and associates & Para 9 (a) of Auditor's report on Standalone Financials of A2Z Infra Engineering Limited

The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2017, such plants have a power generation capacity of 15 MW each. The assessment has been done on the basis of assumptions of useful life of assets, discounted cash flows with significant underlying assumptions, achievement of certain operating capacity and the ability of new technology to perform on a consistent basis.

Based on the assessment and advice from an independent legal counsel on the availability of concession period, including renewal period by exercising the option for renewal/ extension of the concession period, the management, is confident, that there exists reasonable certainty that arrangement shall be extended for a term of five (5) years. The management believes that the estimates of the useful lives are reasonable and no impairment exists in the carrying value of power generation plants.

Explanation to para 9(ii) of Auditor's report on Consolidated Financials of A2Z Infra Engineering Limited, its subsidiaries, joint ventures and associates & para 9 (b) of Auditor's report on Standalone Financials of A2Z Infra Engineering Limited

Contract revenue in excess of billings amounting to INR 12,759.95/- Lakh pertains to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing of these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/ survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussions with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to bill and recover the amounts owing to completion of certain administrative and contractual matters, no adjustments are required in respect of these unbilled receivables.

Explanation to para 9(iii) of Auditor's report on Consolidated Financials of A2Z Infra Engineering Limited, its subsidiaries, joint ventures and associates & para 9 (c) of Auditor's report on Standalone Financials of A2Z Infra Engineering Limited

The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the

Assessment Orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of INR 1,992.17 Lakh The Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority has granted partial relief to the Company. The Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the Orders for these assessment years.

Based on their assessment and upon consideration of advice from the independent legal counsel, the management believes that the Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending final decision on these matters no adjustment has been made in the financial statements.

Explanation to para 9(iv) of Auditor's report on Consolidated Financials of A2Z Infra Engineering Limited, its subsidiaries, joint ventures and associates & para 9 (d) of Auditor's report on Standalone Financials of A2Z Infra Engineering Limited

The following subsidiary companies, A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Varanasi) Limited, A2Z Waste Management (Aligarh) Limited, A2Z Waste Management (Fatehpur) Limited, A2Z Waste Management (Moradabad) Limited and A2Z Waste Management (Ranchi) Limited have incurred net loss for the year ended March 31, 2017 of INR 116.81 lacs, INR 1,062.25 lacs, INR 426.85 lacs, INR 135.74 lacs, INR 631.06 lacs and INR 50.61 lacs respectively and as at March 31, 2017 their accumulated losses amounted to INR 664.48 lacs, INR 1,919.46 lacs, INR 980.03 lacs, INR 428.43 lacs, INR 2,098.68 lacs, and INR 790.78 lacs respectively resulting in complete erosion of the net worth and are presently facing liquidity problems on account of non-realization of trade receivables.

Management is in the process of exploring various options to revive their business and has initiated arbitration proceedings against the respective municipal authorities for realization of the outstanding receivables. Based on independent legal advice, the management believes that amount recoverable from such arbitration proceedings shall be in excess of the aforementioned accumulated losses and shall result in the requisite cash inflow which shall resolve the liquidity issues being presently faced by the Company and support the management plan of revival of business. Hence, the financial statements of the aforementioned subsidiaries have been prepared on the assumption of going concern and no adjustment is necessary to be made in the consolidated financial Statements.

Branch Auditors

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

Secretarial Auditor

In terms of the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. DR Associates, Company Secretaries as Secretarial Auditors to conduct Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report given by Mr. Suchitta Koley, a partner of M/s DR Associates, Company Secretaries in practice, New Delhi is given as **Annexure B** (Form MR-3) which forms part of this report.

The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by the secretarial auditor.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records in respect of road and construction activity need to be audited. In compliance to the above, the Board of Directors upon the recommendation of the Audit Committee had appointed M/s HAM & Associates, as the Cost Auditors of the Company for the Financial Year ended March 31, 2017. In accordance with the above provisions the remuneration payable to the cost auditor should be ratified by the Members. Accordingly, the Board of Directors recommends to the Members to pass the resolution, as stated in Item No. 9 of the Notice convening the forthcoming Annual General Meeting.

16. Corporate Social Responsibility (CSR)

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules framed thereunder, the Company has constituted a Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors on August 14, 2014. The CSR Committee comprises of three Directors viz. Mr. Amit Mittal, Mr. Surender Kumar Tuteja and Ms. Dipali Mittal as members of the committee. The CSR Policy of the Company as recommended by the CSR Committee and approved by the Board is placed on the website of the Company and may be accessed via following link.- http://media.a2zgroup.co.in/pdf/CSR_Policy_A2Z.pdf

The average net profits calculated as per provisions of Section 198 of the Companies Act, 2013 for of the preceding three (3) financial years being negative, the Company was not under any obligation to spend any amount on CSR.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment & Resignation of Directors/KMP's

1. Mr. Gaurav Jain, who was appointed as an Additional Director of the Company w.e.f. September 23, 2015 under the category of Non-Executive Non Independent Director was regularized as Director of the Company under the category of Non-Executive Non Independent Director w.e.f September 24, 2016.

2. Mr. Lalit Mohan Gulati who was appointed as Chief Financial Officer (CFO) of the Company effective from September 23, 2015 a Key Managerial Personnel of the Company, resigned from his position w.e.f September 10, 2016.

3. Mr. G R Nagendran was appointed as Chief Financial Officer (CFO) and designated as a Key Managerial Personnel of the Company w.e.f September 11, 2016.

   After the Financial Year under review, Mr. S.P. Yadav Who was appointed as Independent Director of the Company from February 03, 2014, resigned from his position effective from July 24, 2017 and Ms. Dipali Mittal has resigned from the position of Whole Time Director of the Company w.e.f August 14, 2017, however she will continue as Non-Executive Non-Independent Director of the Company.

4. **Retire by Rotation**

   In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Ashok Kumar Saini, Director, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

5. Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Companies Act, 2013 read with the Rules framed thereunder, the Key Managerial Personnel's (KMP's) of the Company as on 31st March 2017, are:

   1. Mr. Amit Mittal, Managing Director
   2. Mr. Rajesh Jain, Whole Time Director and CEO
   3. Ms. Dipali Mittal, Whole Time Director
   4. Dr. Ashok Kumar Saini, Whole Time Director
   5. Mr. G R Nagendran, Chief Financial Officer
   6. Mr. Atul Kumar Agarwal, Vice President & Company Secretary

18. Policy on Directors' appointment and Remuneration

As on March 31, 2017, the Board consists of eight members, four of whom are Executive or Whole Time Directors, one is Non-Executive and Non-Independent Director and other three are Independent Directors.

The Policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub section (3) of section 178 of the Companies Act, 2013, is also available on the Company's website. There has been no change in the policy since the last financial year. We affirm that the remuneration paid to directors is as per terms laid out in the Nomination and Remuneration Policy of the Company.

19. Declaration by Independent Director(s)

The Company has received necessary declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as laid down in section 149(6) of the Companies act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

20. Annual evaluation of Board Performance and Performance of its committees and Individual Directors

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and as per the guidance note issued by SEBI dated January 5, 2017 vide its Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004.

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

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

The Board and the Nomination & Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, willingness to devote time and effort to understand the company and its business by the directors, competency to take the responsibility and having adequate qualification, experience and knowledge, quality and value of their contributions at board meetings, effectiveness of Leadership quality of the Chairman etc. In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors were also discussed.

21. Number of meetings of the Board of Directors

During the year eight meetings of the members of Board and one meeting of Independent Directors were held, the details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (Listing

Obligations and Disclosures Requirements) Regulations, 2015, were adhered to while considering the time gap between two consecutive meetings.

22. Disclosures Related to Committees and Policies

a. Audit Committee

The composition of the Audit Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Audit Committee as on 31st March 2017, comprises of:

1. Mr. Surender Kumar Tuteja, Chairman
2. Dr. Ashok Kumar, Member
3. Mr. Suresh Prasad Yadav, Member
4. Mr. Gaurav Jain, Member

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Directors was reconstituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Companies Act, 2013 & Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee as on 31st March 2017, comprises of the following directors:

1. Mr. Suresh Prasad Yadav, Chairman
2. Mr. Surender Kumar Tuteja, Member
3. Dr. Ashok Kumar, Member

c. Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has constituted the Stakeholders Relationship Committee as on 31st March 2017, comprising the following Directors:

1. Dr. Ashok Kumar, Chairman
2. Mr. Suresh Prasad Yadav, Member
3. Ms. Dipali Mittal, Member

23. Remuneration Policy for the Directors, Key Managerial Personnel and other employees

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

The Remuneration Policy of the Company is attached herewith and marked as **Annexure C** and may be accessed via following link.-

http://a2zgroup.co.in/pdf/Remuneration_Policy.pdf

24. Vigil Mechanism / Whistle Blower Policy

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

http://a2zgroup.co.in/pdf/Whistle_Blowe_13_Apr_2015.pdf.

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

25. Particulars of Loans, Guarantees or Investments under Section 186

Particulars of loans, guarantees, investments covered under section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements provided in this Annual Report. All the loans, guarantees and investments made are in compliance with the provisions of the Companies Act, 2013.

26. Related Party Transactions:

Related party transactions that were entered into during the financial year were in the ordinary course of business and on an arm's length basis.

The particulars of the contract or arrangements with related parties during the financial year 2016-17 are disclosed in **Form No. AOC -2** which forms part of the Annual Report as an **Annexure D**. Except as stated in the disclosure, there were no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Policy on materiality of related party transactions as also dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://a2zgroup.co.in/pdf/Related_Party_Policy 13_Apr_2015.pdf.

All Related Party Transactions which were in the ordinary course of business and on arm's length basis were placed before the Audit Committee for their approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their ratification on quarterly basis.

27. Employee Stock Option Plan

The Nomination & Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the A2Z Stock Option Plan 2010 (ESOP 2010), A2Z Employees Stock Option Plan 2013 (ESOP 2013) and A2Z Employees Stock Option Plan 2014 (ESOP 2014) of the Company in accordance with the applicable SEBI Guidelines.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31st March 2017 with regard to the ESOP 2010, ESOP 2013 and ESOP 2014 are provided in **Annexure E** to this Report.

The certificates from the Auditors of the Company that the Schemes have been implemented in accordance with the SEBI Guidelines/ SEBI (Share Based Employee Benefit) Regulations and the resolution passed by the members would be placed at the Annual General Meeting for inspection by members.

28. Extract of Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return as per Form- MGT-9 for the financial year ended March 31, 2017 made under the provisions of Section 92(3) of the Act is attached as **Annexure F** which forms part of this Report.

29. Prevention of Sexual Harassment at Workplace:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, your Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

30. Particulars of Employees and Related Disclosures

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

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

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached as **Annexure H** which forms part of this report.

32. Disclosure requirements

a. As per Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Corporate Governance report with auditors' certificate from DR Associates thereon and management discussion and analysis are attached, which form part of this report.

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

(URL:http://a2zgroup.co.in/pdf/Familiarization Programme_for_Independent_Directors).

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

33. Listing

The Equity Shares of the Company continue to remain listed on BSE Limited (formerly The Bombay Stock Exchange Limited) and National Stock Exchange of India Limited (NSE). The stipulated listing fees for FY 2017-2018 have been paid to both the Stock Exchanges.

34. Risk Management Policy

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

Therefore, in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management policy for the company in their meeting held on November 13, 2014.

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

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

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

35. Directors' Responsibility Statement

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

a. In the preparation of the annual accounts for the Financial Year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2017 and of the profit and loss of the company for that period;

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

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

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

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

36. Fraud Reporting

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

37. General

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

1. No profits were transferred to any Reserves.
2. Voluntary revision of Financial Statements or Board's Report.
3. No director who is in receipt of any commission from the company and who is managing director or whole-time director of the company has received any remuneration or commission from any holding company or subsidiary company of the company.

   However, Mr. Amit Mittal, Managing Director of the Company has been appointed as Managing Director in A2Z Infraservices Limited ("AISL"), a material subsidiary Company on October 24, 2015. He is in receipt of INR 48,00,000/- p.a. as remuneration w.e.f. July 01, 2016 in his capacity as Managing Director of AISL.

38. Acknowledgement

Your Directors wish to place on record the support, assistance and guidance provided by the financial institutions, banks, customers, suppliers and other business associates. We would like to thank our Company's employees for their tireless efforts and high degree of commitment and dedication. Your Directors especially appreciate the continued understanding and confidence of the Members.

For and on behalf of Board of Directors

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

Date : August 14, 2017
Place: Gurgaon

Annexure-A

Form No. AOC-1
Salient features of the financial statement of the Subsidiaries/Associate/Joint ventures as per Companies Act, 2013
PART "A" : Subsidiaries

S. No.	Name of the Susidiary Company	Date Since When Subsidiary was acquired	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Investments	Total Assets	Total Liabilities	Turnover (Including Other Income)	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	Extent of Shareholding (in percentage)
1	A2Z Green Waste Management Limited (formerly Known as A2Z Infrastructure Limited)	22/03/2007	2016-17	INR	2,275.00	(13,647.89)	6,304.58	51,865.61	63,238.50	4,609.09	(4,610.44)	-	(4,610.44)	-	47.89%
2	A2Z Infraservices Limited	15/04/2008	2016-17	INR	381.60	5,832.43	268.09	21,344.44	15,130.41	25,425.26	648.69	200.64	448.05	-	93.83%
3	Magic Genie Services Limited (formerly Known as A2Z Water Solutions Limited)	10/2/2011	2016-17	INR	8.00	(30.38)	5.00	79.07	101.45	52.73	(64.58)	-	(64.58)	-	75.00%
4	Magic Genie Smartech Solutions Limited	24/06/2016	24.06.2016 to 31.03.2017	INR	5.00	(0.51)	-	4.96	0.47	-	(0.51)	-	(0.51)	-	75.00%
5	A2Z Powercom Limited	28/04/2008	2016-17	INR	12.50	201.10	-	7,309.29	7,095.69	2,962.08	58.73	28.69	30.04	-	100.00%
6	A2Z Powertech Limited	28/04/2008	2016-17	INR	140.00	(139.87)	-	147.60	147.47	-	(28.59)	-	(28.59)	-	100.00%
7	Mansi Bijlee & Rice Mills Limited	10/6/2010	2016-17	INR	5.00	(213.53)	1,834.05	2,518.11	2,726.64	83.71	(76.85)	-	(76.85)	-	100.00%
8	Chavan Rishi International Limited	1/12/1989	2016-17	INR	114.63	107.02	-	1,011.43	789.78	65.71	(27.14)	19.37	(46.51)	-	100.00%
9	Selligence Technologies Services Private Limited	12/8/2008	2016-17	INR	100.00	21.70	-	128.44	6.74	9.84	5.13	1.59	3.54	-	80.00%
10	Star Transformers Limited	21/01/2011	2016-17	INR	202.04	2,038.95	-	2,331.93	90.94	935.48	247.97	92.82	155.15	-	49.00%
11	A2Z Waste Managment (Nainital) Private Limited	28/10/2011	2016-17	INR	5.00	(9.81)	-	667.15	671.96	121.46	(2.23)	-	(2.23)	-	60.45%
12	A2Z Waste Management (Aligarh) Limited*	4/12/2009	2016-17	INR	5.00	(980.03)	-	3,495.37	4,470.40	596.78	(423.38)	-	(423.38)	-	38.31%
13	A2Z Waste Management (Moradabad) Limited*	4/12/2009	2016-17	INR	5.00	(2,098.68)	-	3,884.14	5,977.82	131.22	(631.15)	-	(631.15)	-	38.31%
14	A2Z Waste Management (Merrut) Limited*	4/12/2009	2016-17	INR	5.00	(1,356.13)	25.02	4,878.68	6,229.81	307.09	(294.77)	-	(294.77)	-	38.31%
15	A2Z Waste Management (Varanasi) Limited*	4/12/2009	2016-17	INR	5.00	(1,919.46)	-	10,370.53	12,284.99	260.63	(1,062.24)	-	(1,062.24)	-	38.31%
16	A2Z Waste Managment (Jaunpur) Limited*	9/11/2010	2016-17	INR	5.00	31.81	-	717.04	680.23	0.10	(13.93)	-	(13.93)	-	47.89%
17	A2Z Waste Managment (Badaun) Limited*	10/11/2010	2016-17	INR	5.00	(15.37)	-	1,458.59	1,468.96	46.36	(33.54)	-	(33.54)	-	47.89%
18	A2Z Waste Managment (Sambhal) Limited*	10/11/2010	2016-17	INR	5.00	(35.42)	-	1,423.96	1,454.38	51.26	(21.71)	-	(21.71)	-	47.89%
19	A2Z Waste Managment (Mirzapur) Limited*	10/11/2010	2016-17	INR	5.00	(93.67)	-	1,787.25	1,875.92	26.17	(64.34)	-	(64.34)	-	47.89%
20	Ecogreen Envirotech Solutions Limited (Formerly Known as A2Z Waste Managment (Loni) Limited)**	10/11/2010	2016-17	INR	5.00	91.42	-	109.18	12.76	1.44	(8.38)	-	(8.38)	-	45.98%
21	A2Z Waste Managment (Balia) Limited*	10/11/2010	2016-17	INR	5.00	48.29	-	1,269.29	1,216.00	37.11	(25.70)	-	(25.70)	-	47.89%
22	A2Z Waste Managment (Fatehpur) Limited*	10/11/2010	2016-17	INR	5.00	(428.43)	-	1,783.56	2,206.99	50.62	(135.74)	-	(135.74)	-	47.89%
23	A2Z Waste Managment (Ranchi) Limited*	1/3/2011	2016-17	INR	5.00	(790.78)	25.89	4,725.63	5,511.41	414.75	(50.64)	-	(50.64)	-	47.89%
24	A2Z Waste Managment (Ludhiana) Limited*	14/07/2011	2016-17	INR	5.00	1,198.87	2.55	5,156.29	3,952.42	1,892.14	(170.46)	-	(170.46)	-	47.89%
25	A2Z Waste Managment (Dhanbad) Private Limited*	28/10/2011	2016-17	INR	1.00	(38.81)	-	597.27	635.08	57.96	(2.75)	-	(2.75)	-	47.89%
26	Shree Balaji Pottery Private Limited*	30/04/2012	2016-17	INR	1.00	(19.75)	-	23.24	41.99	-	(3.92)	-	(3.92)	-	47.89%
27	Shree Hari Om Utensils Private Limited*	30/04/2012	2016-17	INR	1.00	(19.28)	-	23.24	41.52	-	(3.90)	-	(3.90)	-	47.89%
28	A2Z Waste Managment (Jaipur) Limited*	10/7/2012	2016-17	INR	5.00	(664.48)	-	228.77	888.25	-	(116.81)	-	(116.81)	-	58.31%
29	A2Z Mayo SNT Waste Management (Nanded) Private Limited*	7/8/2012	2016-17	INR	5.00	(5.08)	-	140.78	140.86	-	(2.34)	-	(2.34)	-	28.73%
30	A2Z Waste Managment (Ahmedabad) Limited*	15/10/2012	2016-17	INR	5.00	(2.99)	-	162.10	160.09	-	(0.78)	-	(0.78)	-	47.89%
31	Earth Environment Management Services Pvt Ltd*	30/06/2014	2016-17	INR	5.00	(1,245.44)	-	18,296.11	19,536.55	-	(229.59)	-	(229.59)	-	47.89%

* Indirect Subsidiaries through A2Z Green Waste Managment Limited ((Formerly Known as A2Z Infrastructure Limited).

** Indirect Subsidiary through A2Z Infraservices Limited.

Names of subsidiaries which are yet to commence operations

1. Mansi Bijlee & Rice Mills Limited
2. A2Z Waste Management (Badaun) Limited
3. A2Z Waste Management (Balia) Limited
4. A2Z Waste Management (Jaunpur) Limited
5. Ecogreen Envirotech Solutions Limited (Formerly known as A2Z Waste Management (Loni) Limited)
6. A2Z Waste Management (Mirzapur) Limited
7. A2Z Waste Management (Sambhal) Limited
8. A2Z Waste Management (Jaipur) Limited
9. Shree Balaji Pottery Private Limited
10. Shree Hari Om Utensils Private Limited
11. A2Z Mayo SNT Waste Management (Nanded) Private Limited
12. A2Z Waste Management (Ahmedabad) Limited
13. Earth Environment Management Services Private Limited
14. A2Z Infraservices (Lanka) Private Limited

Name of subsidiary which has been sold/Strike-off during the year-

1. Green Waste Management Private Limited (formerly known as A2Z Waste Management (Haridwar) Private Limited)

Note: The Company has no Associate companies and joint Ventures, therefore Part B relating to Associates and Joint Ventures is not applicable.

Annexure-B

Form No. MR-3

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

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2017

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

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

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

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

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

(vi) and other applicable laws like Industrial Dispute Act, 1947, Minimum Wages Act, 1948, Payment of Wages Act, 1936 and Rules made thereunder, Payment of Bonus Act, 1965 as amended from time to time, Equal Remuneration Act, 1976, The Payment of Gratuity Act, 1972 and Rules made thereunder, Employees Provident funds and Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948, Maternity Benefit Act, 1961, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996, Punjab Shops & Commercial Establishments Act, 1958, and various rules made thereunder and other laws as are specifically applicable to the company.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

1. **Legal Proceedings against the Company**

There are instances of legal cases filed against the Company under the various laws applicable to the Company. These cases are filed before various courts of the Country under various statutes.

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

There are instances of defaults and late payment of statutory dues under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, Employee's State Insurance Act, 1948, Payment of Wages Act, 1936 and other statutes.

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

The Company has been generally filing the forms and returns with the Registrar within the prescribed time. However, there are few instances where there have been delays.

We report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notices are given to all directors for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.
5. During the year under review:
   a) The Company has filed nine compounding applications under various provisions of the Companies Act, 1956, and matter is yet to be disposed off by the competent authority.
   b) The Company has allotted 1,64,44,994 equity shares in various tranches during the financial year under review on conversion of 1,64,44,994 warrants which were issued by the Board of directors in their meeting duly held on 17th September, 2015.
   c) The Nomination & Remuneration Committee of the company in their meeting duly held on 02nd August, 2016 & 01st December, 2016 have allotted 11,28,000 & 4,82,495 Equity shares respectively pursuant to the exercise of ESOP's to the eligible employees under A2Z Employee Stock Option Plans.

We further report that, subject to the matter of emphasis as mentioned in the report, during the audit period the company has generally complied with the requirements of various Act, Rules and Regulations, guidelines and standards as are applicable to the Company.

For **DR Associates**
Company Secretaries
Sd/-
Suchitta Koley
Partner
CP No.: 714

Place : New Delhi
Date : 29th May, 2017

ANNEXURE-C

Remuneration Policy

A2Z Infra Engineering Limited

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI (LODR) Regulations) the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration cum Compensation Committee comprising of the Directors as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In order to align with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations as amended from time to time, the Board changed the nomenclature of the "Remuneration cum Compensation Committee" as "Nomination and Remuneration Committee" and reconstituted the Committee with three non-executive Independent Directors as Member of the Committee.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. OBJECTIVE

The Key Objectives of the Committee would be:

a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

c. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

III. DEFINITIONS

- "Board" means Board of Directors of the Company.
- "Company" means "A2Z Infra Engineering Limited."
- "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre- determined price.
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- "Key Managerial Personnel" (KMP) means
  - i. Chief Executive Officer;
  - ii. Managing Director;
  - iii. Company Secretary;
  - iv. Whole-time Director;
  - v. Chief Financial Officer, and
  - vi. Such other officer as may be prescribed.
- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement (including any amendment thereof).
- "Policy or This Policy" means, "Nomination and Remuneration Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI (LODR) Regulations and/or any other SEBI Regulation(s) as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that

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

VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

a. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

b. Formulate criteria for evaluation of Independent Directors and the Board.

c. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

d. To carry out evaluation of every Director's performance.

e. To recommend to the Board the appointment and removal of Directors and Senior Management.

f. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

g. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

h. To devise a policy on Board diversity.

i. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

j. To perform such other functions as may be necessary or appropriate for the performance of its duties.

VII. MEMBERSHIP

a. The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.

b. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.

c. Minimum two (2) members shall constitute a quorum for the Committee meeting.

d. Membership of the Committee shall be disclosed in the Annual Report.

e. Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

a. Chairman of the Committee shall be an Independent Director.

b. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

d. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

X. COMMITTEE MEMBERS' INTERESTS

a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

XI. VOTING

a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment criteria and qualifications:

i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

ii. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

iii. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term /Tenure:

i. Managing Director/Whole-time Director/ Manager (Managerial Person):

- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier thanone year before the expiry of term.

ii. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

  Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

3. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

4. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

1. General:

i. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

ii. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company or as may be decided by the Board on the recommendation of Nomination and Remuneration Committee.

iv. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

2. Remuneration to Managerial Person, KMP and Senior Management:

i. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

ii. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

iii. Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3. Remuneration to Non-Executive / Independent Director:

i. Remuneration/Commission:

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

ii. Sitting Fees:

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

iii. Limit of Remuneration/Commission:

Remuneration/Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

iv. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

XIV. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minutes and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

XV. AMENDMENT /DEVIATION TO THIS POLICY

The Board shall amend this policy whenever there are any statutory changes in the relevant law or if it feels there are any changes which need to be incorporated for better Corporate Governance. Furthermore the company may make deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company and there are specific reasons to do so in an individual case.

Annexure-D

Form No. AOC – 2

(Pursuant to clause (h) of sub - section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub - section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm length basis.
2. **Details of material contracts or arrangement or transactions at arm's length basis:** The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2017 are as follows:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the/ contracts arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/ Audit Committee, if any	Amount paid as advance, if any
1	Ms. Dipali Mittal, Whole Time Director of the Company	Lease Deed (O-116, 1st Floor, DLF Shopping Mall, Haryana - 122002)	Tenure of the deed is 3 years starting from 01.09.2014	The amount of lease rent to be paid is as follows: 1st year - Rs. 72,600/- per month, 2nd Year - Rs 79,860/- per month, 3rd Year - Rs. 87,840/- per month.	13.11.2014	NIL
2	M/s. A2Z Waste Management (Ludhiana) Ltd. (Direct Subsidiary of A2Z Green Waste Management Ltd.)	Fuel Purchase Agreement	Four (4) Years and 6 months from the date of execution / Commencement	Purchase/ Sale/ Supply of goods or material or render service of any nature upto an amount not exceeding Rs. 12,00,00,000 /- (Rupees Twelve Crores)	11.02.2016	NIL
3	Ms. Sudha Mittal (Relative of Mr. Amit Mittal, Managing Director)	Lease Deed (Manhattan-2, bearing no. MA-2/1A, Building No. 2, Garden Estate, Gurgaon - 122002, Haryana)	Tenure of the deed is 11+11+11=33 months starting from 01.04.2016	The amount of lease rent paid is 44,000/- Per month.	28.05.2016	NIL
4	Chavan Rishi International Limited	Leasing Services	01.04.2016-31.03.2017	Annual Rent is Rs. 30,00,000/-	28.05.2016	NIL
5	A2Z Infraservices Limited	Availing Facility Management Services	F.Y.2016-17	Annual amount is up to Rs. 2,50,00,000/- (Exclusive of Service Tax)	28.05.2016	NIL
6	Star Transformers Limited	Purchase of Goods / Services: Purchase of transformers	F.Y.2016-17	Annual amount is up to Rs. 10,00,00,000/- only through competitive bidding and best price basis	28.05.2016	NIL
7	Direct/Indirect Subsidiary of the Company	Sale of Goods/ Services	F.Y.2016-17	Sale of Goods/Services up to Rs. 5,00,000/- only.	28.05.2016	NIL

Annexure-E

Disclosure regarding Employees Stock Option Plans of the Company for the year ended March 31, 2017

S.NO	PARTICULARS	A2Z STOCK OPTION PLAN 2010	A2Z EMPLOYEES STOCK OPTION PLAN 2013 Trench I	A2Z EMPLOYEES STOCK OPTION PLAN 2013 Trench II	A2Z STOCK OPTION PLAN 2014
1.	Date of Shareholders Approval	30.03.2010	28.09.2013	28.09.2013	27.09.2014
2.	Number of Stock options granted	4,77,250	16,95,000	19,05,000	45,00,000
3.	Pricing Formula	Rs. 314.13	Rs. 10.35	Rs. 19.95	Rs. 15.50
4.	Option Vested during the year	NIL	NIL	4,23,000	12,90,000
5.	Number of Option exercised during the year	NIL	9,995	3,85,500	12,15,000
6.	Number of Shares arising as a result of exercise of option	NIL	9,995	3,85,500	12,15,000
7.	Variation of terms of options	NONE	NONE	NONE	NONE
8.	Number of option lapsed during the year	1,00,850	NIL	1,89,000	3,40,000
9.	Money realized upon exercise of options	NIL	Rs. 1,03,448	Rs. 76,90,725	Rs. 1,88,32,500
10.	Total number of option in force	1,75,900	10,005	6,05,000	29,45,000
11.	(a) Options granted to senior managerial personnel	As per Appendix–A			
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	As per Appendix–A			
	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			
12.	Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The total employee compensation cost as per fair value method for the financial year 2016-17 is Rs. 140.01 Lakh (2015-16- Rs. 192.87 Lakh) and Rs. 29.52 Lakh (2015-16 Rs. 92.98 Lakh) for group entities.			
13.	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted One Ordinary Share of the Company of Rs. 10.00/- each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the options and expires at the end of five years from the Vesting date.			
14.	a) Weighted average exercise prices of option granted	NA	Rs. 10.35	Rs. 19.95	Rs. 15.50
	b) Weighted average fair value of options granted on the date of grant	Rs. 221.75	Rs. 7.23	Rs. 14.52	Rs. 10.48
15.	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	Rs. 7.23	Rs. 14.52	Rs. 10.48

S.NO	PARTICULARS	A2Z STOCK OPTION PLAN 2010	A2Z EMPLOYEES STOCK OPTION PLAN 2013 Trench I	A2Z EMPLOYEES STOCK OPTION PLAN 2013 Trench II	A2Z STOCK OPTION PLAN 2014
	(ii) Exercise Price	Rs. 314.13	Rs. 10.35	Rs. 19.95	Rs. 15.50
	(iii) Annual Volatility (Standard Deviation – Annual)	34.93%	65.19%	67.05%	65.50%
	(iv) Time To Maturity - in years	10	6	8	8
	(v) Dividend Yield	2.25%	0.00%	0.00%	0.00%
	(vi) Risk free Rate – Annual	7.45%	8.90%	8.64%	8.19%

Summary of the Status of Options

	A2Z STOCK OPTION PLAN 2010	A2Z EMPLOYEES STOCK OPTION PLAN 2013 Trench I	A2Z EMPLOYEES STOCK OPTION PLAN 2013 Trench II	A2Z STOCK OPTION PLAN 2014
Total Options Granted	4,77,250	16,95,000	19,05,000	45,00,000
Total Options Lapsed	3,01,350	2,05,000	5,59,000	3,40,000
Total Options Exercised	NIL	14,79,995	7,41,000	12,15,000
Outstanding at the end of the year	1,75,900	10,005	6,05,000	29,45,000

APPENDIX – A

Details of options granted to and accepted by Senior Managerial Personnel

Sr. No.	Name of Senior Managerial Personnel	Designation	A2Z Stock Option Plan 2010		A2Z Stock Option Plan 2013				A2Z Stock Option Plan 2014	
			Granted on June 02, 2010 & Status as on 31.03.2017		Granted on February 03, 2014 & Status as on 31.03.2017		Granted on July 03, 2014 & Status as on 31.03.2017		Granted on July 06, 2015 & Status as on 31.03.2017	
			Grant	Exercised	Grant	Exercised	Grant	Exercised	Grant	Exercised
1	Mr. Rajesh Jain	Whole-time Director& CEO	25,000*	-	1,25,000*	1,25,000	4,00,000*	2,40,000	10,00,000*	3,00,000
2	Dr. Ashok Kumar Saini	Whole-time Director	33,750*	-	3,50,000*	3,50,000	-	-	4,00,000*	1,20,000
3	Mr. Gaurav Jain	Director under Category of Non-Executive & Non- Independent Director	10,000	-	25,000	25,000	2,00,000*	1,20,000	4,00,000*	1,20,000
4	Mr. Atul Kumar Agarwal	Company Secretary	5,000	-	25,000	25,000	2,00,000*	60,000	4,00,000*	1,20,000
5	Mr. Manoj Gupta	President	33,750*	-	350,000*	350,000	-	-	4,00,000*	1,20,000
6	Mr. Sanjeev Sharma	President	33,750*	-	250,000*	250,000	-	-	4,00,000*	1,20,000
7	Mr. Manoj Tiwari	President	-	-	50,000	50,000	40,000	24,000	1,00,000	30,000

*In all these cases, the stock options granted exceeded 5% of the total stock options granted during the respective years.

ANNEXURE-F

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. **REGISTRATION AND OTHER DETAILS**:

CIN	L74999HR2002PLC034805
Registration Date	January 07, 2002
Name of the Company	**A2Z INFRA ENGINEERING LIMITED**
Category/Sub-Category of the Company	Company Limited by shares/Indian Non-Government Company
Address of the Registered office and contact details	O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF Phase-I, Gurgaon – 122002, Haryana, Telephone No.: +91 124 4517600 Fax No.: +91 124 4380014 E-mail: investor.relations@a2zemail.com Website: www.a2zgroup.co.in
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Alankit Assignments Limited Alankit House, 1E/13 JhandewalanExtension, New Delhi – 110055 Ph.:- +91-11-42541234, 2351234 Fax: - +91 11 23552001 Email ID: - rta@alankit.com

2. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Engineering Services	42202	89.35%

3. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	Subsidiary/ Associate/ Joint Venture	% of Shares Held	Applicable Section
1	A2Z Infraservices Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U74140HR2008PLC037820	Subsidiary	93.83%	2(87)
2.	A2Z Green Waste Management Limited * 28/142, Ground Floor, West Patel Nagar, Delhi-110008	U45200DL2007PLC160927	Subsidiary	47.89	2(87)
3	A2Z Powercom Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U45204HR2008PLC037877	Subsidiary	100.00	2(87)
4	Magic Genie Services Limited (Formerly known as A2Z Water Solutions Limited) O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U74999HR2011PLC042055	Subsidiary	75.00	2(87)
5	A2Z Powertech Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U72900HR2008PLC037875	Subsidiary	100.00	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Subsidiary/ Associate/ Joint Venture	% of Shares Held	Applicable Section
6	Chavan Rishi International Limited Plot No- B. 38, Institutional Area, Sector -32 , Gurgaon- 122001, Haryana	U51909HR1989PLC053273	Subsidiary	100.00	2(87)
7	Mansi Bijlee & Rice Mills Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U74140HR2010PLC040670	Subsidiary	100.00	2(87)
8	Selligence Technologies Services Private Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002 Haryana	U72300HR2008PTC038259	Subsidiary	80.00	2(87)
9	Star Transformers Limited** O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002 Haryana	U29190HR2011PLC041947	Subsidiary	49.00	2(87)
10	A2Z Waste Management (Nainital) Private Limited*** O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2010PTC040688	Subsidiary	60.45	2(87)
11	A2Z Waste Management (Merrut) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90001HR2009PLC039773	Indirect Subsidiary	38.31	2(87)
12	A2Z Waste Management (Moradabad) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2009PLC039779	Indirect Subsidiary	38.31	2(87)
13	A2Z Waste Management (Varanasi) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2009PLC039772	Indirect Subsidiary	38.31	2(87)
14	A2Z Waste Management (Aligarh) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2009PLC039778	Indirect Subsidiary	38.31	2(87)
15	A2Z Waste Management (Badaun) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90001HR2010PLC041512	Indirect Subsidiary	47.89	2(87)
16	A2Z Waste Management (Balia) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90001HR2010PLC041511	Indirect Subsidiary	47.89	2(87)
17	A2Z Waste Management (Fatehpur) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90002HR2010PLC041517	Indirect Subsidiary	47.89	2(87)
18	A2Z Waste Management (Jaunpur) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2010PLC041501	Indirect Subsidiary	47.89	2(87)
19	Ecogreen Envirotech Solutions Limited (Formerly Known as A2Z Waste Management (Loni) Limited) O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2010PLC041510	Indirect Subsidiary	45.98	2(87)
20	A2Z Waste Management (Mirzapur) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90002HR2010PLC041513	Indirect Subsidiary	47.89	2(87)
21	A2Z Waste Management (Ranchi) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2011PLC042254	Indirect Subsidiary	47.89	2(87)
22	A2Z Waste Management (Sambhal) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002 Haryana	U90002HR2010PLC041520	Indirect Subsidiary	47.89	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Subsidiary/ Associate/ Joint Venture	% of Shares Held	Applicable Section
23	A2Z Waste Management (Ludhiana) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90002HR2011PLC043415	Indirect Subsidiary	47.89	2(87)
24	A2Z Waste Management (Dhanbad) Private Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90000HR2010PTC040698	Indirect Subsidiary	47.89	2(87)
25	A2Z Waste Management (Jaipur) Limited**** O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90009HR2012PLC046455	Indirect Subsidiary	58.31	2(87)
26	Shree Balaji Pottery Private Limited Plot No- B. 38, Institutional Area, Sector -32, Gurgaon- 122001, Haryana	U36101HR2010PTC053098	Indirect Subsidiary	47.89	2(87)
27	Shree Hari Om Utensils Private Limited Plot No- B. 38, Institutional Area, Sector -32, Gurgaon- 122001, Haryana	U28998HR2010PTC053099	Indirect Subsidiary	47.89	2(87)
28	A2Z Mayo SNT Waste Management (Nanded) Pvt. Ltd O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002, Haryana	U90001HR2012PTC046684	Indirect Subsidiary	28.73	2(87)
29	A2Z Waste Management (Ahmedabad) Limited O-116, Ist Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurgaon - 122002 Haryana	U90000HR2012PLC047428	Indirect Subsidiary	47.89	2(87)
30	Earth Environment Management Services Pvt Ltd 28/142, Ground Floor, West Patel Nagar, New Delhi-110008	U74140DL2014PTC268424	Indirect Subsidiary	47.89	2(87)
31	Magic Genie Smartech Solutions Limited***** Plot No- B. 38, Institutional Area, Sector-32, Gurgaon-122001, Haryana	U90009HR2016PLC064756	Indirect Subsidiary	75.00	2(87)
32	A2Z Infraservices Lanka Pvt. Ltd.******	119227	Indirect Foreign Subsidiary	93.83	2(87)

**During the year 2016-17, 54,55,998 equity shares of A2Z Green Waste Management Limited (Formerly known as A2Z Infrastructure Limited) has been invoked by the IL&FS Financial Services Ltd. out of 83,92,485 equity shares pledged to it, to set off the outstanding dues.*

***The Company holds 49% stake in the Star Transformer Limited. However, Star Transformer Limited is treated as a subsidiary company of the Company as the Company has control over the composition of the board of Star Transformer Limited and after the end of financial year i.e on 20th June, 2017. Board has transferred its stake in Star Transformers Limited along with its management Control in the Company.*

****The Company holds 48% stake in A2Z Waste Management (Nainital) Private Limited and 26% stake is held by A2Z Green Waste Management Limited (Formerly known as A2Z Infrastructure Limited) hence the same is classified as subsidiary as per section 2(87)(ii) of Companies Act, 2013.*

*****The Company holds 20% stake in A2Z Waste Management (Jaipur) Limited and 80% stake is held by A2Z Green Waste Management Limited (Formerly known as A2Z Infrastructure Limited) hence the same is classified as subsidiary as per section 2(87)(ii) of Companies Act, 2013.*

****** During the Year, Magic Genie Smartech Solutions Limited has been incorporated as Subsidiary of Magic Genie Services Limited.*

******* During the year, A2Z Infraservices Lanka Pvt. Ltd. has been incorporated as Subsidiary of A2Z Infraservices Limited with effect from 06th January, 2017.*

Green Waste Management Private Limited ceased to be the subsidiary of the Company during the financial year 2016-2017 by strike off procedure under Section 560 of Companies Act, 1956 w.e.f 23rd September, 2016.

4. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) as on March 31, 2017

a. Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2016)				No. of Shares held at the end of the Year (31.03.2017)				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	40518640	0	40518640	31.93	36698640	0	36698640	25.32	(6.61)

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2016)				No. of Shares held at the end of the Year (31.03.2017)				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	-
(c)	Bodies Corporate	22486000	0	22486000	17.72	22486000	0	22486000	15.51	(2.21)
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	-
	Sub Total(A)(1)	**63004640**	**0**	**63004640**	**49.65**	**59184640**	**0**	**59184640**	**40.83**	**(8.82)**
2	Foreign									
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	-
b	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	-
c	Institutions	0	0	0	0.00	0	0	0	0.00	-
d	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
e	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	-
	Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**63004640**	**0**	**63004640**	**49.65**	**59184640**	**0**	**59184640**	**40.83**	**(8.82)**
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	-
(b)	Financial Institutions / Banks	8239561	0	8239561	6.49	8283393	0	8283393	5.71	(0.78)
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	-
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(f)	Foreign Institutional Investors	1200317	0	1200317	0.95	2768439	0	2768439	1.91	0.96
(g)	Foreign Venture Capital Investors	5449627	0	5449627	4.29	4974589	0	4974589	3.43	(0.86)
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	-
	Sub-Total (B)(1)	**14889505**	**0**	**14889505**	**11.73**	**16026421**	**0**	**16026421**	**11.06**	**(0.67)**
B 2	Non-institutions									
(a)	Bodies Corporate	13364687	0	13364687	10.53	18501640	0	18501640	12.76	2.23
(b)	Individuals									
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	13348519	7497	13356016	10.53	14783681	6997	14790678	10.20	(0.33)
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	19297584	0	19297584	15.21	25991761	0	25991761	17.93	2.72
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(d)	Any Other (specify)									
(d-i)	Non Resident Indian	2978498	0	2978498	2.35	10429629	0	10429629	7.20	4.84
(d-ii)	Corporate Body (Foreign Body)	0	0	0	0.00	0	0	0	0.00	-
(d-iii)	Trust	0	0	0	0.00	500	0	500	0.00	-
(d-iv)	NBFCs registered with RBI	3050	0	3050	0.00	24200	0	24200	0.02	0.02
	Sub-Total (B)(2)	**48992338**	**7497**	**48999835**	**38.61**	**69731411**	**6997**	**69738408**	**48.11**	**9.50**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**63881843**	**7497**	**63889340**	**50.35**	**85757832**	**6997**	**85764829**	**59.17**	**8.82**
	TOTAL (A)+(B)	**126886483**	**7497**	**126893980**	**100**	**144942472**	**6997**	**144949469**	**100.00**	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	-
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0	-
2	Public	0	0	0	0.00	0	0	0	0	-
	Sub-Total (C)	0	0	0	0.00	0	0	0	0	-
	GRAND TOTAL (A)+(B)+(C)	**126886483**	**7497**	**126893980**	**100**	**144942472**	**6997**	**144949469**	**100.00**	-

b. Shareholding of Promoters/Promoters Group:-

Sl. No.	Shareholder's/ Promoter Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in Share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Amit Mittal*	3,61,72,301	28.51	28.51	3,32,04,301	22.91	22.91	(5.6)*
2.	BabitaShivswaroop Gupta**	12,30,155	0.97	0.00	3,78,155	0.25	0.00	(0.72)**
3.	Dipali Mittal	11,70,000	0.92	0.92	11,70,000	0.81	0.81	—
4.	Priya Goel	10,382	0.01	0.00	10,382	0.01	0.00	—
5.	Shivswaroop Gupta (HUF)	19,35,802	1.53	0.00	19,35,802	1.34	0.00	—
6.	Devdhar Trading and Consultants Pvt. Ltd.	2,86,000	0.23	0.23	2,86,000	0.20	0.20	—
7.	Mestric Consultants Private Limited	2,22,00,000	17.49	17.49	2,22,00,000	15.31	15.31	—
Total		**6,30,04,640**	**49.65**	**47.15**	**5,91,84,640**	**40.83**	**39.23**	**—**

** During the F.Y. 2016-17, 29,68,000 Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged shares to set off the outstanding dues of the promoter group company(s) and other group company.*

*** 8,52,000 Equity Shares have been sold in the Open Market by Ms. Babita Shivswaroop Gupta resulted in decrease of her shareholding in the Company.*

c. Change in Promoters' Shareholding (please specify, if there is no change):-

	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
At the beginning of the year	6,30,04,640	49.65	29/04/2016	20,52,000	*Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged Shares of Mr. Amit Mittal ("promoter of the Company") to set off the outstanding dues.*	6,09,52,640	42.05
			29/07/2016	4,56,000	*Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged Shares of Mr. Amit Mittal ("promoter of the Company") to set off the outstanding dues.*	6,04,96,640	41.74
			21/09/2016	2,51,000	*Equity Shares have been sold in the Open Market by Ms. Babita Shivswaroop Gupta*	6,02,45,640	41.56
			19/10/2016	51,000	*Equity Shares have been sold in the Open Market by Ms. Babita Shivswaroop Gupta*	6,01,94,640	41.53
			25/10/2016	1,00,000	*Equity Shares have been sold in the Open Market by Ms. Babita Shivswaroop Gupta*	6,00,94,640	41.46
			28/10/2016	4,60,000	*Equity Shares have been invoked by the IL&FS Financial Services Ltd. out of the pledged Shares of Mr. Amit Mittal ("promoter of the Company") to set off the outstanding dues.*	5,96,34,640	41.14
			02/01/2017	4,50,000	*Equity Shares have been sold in the Open Market by Ms. Babita Shivswaroop Gupta*	5,91,84,640	40.83
At the end of the year	5,91,84,640	40.83	31/03/2017	-	-	5,91,84,640	40.83

d. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (01.04.2016)		Change in Shareholding (No. of Shares)		Shareholding at the end of the year (31.03.2017)	
		No. of Shares	% of total Shares of the company	Increase	Decrease	No. of Shares	% of total Shares of the company
1	ICICI Bank Ltd.	8160141	6.43	7521	-	8167662	5.63
2.	Beacon India Investors Limited	5449627	4.29	-	475038	4974589	3.43
3.	IL and FS Financial Services Ltd.	4510000	3.55	2968000	-	7478000	5.16
4.	Sangeeta Khandelwal	2500000	1.97	-	-	2500000	1.72
5.	Kamal Visaria**	2100000	1.65	-	1300000	800000	0.55
6.	Naveen Kumar Kedia	1750000	1.38	-	-	1750000	1.21
7.	Saraswati Commercial (India) Ltd.**	1480000	1.17	-	1480000	-	-
8.	Aspire Emerging Fund	1200317	0.95	1556122	-	2756439	1.90
9.	Vivek Bhimsaria**	1030000	0.81	-	-	1030000	0.71
10.	Jane Sequeira Pinto	1001028	0.79	2150061	-	3151089	2.17
11.	Shankar Sharma*	818000	0.64	7382000	-	8200000	5.66
12.	Mohammad Mansoor*	-	-	5171180	-	5171180	3.57
13.	Four Dimensions Securities (India) Limited*	-	-	2060786	-	2060786	1.42

Notes:

The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

*Not in the list of Top 10 shareholders as on 1st April, 2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31st March, 2017.

**Ceased to be in the Top 10 shareholders as on 31st March, 2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 1st April, 2016.

e. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (01.04.2016)		Cumulative in Shareholding during the year (31.03.2017)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. Surender Kumar Tuteja	Nil	Nil	Nil	Nil
2.	Dr. Ashok Kumar	Nil	Nil	Nil	Nil
3.	Mr. Suresh Prasad Yadav	Nil	Nil	Nil	Nil
4.	Mr. Amit Mittal	3,61,72,301	28.51	3,32,04,301	22.91
5.	Ms. Dipali Mittal	11,70,000	0.92	11,70,000	0.81
6.	Mr. Rajesh Jain	2,45,480	0.19	6,65,480	0.46
7.	Dr. Ashok Kumar Saini	3,63,980	0.29	4,09,491	0.28
8.	Mr. Gaurav Jain	85,100	0.07	2,44,100	0.17
9.	Mr. Atul Kumar Agarwal	25,480	0.02	1,80,078	0.12
10.	Mr. Lalit Mohan Gulati*	4,700	Negligible	Nil	Nil
11.	Mr. G R Nagendran*	Nil	Nil	Nil	Nil

**Mr. Lalit Mohan has resigned from the position of Chief Financial Officer of the Company with effect from 10th September, 2016 and Mr. G R Nagendran has been appointed as Chief Financial Officer of the Company with effect from 11th September, 2016*

5. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment **(In INR)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
i) Principal Amount	4,13,86,32,806	5,26,77,13,945	-	9,40,63,46,751
ii) Interest due but not paid	76,21,02,239	-	-	76,21,02,239
iii) Interest accrued but not due	1,54,26,675	-	-	1,54,26,675
Total (i+ii+iii)	**4,91,61,61,720**	**5,26,77,13,945**	-	**10,18,38,75,665**
Change in Indebtedness during the financial year				
Addition	55,55,32,428	38,47,41,109	-	94,02,73,537
Reduction	18,08,40,788	-	-	18,08,40,788
Net Change	**37,46,91,640**	**38,47,41,109**	-	**75,94,32,749**
Indebtedness at the end of the financial year (31.03.2017)	-	-	-	
i) Principal Amount	3,95,77,92,018	5,65,24,55,054	-	9,61,02,47,072
ii) Interest due but not paid	1,31,59,45,144	-	-	1,31,59,45,144
iii) Interest accrued but not due	1,71,16,198	-	-	1,71,16,198
Total (i+ii+iii)	**5,29,08,53,360**	**5,65,24,55,054**	-	**10,94,33,08,414**

6. Remuneration to Directors and Key Managerial Personnel

a. Remuneration of Managing Director, Whole-time Directors and / or Manager:- **(In INR)**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Amit Mittal (Managing Director)	Ms. Dipali Mittal (Whole time Director)	Mr. Rajesh Jain (CEO cum Whole time Director)	Dr. Ashok Kumar Saini (Whole time Director)	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Nil*	18,00,000	18,00,000	18,00,000	**54,00,000**
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	Nil	39,600	39,600	39,600	**1,18,800**
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	Nil	-	-	-	-
2.	Stock Option**	Nil	-	88,02,000	21,66,000	**1,09,68,000**
3.	Sweat Equity	Nil	-	-	-	-
4.	Commission- as % of profit	Nil	-	-	-	-
5.	Others, Allowances	Nil	-	-	-	-
	Total (A)	Nil	**18,39,600**	**1,06,41,600**	**40,05,600**	**1,64,86,800**
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)	-	-	-	-	-

** The Company has not paid any remuneration to Mr. Amit Mittal. However, he has been appointed as Managing Director in A2Z Infraservices Limited ("AISL"), a material subsidiary Company on October 24, 2015 and he is in receipt of INR 48,00,000/- p.a. as remuneration w.e.f. July 01, 2016 in his capacity as Managing Director of AISL.*

*** During the Financial year 2016-17, 4,20,000 Equity Shares were allotted to Mr. Rajesh Jain & 1,20,000 Equity shares were allotted to Dr. Ashok Kumar Saini pursuant to exercise of options under A2Z Employee Stock Option Plan, 2013 and 2014.*

 # Salary includes Basic Salary, House Rent Allowance, Special Allowance, use of Company's Car, perquisites, the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder but does not include Company's Contribution to Gratuity Fund, Contribution of Provident Fund and Superannuation Fund and annuity fund etc.

b. Remuneration to other directors: **(In INR)**

Sr. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Others, please specify	Total Amount
	Independent Directors				
1.	Mr. S. K. Tuteja	5,35,000	NIL	NIL	5,35,000
2.	Dr. Ashok Kumar	6,10,000	NIL	NIL	6,10,000
3.	Mr. Suresh Prasad Yadav	4,75,000	NIL	NIL	4,75,000
4.	Mr. Gaurav Jain	2,25,000	NIL	NIL	2,25,000
	Total	**18,45,000**			**18,45,000**

c. Remuneration to Key Managerial Personnel (other than MD / Manager / WTD):- **(In INR)**

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Dr. G R Nagendran (Chief Financial Officer)*	Mr. Lalit Mohan Gulati (Chief Financial Officer)**	Mr. Atul Kumar Agarwal (Company Secretary)	
1.	**Gross salary**				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	12,69,445/-	16,37,600/-	33,19,800/-	**62,26,845/-**
	(b) Value of perquisites u/s 17(2) of the Income taxAct, 1961	-	-	39,600/-	**39,600/-**
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	
2.	Stock Option***	-	-	33,33,000/-	**33,33,000/-**
3.	Sweat Equity	-	-	-	-
4.	Commission- as % of profit	-	-	-	-
5.	Others, Allowances	-	-	-	-
	Total (A)	**12,69,445/-**	**16,37,600/-**	**66,92,400/-**	**95,99,445/-**

** Dr. G R Nagendran has been appointed as Chief Financial Officer of the Company on September 11, 2016. Hence the salary has been taken from September 11, 2016 to March 31, 2017.*

*** Mr. Lalit Mohan Gulati has been resigned as Chief Financial Officer of the Company effective from September 10, 2016. Hence the salary has been taken from April 1, 2016 to September 10, 2016.*

****During the Financial year 2016-17, 1,80,000 Equity Shares were allotted to Mr. Atul Kumar Agarwal pursuant to exercise of options under A2Z Employee Stock Option Plan, 2013 and 2014.*

#Salary includes Basic Salary, House Rent Allowance, Special Allowance, use of Company's Car, perquisites the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder but does not include Company's Contribution to Gratuity Fund, Contribution of Provident Fund and Superannuation Fund and annuity fund etc.

d. Penalties / Punishment/ Compounding of Offences:

Type	Section of Companies Act	Brief description	Details of penalty/ punishment/Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any give details
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
A. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

ANNEXURE-G

Particulars of employees

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

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

Name of the directors	Ratio to median remuneration
Non-executive directors	
Mr. S. K. Tuteja	2.99
Mr. Ashok Kumar	3.40
Mr. Suresh Prasad Yadav	2.65
Mr. Gaurav Jain	1.26
Executive directors	
Mr. Amit Mittal	NA*
Ms. Dipali Mittal	10.05
Mr. Rajesh Jain	59.18
Mr. Ashok Kumar Saini	22.14

**Nil Remuneration has been paid to Mr. Amit Mittal during the Financial Year 2016-17 due to rejection from the Central Government.*

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

Directors, Chief Executive Officer, Chief Financial Officer & Company Secretary	% increase in remuneration in the financial year
Mr. Amit Mittal	NA
Ms. Dipali Mittal	NIL
Mr. Rajesh Jain	NIL
Dr. Ashok Kumar Saini	NIL
Mr. Surender Kumar Tuteja	150%*
Mr. Suresh Prasad Yadav	150%*
Dr. Ashok Kumar	150%*
Mr. Gaurav Jain	150%*
Mr. Atul Kumar Agarwal (Company Secretary)	NIL
Mr. Lalit Mohan Gulati**	NIL
Dr. G.R Nagendran***	NIL

**The Sitting to be paid to the Non-Executive Directors for attending the Board Meeting and Committee Meeting has been increased from Rs. 10,000/- to Rs. 25,000 for attending each meeting with effect from 28th May, 2016.*

***Mr. Lalit Mohan Gulati has been resigned as Chief Financial Officer of the company w.e.f. 10th September, 2016.*

**** Mr. G R Nagendran has been appointed as Chief Financial Officer of the Company effective from 11th September, 2016, therefore not considered for the increase in remuneration.*

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

(0.80%)

D. The number of permanent employees on the rolls of Company: 741

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

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was (10.42) and there are no exceptional circumstances for increase in the managerial remuneration.

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

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

G. The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

ANNEXURE-H

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

A. <u>Conservation of energy</u>:

i). The steps taken or impact on conservation of energy:

A number of energy conservation techniques were initiated and successfully implemented by the Company during the financial year 2016-17 at its Corporate Office and its Power Plant Sites. Some of the key initiatives undertaken were as follows:

- Reduction in Power consumption at office premises and its Power Plant Sites through:
  - VFD's has been installed on the selected motors to save the power and to optimize the process.
  - Conventional Tube light replaced with LED Tube Light.
  - Automatic Power factor controller (179 KVAR) has been installed for improving power factor and reducing the wastage of electricity, resulting in less consumption of electricity.
  - Installed two Variable Frequency Drive in Chilled water pump to control the temperature of chilled water in HVAC system, saving the energy consumption up to approximately 30%.
  - Additives are being used in DG Set for improvement the efficiency of DG Sets.
  - Most of the Air Conditioners are replaced with star rating AC's for conservation of energy.
- Steps taken for reduction in water consumption through reuse of treated water for road cleaning, flushing, plantation, and gardening.

  Dust Collectors are provided in the fuel handling system to suppress the dust. These measures have also led to better pollution control, reduced the impact on environment, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.
- Installed LED Lights allover within the Nakodar Power Plant site.

ii). The capital investment on energy conservation equipment's:- Nil

B <u>Technology Absorption</u>:

(i) The efforts made towards technology absorption at Nakodar power plant site;

- Replacement of HSD Fuel Boiler with the conventional start up method using biomass and charcoal.
- Fuel feeding handling system modification/improvements compatible with RDF and other low density biomass.
- Modifications in Fuel feeding system by increasing diameter of the Chutes to handle Low density biomass and RDF.
- Modification for additional secondary air (SA) nozzles for fuel spreading within furnace.
- Additional Air venturies are provided along with fuel chutes for even spreading and free flow of Biomass fuel in to the Boiler.
- New arrangement of air pre heater (APH) by increasing Tube ID from existing ϕ 38 mm to ϕ 63.5 mm
- Designed, developed and installed successfully shredder for Refused derived fuel (RDF)
- Our Ludhiana waste processing facility already functional and producing 130-150 MT/day RDF after segregation, Drying and de-stoning process. RDF is then transported to Nakodar, Punjab power plant to produce green energy from the Municipal solid waste.

(ii) Benefits derived like product improvement, cost reduction, product development, import substitution.

- Cost reduction in Fuel cost;
- Green Energy Initiative by using RDF as fuel in the power plant;
- Reduction in manpower cost;
- Reduction in annual operating cost using RDF as fuel.

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

The details of technology imported: Nil

The year of import: Not Applicable

Whether the technology been fully absorbed: Not Applicable

If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable.

(iv) The Expenditure incurred on Research and Development: Nil

C <u>Foreign Exchange earnings and outgo</u>:

Earnings: Revenue from Engineering Services	INR 3,361.87 Lakh
Outgo: Expenditure in Foreign Currency	INR 46.25 Lakh
CIF value of Imports	Nil

Management Discussion & Analysis (FY 2016-17)

Management Discussion & Analysis

1. Economic overview

a. Global economy

The global economic growth was subdued and grew at a slower pace of 3.1% in 2016 against 3.4% registered in 2015 In addition to the socio-political impact of Brexit, divisive US presidential campaign, and geopolitical turmoil in Europe and Middle East, the global economy was majorly impacted by slowdown in China and India. The advanced economies grew at a moderate rate of 1.7% in 2016 as against 2.1% in 2015, while the emerging market and developing economies grew at a weaker than expected rate of 4.1% in 2016 as compared to 4.2% in 2015. (Source: World Economic Outlook April 2017, International Monetary Fund).

In 2017, the global economy is expected to grow at a faster clip of 3.5%, supported by the rebound in US economy, stronger and stable commodity markets and pull back in growth of emerging market and developing economies. The advanced economies are projected to achieve 2.0% growth vis-à-vis 4.5% for emerging markets and developing economies.

b. Indian economy

Indian economy remained the fastest growing large economy beating China for the second year running in 2016. However, it temporarily ceded that mantle back to China in the first quarter of 2017 due to impact of demonetization of high value currency notes. The Gross Domestic Product (GDP) growth in FY17 was 7.1% vs. robust 8% registered in FY16. While the Agriculture sector upped its pace of expansion to 4.9% from 0.7% in the previous year, both Industry and Services sectors logged a decline from 8.2% to 5.8% and 9.8% to 7.9% respectively in FY17. The macro indicators such as fiscal deficit, exchange rates, balance of payment and inflation continued to show improvement. However, the structural bottlenecks and NPA situation continue to choke the growth momentum.

Projections for FY18 GDP growth range from 7% to 7.6% with the Reserve Bank of India (RBI) estimate at 7.3%. Second consecutive season of normal monsoon, re-monetization, structural reforms such as GST and continued infrastructure push by the government will support the growth momentum for the Indian economy in a positive global environment. A few export oriented sectors such as Information Technology and Pharmaceuticals continue to face regulatory challenges in their main market of US, and hence could face tough questions about their growth potential. The government, RBI, banks and industry would also need to more to handle the bad debt problem in a better way to push private investment growth in positive territory.

2. Industry overview

Infrastructure

Debottlenecking and developing infrastructure is the key to fast paced economic development for India and hence, Infrastructure has been key to India's economic growth in the last decade and will continue to be in the coming decade. India needs about US $1.5 trillion investment in the infrastructure sector in the coming 10 years. Public investment has been biased towards the infrastructure sector for the last few years. As per Budget 2017-18,the government has made a provision of Rs 2.4 lakh crore for the transportation sector, including Railways, Shipping and Roadways. The Government has declared Affordable Housing segment as an infrastructure sector to achieve its objective of Housing for All by 2022. It has also increased the outlay for the Pradhan Mantri Aawas Yojana-Gramin to Rs. 23,000 crore from last year's Rs. 15,000 crore in February 2017 budget.Its schemes for urban infrastructure, transformation and sanitation such as Smart Cities, Atal Mission for Rejuvenation and Urban Transformation, Swachh Bharat Abhiyaan are also seeing increased allocations and policy initiatives encouraging private participation and collaborations with foreign governments/ institutions. In the Power sector, the Government targets to add 100GW of generation capacity from 2017 to 2022, out of which major increase is expected from the Renewable Energy segment. India is the second largest telecom market with third largest internet user base in the world. The sector continues attract investments due to continuously increasing subscriber base, as seen in the 15.6% growth from 1.03 billion in March 2016 to 1.19 billion in March 2017. The budget of government's Bharat Net project for high-speed broadband connectivity on optical fibre for 1.5 lakh gram panchayats was increased to Rs. 10,000 crore for 2017-18 in the budget, up from Rs. 6,000 crore in 2016-17. Hence, there are major potential opportunities in the infrastructure segment.

However, infrastructure sector has been struggling with the issue of non-performing assets with many projects stuck due to lack of approvals, land acquisition problems or financial insolvency caused by delays, and the companies are finding it difficult to overcome the situation. Although government is pushing for infrastructure through public investment, but stressed books of the companies in the sector means there is reluctance and inability to take on new projects, inspite of this difficult situation, now Government as well as banks are focusing on few critical sectors and supporting the industry for future business,especially in Power Transmission & Distribution (T&D), Telecom and Road sectors.

a. Engineering Procurement & Construction (EPC)

The EPC market in India went through a rough patch between 2012 – 2015 on account of decline in private investment and delays in many infrastructure projects. However, now this section is showing signs of revival due to the massive infrastructure spending and concerted push to revive stalled projects by the current government which has compensated for the continued slowdown in private investment. This has led to a revival in fortunes of EPC companies. The Government's infrastructure thrust is covering all areas from Transport, Housing, Urban Infrastructure, Power, Water and Telecom. It is also pushing for increase in Manufacturing by promoting 'Make in India', addressing Banking sector issues to resolve legacy NPA problem, liberalizing foreign investment norms, instituting regulatory and taxation reforms, etc. to kick start growth in private investment. Gross fixed capital formation (GFCF), which indicates investment demand in the economy, is forecast to grow by 3.3% in FY17, jump to 6.8% in FY18 and overtake private consumption (7.4%) in FY19 with 8.8% growth to become the major growth driver(Source: livemint.com). While the government continues to make efforts for increasing private participation in public projects through PPP and other models, it has also chosen the EPC approach in a greater number of cases to ensure faster project implementations. All these developments have created a favorable environment for growth of the around 100 EPC firms present in India. The EPC market in India was projected to grow at a CAGR of 20.26% over the period 2014-2019 by a research report India EPC Market 2015-2019. The Indian EPC sector has started adopting the global EPC sector's variation called EPCM — Engineering, Procurement and Construction Management approach. The EPC contractors now manage the project from design to commissioning by expanding their roles to take over project consultancy as well, and thus transformed into solution providers.

Power

India's overall installed power generation capacity reached 329.4 GW by April 2017, with renewables accounting for 17.5% of it. This makes India as the fifth largest power producer in the world based on installed capacity. The growth in installed capacity in one year period was a robust 8.8% from 302.83 GW, as on 30 April 2016. Renewable energy however grew at a faster pace of 34.2% during the same period. Distribution of the overall installed capacity between different power source was Thermal Power –67%, Hydro – 13.5%, Nuclear – 2.1% and balance was from Renewable Energy Sources (RES) (Source: Central Electricity Authority).Distribution in the RES mix was Wind – 56.2%, Solar – 21.8% Bio Power – 14.5% and remaining from Small Hydro Power. RES will continue to be major source of capacity addition going forward with the Governments stated target of achieving RES installed capacity of 175 GW by 2022, with 100 GW from Solar.

The Government also continued to invest in the transmission infrastructure in order to achieve the target of complete electrification by May 2018. In the two years from 2015 to 2017, the Government was able to achieve electrification of 73% of the 18,452 villages identified by it. The average length of transmission lines constructed from FY15 to FY17 was more than 25,000 CKms as against under 20,000 CKms built in FY13 and FY14. Similarly the installed transformation capacity was increased by an average of 70,000 MVA in the three years from FY15 to FY17, with the latest year delivering a high of 81,816 MVA. This was in comparison with less than 60,000 MVA added during the last two years of the UPA government.The Government has set a target of 15% for Transmission & Distribution (T&D) losses in the power sector by 2019. Schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana and Integrated Power Development Scheme (IPDS) are expected to help achieve this target.

Telecom

With the second largest subscriber base in the world and first in terms of net subscriber additions, India is an important telecommunications market. The sector is currently going through a major shake-up with the entry of Reliance Jio in the market. With its free launch offers and subsequent cost effective tariff plans, Reliance Jio has cornered a large chunk of the market. It has single handedly expanded the 4G user base from a miniscule 6.5 million at the start of FY17 to more than 160 million by the end (Source: telecomlead.com). This has led to investment by other players into 4G infrastructure. The availability of 4G services is also expected to impact the data consumption patterns. As predicted by Ericsson Mobility, India smartphone subscriber base is expected to grow four-fold to 810 million users by 2021; the total smartphone data traffic is expected to increase seventeen-fold to 4.2 Exabytes (EB) per month by 2021.All the players including Jio are also investing in broadband infrastructure. The number of broadband subscribers increased to 284.23 million in April 2017 (Source: TRAI).

This sector offers tremendous opportunities for telecom EPC companies with new projects from the Central Government, which is pushing many projects including the one for extending broadband connectivity to all the villages under the Pan India Optic Fiber Cable Network (Bharat Net). BBNL is the primary implementation agency for the Bharat Net project and has been banking on it with expected total outlay of more than Rs. 75,000 crore in coming years. In addition to this, the other Digital India initiatives including push for e-governance in states is likely to generate more opportunities for telecom EPC companies.

b. Facility Management Services (FMS)

The Facility Management Services (FMS) sector is currently an unorganized and fragmented sector, however with the growth in A-Grade Commercial Real Estate properties the demand for organized FMS services is increasing by each passing day. This sector is not a cyclical sector given the continuous need for facility management in commercial establishments such as shops, offices, malls, airports, hotels, etc. Increasing awareness and importance placed by the Government on cleanliness and sanitation is leading to even previously unimagined spaces such as railway stations being offered to organized FMS vendors for management. Given the excellent performance of commercial real estate segment in the last few years, evident from the absorption rate of more than 30 million sq. ft. for the 3rd straight year as reported by Cushman & Wakefield for the year 2016, the demand for FMS services is likely to grow at a fast clip. As per a report by Technavio, the FMS market is expected to grow by a CAGR of more than 17% from 2016 to 2020. With increasing need for efficiency, the sector is moving towards greater use of technology and shift away from labor intensive processes. New potential segments for the sector include Technical and Industrial Facilities Management. In order to give push to employment for unskilled white collar workers in organized sector, where their future can also be made secure, many state governments are offering sops for facility management work and facilitating manpower supply from organized sector. Facility Management companies with good governance would benefit from this drive and can see good business opportunities.

c. Municipal Solid Waste Management (MSW)

Given the increasing consumerism that is an outcome of the increasing incomes and need for convenience in a fast paced lifestyle, the amount of solid waste generated in the country has reached a level where municipal corporations and local bodies find the scale of problem unmanageable. This leads to faulty and potentially dangerous methods of disposal, which then pose risks to long term wellbeing of the society. Hence, the situation is currently ripe for intervention of private Municipal Solid Waste (MSW) Management players with a clear need and unlimited scope for growth in the near future given the scale of the problem. The scenario has gotten only more favorable with the increasing importance placed by the Central government on urban sanitation and cleanliness, including modern and environmentally sound solid waste management techniques.However, the sector faces many challenges on the ground such as labor intensive nature of the collection and processing parts of the operations, adoption of garbage separation practices by public, lack of ready market for processed reusable material and distributed decision making powers at the local body level with varied incentives.

The industry needs to adopt right technologies for collection, processing and disposal. Adapting to public mindset and devising appropriate processes to achieve objectives is critical to coopt them in success of the MSW management system. Innovation in processing the waste for recyclable parts and finding market of them would not only increase the income generated, but also reduce the residue that needs to be disposed, thus reducing costs. Given the 20-30 years concession period in majority of Indian cities, a long term view of the volume and composition of solid waste that will need to be managed is critical for lifetime viability of MSW projects.Integrated Solid Waste Management (ISWM) approach that also include waste reduction initiatives are finding increasing traction with the industry.

As per the Union Ministry for Environment, Forests and Climate Change(MoEF & CC), 62 million tonnes of waste is generated annually in the country at present. Typically, only 75 – 80% of municipal waste gets collectedand even lesser portion (22 – 28%) gets treated. Also, this is not done using any scientific process.The collection is done by contracted work force of Municipal Corporations in very unhygienic manner. Currently the informal sector plays an important part in extracting value from waste because 70 – 80%% of residual waste is currently dumped rather than properly landfilled. There are a total of 7,936 towns in India as per 2011 census, an increase of 2,775 towns within a decade. Now with the introduction of MSW Rules 2016, transportation and processing needs to be revamped completely and whole set of new institutions will be required. MSW companies in organized sector need to take on this challenge as it presents an attractive business opportunity.

Many of the policy initiatives taken by related ministries of the union government to promote the MSW sector are as follows:

- Draft Norms for determination of Generic Tariff and Indicative Tariff for Municipal Solid Waste/Waste to Energy Projects were declared.
- Subsidy on compost produced from the Municipal Solid Waste: Government is focused on collection, segregation and processing of 62 million tonnes of organic waste to convert it into compost for use in agriculture. Subsidy for city compost to the tune of Rs 1,500 per tonne is provided by the Government to promote use of compost in agriculture.
- Government initiatives such as ‘Swachh Bharat Abhiyan’ (SBA) and AMRUT are promoting use and adoption of modern MSW technologies.
- The MoEF & CC notified the new Solid Waste Management Rules (SWM), 2016 in March/ April 2016 covering source segregation of waste, collection and disposal of sanitary waste, collect back scheme for packaging waste, power to local bodies to decide the user fees for waste collection, processing, treatment and disposition of bio-degradable waste, promotion of waste to energy; management of waste in hilly areas; and constitution of a Central Monitoring Committee, among other factors.

3. Business segment review

Company overview

A2Z Group is an entrenched name in Engineering & Infrastructure Services sector in India.The main listed entity of the Group is A2Z Infra Engineering Ltd. The group finds its origins in the Facility Management business, where it started in the year 2002. It has over the years expanded into more sub-sectors of the industry and is now a diversified conglomerate with offerings such as Engineering, Procurement & Construction (EPC), Facility Management

Services (FMS), Municipal Solid Waste (MSW) Management and Power Generation Plants (PGP). EPC and FMS are the major business lines for the Company where the Group has a proven track record of more than a decade in exceeding customer expectations. The EPC business offers services for Power Transmission & Distribution and Telecom projects. The FMS offering comprises of housekeeping, security, hospitality, manpower supply and related maintenance services for commercial and residential facilities. In the Power sector, the Group has Waste-to-Energy Power Generation plants. The group's MSW business offers solid waste management services to municipalities.

The Group is structured into four strategic business units (SBUs) taking care of all its offerings – Engineering Services (ES), Facility Management Services (FMS), Waste-to-Energy – Power Generation Projects (PGP) and Municipal Solid Waste (MSW). ES SBU includes the complete infrastructure EPC business. In addition, the 'Others' business segment looks after the ancillary, service and equipment needs of all the above mentioned businesses.

The Group has withstood all the turbulence in the infrastructure industry and has successfully passed through the turmoil in the Indian market. Now that the Company has consolidated its position, it is selecting good business opportunities and focusing on projects where financing has been secured by the client and projects have positive cash flows during the execution.

Business segments

1. Engineering Services (ES)

In FY17, the share of ES segment in the Group revenues 60.12%, which was a drop from 72.33% in FY16. On an absolute basis, the revenue from this segment reduced from Rs. 976 crore in the previous year to Rs. 599 crore in FY17, a decrease of 38.64%. The unexecuted order book from this segment at the end of FY17 is Rs. 1,214.01 crores. Two major sub-segments within the ES are – Power Transmission & Distribution (T&D) EPC and Telecom Infrastructure EPC.

a. Power Transmission & Distribution (T&D) EPC

In the Power Transmission & Distribution segment, A2Z is a well-known name in offering EPC services for building:

- Substations & Switchyards up to 765 kV
- Transmission lines up to 765 kV
- 11 / 33 kV distribution lines comprising of Feeder Renovation Projects, High Voltage Distribution System, AT&C Loss Reduction, Tube Well Connection, Segregation of Domestic and Agriculture load, Augmentation of Lines, Providing Laying of HT & LT Aerial Bunched Cables and Offering BPL Connections
- Railway Overhead Electrification
- Operation and Maintenance of Electrical Utilities
- System integration for IT projects under R-APDRP.

Since the last couple of years, the Group's focus has been on completing existing on-going projects and only add projects with high confidence on profitability with good payment terms and conditions. State Electricity Boards (SEB), most of which are in financial distress, form the main customer base for this segment. Hence, this approach to ensure positive cash flows from the segment.

b. Telecom Infrastructure EPC

Telecom infrastructure projects are a specialty of the EPC division of the Group. Major offering area addressed by the Group in this segment is supplying, laying and maintaining Optical Fibre Cables (OFC) networks. EPC services offered by the Company under this segment include:

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

Additional offerings that the Group would be pursuing under Engineering Services segment are city infrastructure projects such as Sewage Network & Treatment Plants, Gas Distribution Networks and Metro projects in select cities.

2. Facility Management Services (FMS)

The FMS team of the Group is an expert in executing facility management for corporate offices, railways stations, railway coaches, airports, ports and other commercial establishments. The scope of group's offering includes soft services, security and technical services as a one stop shop. The segment has also branched out into consumer facing (Retail) business with an innovative product "Magic Genie Eco Tech Smart Green Toilet" and direct-to-consumer mobile application or app based facility management service "Magic Genie Home Services".The Smart Green Toilet is a self-sustaining and self-cleaning toilet, which does not require any external or running water supply and sewage lines. Magic Genie Home Services offer services to end-consumer and Small &Medium Businesses, which is a win-win for customers and the Group because A2Z can leverage its Institutional platform and resources to deliver high quality solution to smaller customers. The group has been making considerable efforts to expand its presence outside of India by pitching for airport contracts in the Middle-East region. Growth mainly in the commercial real estate sector, bodes well for the overall market in the FMS space and hence, for the Group.

During FY17,the FMS segment experienced de-growth of 8.9% in revenue terms as compared to previous year. Segment revenue went down from Rs. 296 crore in FY16 to Rs. 269 crore in FY17. However, share of the segment in overall pie went up from 21.9% in FY16 to 27.1% in

FY17.This reduction in revenue was due to cautious decision of the Management to reduce exposure in few selected sectors which are struggling and financial situation of clients are not stable. However, the Company has taken new clients in other good sectors and it will reflect soon in revenue as well as overall margin of the Company.

3. Municipal Solid Waste (MSW)

The MSW segment involves collection, processing and disposal of solid waste generated in cities and towns. This segment contributed to 3.5% of the Group's total revenues in FY16, and its share has jumped to 4.7% in FY17. This however represented a minor decline of 1.6% in segment revenue during FY17 to Rs. 47 crore from Rs. 48 crore in FY16. This is a high potential segment for the Company given the increased urbanization and government investments in urban infrastructure including sanitation and cleanliness.

While collection and waste separation form the major parts of the business operations for MSW segment, the game changer is the collection and transportation of waste in scientific manner, maximization of reusability of the waste and minimizing the residue that is disposed-off without reuse. Some of the major reuses of the waste are in the form of organic compost and producing good quality of Refuse Derived Fuel (RDF), which can be used in various industries inducting fuel for waste-to-energy plants. The group enjoys up to 30 years' concession period in most cities where it is handling MSW projects. It is also actively involved in the Swachh Bharat Abhiyaan and the national river clean-up programs of the Central Government.

The group has developed cutting edge innovations such a revolutionary direct-to-customer smartphone app based service offering called the 'Safai Mitra' for direct collection of waste from households and offices. It has also developed sustainable, indigenous technology for production of Fertilizer Control Order (FCO) compliant compost and Refuse Derived Fuel (RDF). The government is encouraging application of organic compost alongside chemical fertilizers in agriculture to improve soil health and yields. Similarly, national thrust on clean and green energy creates a larger market for the RDF.

Company has actively participated in recent C&T projects and recently started C&T in the west zone of South Delhi. This project will give good boost to the business of the Company and in coming times there is likeliness of many such initiative by various municipal bodies to meet guideline of MSW Rule 2016 which will offer further good business opportunity for the Company.

4. Waste-to-Energy - Power Generation Projects (PGP)

The PGP segment is currently small though growing at a rapid pace. In FY17, the income from segment grew by 62.8% on a small base of Rs. 0.95 crores revenue in previous year. These revenue are from the four waste-to-energy plants commissioned by the Group in Punjab and Uttar Pradesh. The rated generation capacity of each plant is 15 MW. The three plants in Punjab's major sugar producing hub, are set-up in collaboration with the government and local sugar industry. The Kanpur, UP plant was an RDF based waste-to-energy plant using the most efficient Circulating Fluidized Bed Combustion (CFBC) Boiler along with Fuel Preparation Unit comprising of Dryer, Ballistic Separator and Shredder. In FY17, the management performed impairment assessment of the three cogeneration BOOT power plants in Punjab and recognized an impairment charge of Rs. 68 crore in carrying value of the assets.

4. Financial review

The Group's revenues from operations for FY17 stood at Rs. 996 crore, down 26% from Rs. 1,349 crore in the previous year. The substantial decrease in revenues was primarily on account of the strategy to focus on execution of continuing orders and recovery of debtors, and not pursuing new orders in FY16.This resulted in lower rollover business from previous year in FY17. During the year under review, the Group recorded an operating profit of Rs. 18 crore as compared to Rs. 37 crore in EBIDTA the previous year. This de-growth was primarily linked to the decline in revenue for the Company as against minimal change in expenses, which as a percentage of operating revenue jumped to 25.4% from 19.3%. The operating profit margin stood at 1.8% in the current fiscal compared to 2.7% in the previous fiscal. The net profit/loss of the Group stood at Rs. (305) crore in FY17 as against Rs. (131) crore in FY16, an increase in losses by 132.8%. This was on account of decline in operating profit margin, exceptional item of Rs. 99 crore related to charge for impairment of power generation plants in Punjab and write-off of bank guarantees encashed by certain customers, and a deferred tax charge.

5. Business strengths

- **Deep business expertise and domain knowledge**

  The group is proficient not only in the core engineering competencies through its Engineering Services and PGP divisions, but also in leveraging engineering to provide infrastructure services around sanitation and maintenance to end consumers through its Facility Management Services and Municipal Solid Waste offering. It has more than 15 years of experience in operating in challenging business environment and delivering in most demanding situations. The group's deep domain expertise is reflected in its stellar record of adhering to stringent project deadlines and exacting quality benchmarks.

- **Diversified business portfolio**

  The group's portfolio of businesses is well spread out with exposure to different industry segments such as Power & Utilities, Telecom, Facility Management Services and Solid Waste Management. The portfolio is well balanced with established sectors such as EPC and FMS on one side and emerging sectors such as Renewable Energy and Municipal Solid Waste Management on the other; all of them having high potential for growth in the Indian market. The same is valid even for the client portfolio of the Group with customers spread across Government and Private sector; Institutional and Retail consumers.

- **Business interdependencies**

  The group is able to leverage its core engineering expertise developed in the Engineering Services division to rollout products through its consumer facing businesses, for e.g. it's innovative offerings "Magic Genie" and "Safai Mitra" leverage the retail presence of FMS and MSW businesses respectively. The group also enjoys scale economy in terms of forward integration and manpower due to its diversified presence. Again an example is use of residue from Municipal Solid Waste business as fuel input its waste-to-energy renewable power plants. The manpower and skills in its FMS and MSW businesses can be leveraged in many aspects.

6. Managing business uncertainties

Risk management is built into the planning, execution and review processes of the Company. Risks are manifestation of uncertainty, and affect performance and inhibit company's ability to achieve full potential from available opportunities. So as to prevent risks from being successful in doing so, it is imperative to mitigate the impact of these risks, which is the major aspect of risk management. However the first step is identification of major risks, evaluation from a probability and consequence perspective, and drawing up mitigation strategies. Some of the key risks affecting its businesses and the mitigation measures to check the same, are as under:

1. Economic risk

Unfavorable macroeconomic environment such a declining economic growth, adverse monetary and fiscal policies, negative changes in regulations and other such factors affecting the country can affect the customers of various businesses of the Group, and in turn the company.

Risk mitigation

- Geographical Diversification: The group is pursuing international expansion, starting with the Middle East markets, to reduce its dependence on Indian market. Economic conditions within India vary significantly from state to state, and hence the Group is pushing to spread its presence further in various regions of the country.
- Reduction in exposure to customer segments, which are majorly affected by the prevailing economic conditions, to ensure that low margin and illiquid accounts are exited. Increasing business from high margin and low execution risk segments such FMS division.

2. Concentration risk

Heavy dependence on poor receivable cycle customers such a State Electricity Boards (SEBs) and other state PSUs affects the cash flow to the Company, increasing its financing costs. These interest costs have been taking a major toll on company financials.

Risk mitigation

- Changing the customer-mix from heavy B2G dependence to equitabledistribution between B2B, B2C and B2G segments would mitigate the revenue concentration risk.

3. Working capital risk

Most of the offerings of EPC from the Group require working capital and hence, timely availability of funds is critical to smooth execution within the given timelines and avoiding cost escalations. Hence, delay in securing working capital lines to make project funding available in a timely manner may affect profitability.

Risk mitigation

- Diversification to positive cash flow projects and selecting EPC projects where financing has been arranged by client along with focusing on cash businesses such as retail products "Magic Genie" and "Safai Mitra" are the major mitigation steps taken by the Company to address this risk.
- Broad basing of revenue mix by increasing contribution from FMS, MSW and Magic Genie businesses.

4. Execution risk

Long term nature of projects or service contracts executed by the Company means there is a lot of interdependencies and complex mix of activities involved. Major constraints that affect project execution are availability of raw materials, skilled manpower and regulatory clearances. Any delays on account of timely availability of these factors could result in cost over runs, affecting not only company's profitability, but also its reputation.

Risk mitigation

- The group has focused on execution of projects on hand in last few years to put a stop to negative impact from EPC projects that were generating losses. Continued emphasis on and stronger controls for project execution on an ongoing basis is in place now.
- Pursuing customers that offer better terms related to time and resources for their projects is another possible step that the Group has taken up to manage execution risks.
- Well laid out Standard Operating Procedures (SOP) for project execution have been developed, communicated and implemented with thorough control systems to ensure compliance.

5. Human Resources related risk

Skilled and talented human resources are critical for business growth of the Group. Any gaps in availability of the right group of employees can impede the Group's efforts to achieve its business objectives. The group has to consciously manage to pull, hold and nurture the talented employees.

Risk mitigation

- Strengthened Human Resource Management programs and practices for Training & Development and Reward & Recognition
- Transparent and impartial performance management system that keeps employee's career growth and development at the center.
- Competitive remuneration in line with the industry and a comprehensive ESOP (Employee Stock Option Plan) to foster a greater sense of ownership are other means of achieving the HR objectives.

7. Human Resources

The group is mindful of the need for right talent that is productive and skilled to achieve business success. Hence, it has put in place processes and resources to:

a. Recruit the best

b. Offer them a congenial work environment

c. Ensure consistent communicationand is critical

d. Invest in capability development to match the skills with changing business demands

e. Structure a performance driven career management system

The group has designed the organization structure and set goals by translating its vision and business objectives into department and individual goals, such that everything is aligned to achieve the common goals.The system recognizes good performance in a fair and transparent way, and offers just rewards. On 31st March 2017, the Group had a total of 14,484 employees vs. 14,735 employees as on 31st March 2016, representing a net addition/ reduction of 251 employees during FY17. Out of the total employee count, 2,512 employees are part of the trained technical employee pool.

8. Corporate Social Responsibility

Swachh Bharat Mission is the flagship scheme of the Government of India for promoting cleanliness across cities and towns, and along with other schemes such as Atal Mission for Rejuvenation and Urban Transformation it aims to improve the quality of life in urban agglomerations. Your Company is a contributor towards the objectives of these missions through its offerings such as "Safai Mitra" and its Municipal Solid Waste treatment service line. The Company's EPC division also facilitates availability of power to poor households through its power T&D activities with the Government. In this indirect way, the Company fulfills its duties as a responsible corporate citizen even though Section 135 of Companies Act 2013 exempts the Group from the mandate to spend 2% of its profits on Corporate Social Responsibility (CSR) activities because its operations do not cross the minimum defined threshold. The Group is conscious of its social responsibilities and is committed to do its fair share, especially once it starts making profits.

9. Internal control systems

Given the extensive spread of its operations and varied nature of its businesses, the Group has laid well defined internal control systems that are aligned to the organization structure and business dynamics to ensure that laid down processes, policies and business objectives are followed and pursued diligently. The organization periodically reviews and upgrades its internal control systems in line with changes in business structure, operating environment and prevalent best practices.

Stringent and regular internal audits are conducted by designated internal and external auditors to check compliance. Non-compliances, if any, are reported and reviewed by the Audit Committee on a quarterly basis and appropriate corrective actions are taken. The group's financials are also audited by statutory auditors vis-à-vis the requirements of Companies Act, Listing agreement, ICAI guidelines, etc.

Forward looking statement

Statements 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.

Corporate Governance Report

This Report states the compliance status of the Company as per the requirement of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “SEBI LODR, 2015”) as to be made by the Listed entities in Corporate Governance section of the Annual Report as prescribed under Part C of Schedule V of the said Regulations.

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

Company is fully committed in practicing sound corporate governance and upholding the highest business standards in conducting business. Our philosophy is based on the collective efforts to achieve business excellence, improving efficiency as well as enhancing investor confidence. Being a value-driven organization, the Company has always worked towards building trust with the stakeholders. We, at A2Z, follows principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value. The Company has complied with the Corporate Governance requirements of SEBI LODR, 2015 and listed below is the status in respect to the same.

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, 2013 and Regulation 17 of the SEBI LODR, 2015. Our Company has an appropriate combination of Executive, Non-Executive and Independent Directors to maintain independence and efficiency of the Board in its functions of governance & management.

Our Company’s directors are highly experienced professionals in their respective functional areas and provide directions to the management on operational issues, adoption of systems and best practices in management and oversight of compliance of various legal and other requirements. The Board reviews and admires the strategy and oversees the action and results of management to ensure the achievement of long term objectives.

The members of our Board are from diverse background with exceptional 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 have depth understanding of the Indian business environment. The Board reviews its strength and composition from time to time to ensure that it remain aligned with the statutory as well as business requirements.

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. The Board of Directors complies with the provisions of SEBI LODR, 2015 and Companies Act, 2013 in regard 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 has a balanced Board with optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2017, the Board comprises of Eight (8) Directors. Out of the total strength, three (3) are Non-Executive Independent directors, one (1) Non-Executive Non Independent director. The Chairman is a Non-Executive Independent Director. Further four (4) are Executive Directors one of whom is the Managing Director and one is Women 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. All the Independent Directors have satisfied the criteria/conditions of independence as laid down in Regulation 16(1)(b) of the SEBI LODR , 2015 and Section 149(6) of Companies Act, 2013. The Board periodically evaluates the need for change in its composition.

Name of the Director	Category	No. of other Directorships and Committee memberships/chairmanships		
		Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Surender Kumar Tuteja	Non-Executive & Independent Director	7	3	4
Dr. Ashok Kumar	Non-Executive & Independent Director	2	1	1

Name of the Director	Category	No. of other Directorships and Committee memberships/chairmanships		
		Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Suresh Prasad Yadav	Non-Executive & Independent Director	1	2	-
Mr. Amit Mittal	Executive Non-Independent Director (Managing) Director	2	-	-
Ms. Dipali Mittal	Executive Non-Independent Director (Whole time Director)	1	1	-
Mr. Rajesh Jain	Executive Non-Independent Director (Whole time Director & CEO)	1	-	-
Dr. Ashok Kumar Saini	Executive Non-Independent Director (Whole time Director)	1	-	-
Mr. Gaurav Jain	Non-Executive Non-Independent Director	-	1	-

In terms of Regulation 26(1) of SEBI (LODR) 2015:

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

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

2.2 NUMBER OF BOARD MEETINGS

The Board of Director oversees the overall functioning of the Company and takes the strategic decisions and defines the management policies in the best interest of the Company and its stakeholders and, for this, Members of the Board of Directors of the Company meet frequently, as the occasion(s) arise and as per the statutory requirement. In case of any exigency/ emergency, resolutions are passed by circulation. The Board of Directors met Eight (08) times during the financial year 2016-17 i.e. on May 28, 2016, August 23, 2016, September 14, 2016, September 15, 2016, December 01, 2016, December 30, 2016, February 13, 2017 and March 16, 2017. The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under Regulation 17(2) of the SEBI LODR, 2015.

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

Name of the Director	Attendance Particulars		Whether attended last AGM
	No. of Board Meeting held	No. of Board Meeting Attended	
Mr. Surender Kumar Tuteja	08	08	Yes
Dr. Ashok Kumar	08	08	Yes
Mr. Suresh Prasad Yadav	08	06	Yes
Mr. Gaurav Jain	08	08	Yes
Mr. Amit Mittal	08	08	Yes
Ms. Dipali Mittal	08	08	Yes
Mr. Rajesh Jain	08	08	Yes
Dr. Ashok Kumar Saini	08	07	No

The details of the shareholding of Directors as on March 31, 2017 are as follow:

S. No	Name of the Director	No. of Shares	Percentage (%) of Holding
1.	Mr. Amit Mittal	3,32,04,301	22.91
2.	Ms. Dipali Mittal	11,70,000	0.81
3.	Mr. Rajesh Jain*	6,65,480	0.46
4.	Dr. Ashok Kumar Saini*	4,09,491	0.28
5.	Mr. Gaurav Jain	2,44,100	0.17

Except the equity shares as stated above no other directors hold any equity shares of the Company and none of the Directors hold any convertible instruments issued by the Company.

**During the Financial year 2016-17, 4,20,000 Equity Shares were allotted to Mr. Rajesh Jain & 1,20,000 Equity shares were allotted to Dr. Ashok Kumar Saini pursuant to exercise of options under A2Z Employee Stock Option Plan, 2013 and 2014.*

The details of the familiarisation programme of the Independent Directors are available on the website of the Company: http://a2zgroup.co.in/pdf/Details_Familiarization_Programme_Independent_Directors.pdf

3 BOARD COMMITTEES

In compliance with the SEBI LODR, 2015 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

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

(a) Constitution and Terms of Reference

The Audit Committee comprises of Four (4) Directors, three (3) of them are Non -Executive Independent Directors and one is Non-Executive Non Independent Director. 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 Regulation 18 of the SEBI LODR, 2015, as well as in Section 177 of the Companies Act, 2013.

The Brief terms of reference of the audit committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of payment to statutory auditors for any other services rendered by the statutory auditors;
3. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval;
4. Significant adjustments made in the financial statements arising out of audit findings;
5. Qualifications in the draft audit report;
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. Approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. All Other duties, responsibilities as defined under section 177 of the companies act, 2013 & Regulation 18 of the SEBI LODR, 2015.

(b) Meeting and Attendance

During the financial year 2016-17 ended on March 31, 2017, the Committee met Five (5) times i.e. on May 28, 2016, August 23, 2016, September 14, 2016, December 01, 2016, and February 13, 2017. The CFO, Internal Auditor and Statutory Auditors are permanent invitee of the Meetings.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2017 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Mr. Surender Kumar Tuteja	Chairman	Non- Executive & Independent Director	05
Dr. Ashok Kumar	Member	Non- Executive & Independent Director	05
Mr. Suresh Prasad Yadav	Member	Non- Executive & Independent Director	04
Ms. Dipali Mittal*	Member	Executive & Non Independent Director	05
Mr. Gaurav Jain*	Member	Non Executive& Non Independent Director	00

* Audit Committee is re-constituted by the Board of Directors of the Company on 13th February, 2017. Mr. Gaurav Jain is admitted as member of the Committee in the last Board meeting of the financial year on resignation of Ms. Dipali Mittal from the membership of the Audit Committee.

• *Mr. Atul Kumar Agarwal, Vice President and Company Secretary 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 September 24, 2016*.

3.2 Nomination & Remuneration Committee

(a) Constitution and Terms of Reference

The Nomination & Remuneration Committee comprises of (3) Three Non-Executive Independent Directors. The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI LODR, 2015 read with Section 178 of the Companies Act, 2013.

Terms of Reference:-

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. All other duties, responsibilities as defined under section 178 of the Companies Act, 2013 & Regulation 19 read with part D(A) of Schedule II of the SEBI LODR, 2015.

(b) Meeting and Attendance

During the financial year 2016-17 ended as on March 31, 2017, the committee met Four (4) times i.e. on August 02, 2016, September 02, 2016, December 01, 2016 & March 16, 2017.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2017 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Mr. Suresh Prasad Yadav	Chairman	Non- Executive & Independent Director	04
Dr. Ashok Kumar	Member	Non- Executive & Independent Director	04
Mr. Surender Kumar Tuteja	Member	Non- Executive & Independent Director	04

(c) Performance Evaluation Criteria for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of the SEBI LODR, 2015 and as per the guidance note issued by SEBI dated January 5, 2017 vide its Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, the Nomination & Remuneration Committee of the Board had carried out the evaluation of every Director's Performance based on specified criteria to ensure:

- that the directors demonstrate a willingness to devote time and effort to understand the company and its business;
- that the directors are competent to take the responsibility and having adequate qualification, experience and knowledge;
- the quality and value of their contributions at board meetings;
- whether to extend or continue the term of appointment of Independent Directors;

- their contribution to development of strategy and to oversee the effectiveness of their relationships with fellow board members, the company secretary and senior management.

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

(d) Remuneration Policy

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

Remuneration Policy of your Company is in conformity with the provisions under the Companies Act, 2013 and SEBI LODR, 2015. It is directed towards rewarding performance, based on review of achievements.

The policy ensures that

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

The Remuneration Policy of the Company is placed on the website of the company at http://a2zgroup.co.in/pdf/Remuneration_Policy.pdf

Remuneration to Non-Executive Directors

The Non-executive & Independent Directors are paid sitting fees of Rs. 25,000/- (Rupees Twenty Five Thousand only) for attending each Board and Committee meeting respectively effective from 28th May, 2016. The details of sitting fees paid for attending the Board/committee meeting held during the year and commission payable for financial year 2016-17 ended March 31, 2017 is as under:

(Amount in Rs.)

S.No.	Name	Sitting Fees paid	Commission payable
1.	Mr. Surender Kumar Tuteja	5,35,000	NIL
2.	Dr. Ashok Kumar	6,10,000	NIL
3.	Mr. Suresh Prasad Yadav	4,75,000	NIL
4.	Mr. Gaurav Jain	2,25,000	NIL
	Total	**18,45,000**	**NIL**

Remuneration to Executive Directors

The remuneration of the Executive Directors is recommended by the Nomination & Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organizations and is decided by the Board of Directors.

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

Remuneration paid to Managing Director and Whole Time Director and commission payable for financial year ended March 31, 2017 is as follows:

(Amount in Rs.)

Name	Salaries	Benefits Perquisites and Allowances	Commission	ESOP
Mr. Amit Mittal[1] Managing Director for 3 Years (till December 31, 2017)	NIL	NIL	NIL	NIL
Ms. Dipali Mittal Whole time Director for 3 Years (till March 31, 2018)	18,00,000	39,600	NIL	NIL
Mr. Rajesh Jain Whole time Director for 3 Years (till November 12, 2017)	18,00,000	39,600	NIL	88,02,000*
Dr. Ashok Kumar Saini Whole time Director for 3 Years (till February 14, 2018)	18,00,000	39,600	NIL	21,66,000*

1. *The Company has not paid any remuneration to Mr. Amit Mittal. However, He has been appointed as Managing Director in A2Z Infraservices Limited ("AISL"), a material subsidiary Company on October 24, 2015 and he is in receipt of INR 48,00,000/- p.a. as remuneration w.e.f. July 01, 2016 in his capacity as Managing Director of AISL.*

   ** During the Financial year 2016-17 4,20,000 Equity Shares were allotted to Mr. Rajesh Jain & 1,20,000 Equity shares were allotted to Mr. Ashok Kumar Saini pursuant to exercise of options under A2Z Employee Stock Option Plan, 2013 and 2014.*

3.3 Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in line with the provisions of Part D of Schedule II and Regulation 20 of SEBI LODR, 2015 read with section 178 of the Companies Act, 2013. The Committee is responsible for assisting the Board of Directors in resolving the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The Stakeholders Relationship Committee comprises of three (3) Directors out of which two (2) are Non-Executive Independent Directors and one (1) Executive Director. During the Financial year 2016-17 ended on March 31, 2017, the Committee met Four (4) times i.e. on May 28, 2016, August 23, 2016, December 01, 2016 and February 13, 2017.

The composition and attendance of the members of the Stakeholders Relationship Committee at the meetings held during the financial year ended March 31, 2017 are given below:

S. No.	Name of the Director	Designation	Category	No of Meetings Attended
1.	Dr. Ashok Kumar	Chairman	Non-Executive & Independent Director	04
2.	Mr. Suresh Prasad Yadav	Member	Non-Executive & Independent Director	03
3.	Ms. Dipali Mittal	Member	Executive & Non Independent Director	04

Name and designation of compliance officer: Mr. Atul Kumar Agarwal designated as Vice President and Company Secretary.

Details of investor complaints received and redressed during the year 2016- 17 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NA	NA

3.4 Separate Independent Directors' Meetings

As per the Schedule IV of Companies Act, 2013 & Regulation 25(3) of SEBI LODR, 2015, the Independent Directors duly held their separate meeting on March 16, 2017, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

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

All the independent Directors were present at the meeting.

3.5 Other Committee of the Board of Directors

In addition to the above referred committees which are constituted pursuant to SEBI LODR, 2015, the Board has duly constituted Finance Committee and CSR Committee, to consider various business matters and delegated their powers and responsibilities with respect to specific purposes.

4. SUBSIDIARY COMPANY

The Company has one material non-listed Indian subsidiary company accordingly, an Independent Director of the Company has been duly appointed on the Board of Directors of the material subsidiary company.

Further, the financial statements, in particular the investments made by the unlisted subsidiary company are reviewed by the Audit Committee of the Company, and the minutes of the meetings of subsidiary companies are placed before the Company's Board regularly.

The Board of Directors also reviews statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies.

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

5. GENERAL BODY MEETINGS

A. ANNUAL GENERAL MEETING

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

Financial Year ended March 31, 2017	Venue	Date	Time	Special Resolution passed in last three Annual General Meetings
2016	HSIIDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana	September 24, 2016	10:30 AM	No special resolutions were passed
2015	HSIIDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana	September 26, 2015	10:30 AM	No special resolutions were passed
2014	HSIIDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana	September 27, 2014	10:30 AM	1. Approval of change in the name of Company from "A2Z Maintenance & Engineering Services Limited" to "A2Z INFRA ENGINEERING LIMITED". 2. Adoption of the newly substituted Articles of Association of the Company containing regulations in line with the Companies Act, 2013. 3. Approval of waiver of the recovery of the excess amount paid as managerial remuneration to Mr. Amit Mittal as a Managing Director. 4. To consider and approve A2Z Employees Stock Option Plan, 2014 for the eligible employee(s) of the Company. 5. To consider and approve A2Z Employees Stock Option Plan, 2014 to the eligible employee(s)/directors of the subsidiary Companies.

B. POSTAL BALLOT

During the FY 2016-17, Special Resolution for alteration of the object clause of the memorandum of association of the company and amendment of liability clause of memorandum of association of the company was passed through Postal Ballot Notice dated May 28, 2016, result of which was declared on July 19, 2016.

The Board of Directors has appointed Mr. Nitin Goyal, Practicing Company Secretary (a partner of Nitin Goyal & Associates, Company Secretaries) as scrutinizer for the above postal ballot to conduct the process in a fair and transparent manner. The details of voting pattern are given herein below:

(i) **Special Resolution for alteration of the object clause of the memorandum of association of the company**

Category	No. of Shares held(1)	No. of votes polled*(2)	% of Votes Polled on outstanding shares(3)= [(2)/(1)]*100	No. of Votes – In favor(4)	No. of Votes - against(5)	% of Votes in favor on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	6,09,52,640	6,09,52,640	100.00%	6,09,52,640	0	100.00%	0
Public-Institutional holders	1,56,03,788	0	0	0	0	0	0
Public-Others	5,03,37,552	50,08,463	9.94 %	49,95,695	12,768	99.75%	0.25%
Total	**12,68,93,980**	**6,59,61,103**	**51.98%**	**6,59,48,335**	**12,768**	**99.98%**	**0.02%**

*** The numbers of votes polled do not include the invalid votes and votes not polled.**

(ii) **Special Resolution for amendment of liability clause of memorandum of association of the company**

Category	No. of Shares held(1)	No. of votes polled*(2)	% of Votes Polled on outstanding shares(3)= [(2)/(1)]*100	No. of Votes – In favor(4)	No. of Votes - against(5)	% of Votes in favor on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	6,09,52,640	6,09,52,640	100.00%	6,09,52,640	0	100.000%	0
Public-Institutional holders	1,56,03,788	0	0	0	0	0	0
Public-Others	5,03,37,552	50,09,388	9.95 %	49,92,055	17,333	99.65%	0.35%
Total	**12,68,93,980**	**6,59,62,028**	**51.98%**	**6,59,44,695**	**17,333**	**99.97%**	**0.03%**

*** The numbers of votes polled do not include the invalid votes and votes not polled.**

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

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

Procedure for postal ballot:

The Company followed postal ballot process in compliance with Regulation 44 of the SEBI LODR, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules. Electronic voting facility was provided to all members, to enable them to cast their votes electronically. The Company engaged the services of National Security Depository Limited (NSDL) for the purpose of providing e-voting facility to all its members. The members had the option to vote either by physical postal ballot or e-voting.

5.1 MEANS OF COMMUNICATION

I. The Quarterly and Annual Results are published in at least one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated, viz. Business Standard (English & Hindi dailies) and also uploaded on the website of the company i.e. http://a2zgroup.co.in/financialResults.html.

II. 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.

III. 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.

IV. 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 participants/Company/RTA. This helped in prompt delivery of documents, reduce paper consumption, save trees and avoid loss of documents in transit.

V. NEAPS (NSE Electronic Application Processing system):- NEAPS is web based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, Corporate Governance Report, Media Releases, among others are filed electronically on NEAPS.

VI. BSE Corporate Compliance & Listing Centre: BSE has launched its Online Portal - BSE Corporate Compliance & Listing Centre for submission of various filings by the Listed Companies. It is web based facility which is designed to make Corporate filings easy, convenient and environment friendly. The Company has electronically filed data such as shareholding pattern, Corporate Governance Report, etc. on the aforesaid portal.

VII. 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 will upload 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.

VIII. Annual Report: The Annual Report containing, interalia, Audited Annual Financial Statements, Consolidated Financial Statements, Boards' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report. The Annual Report is also available on the Company's website (www.a2zgroup.co.in).

6. GENERAL SHAREHOLDER INFORMATION

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

6.2 16th Annual General Meeting

Date	:	September 29, 2017
Day	:	Friday
Time	:	09.30 A.M
Venue	:	HSIIDC Hall, Phase-V, Udyog Vihar, Gurgaon-122016, Haryana, India

6.3 Financial Calendar

Financial year	:	April 01 to March 31
Results for the quarter ending	:	Actual/Tentative Date for approval
30th June, 2017	:	On or before August 14, 2017
30th September, 2017	:	On or before November 14, 2017
31st December, 2017	:	On or before February 14, 2018
31st March, 2018	:	Latest by May 30, 2018

6.4 Date of Book Closure

The Register of members and Share Transfer books of the Company will remain closed from Saturday, September 23, 2017 to Friday, September 29, 2017 (both days inclusive) for the purpose of Annual General Meeting.

6.5 Dividend Payment date: Not Applicable**.** The Company has incurred losses in the financial year 2016-17 and does not recommend any dividend for the shareholders.

6.6 Listing on Stock Exchanges

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

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

6.7 International Securities Identification Numbers (ISIN)

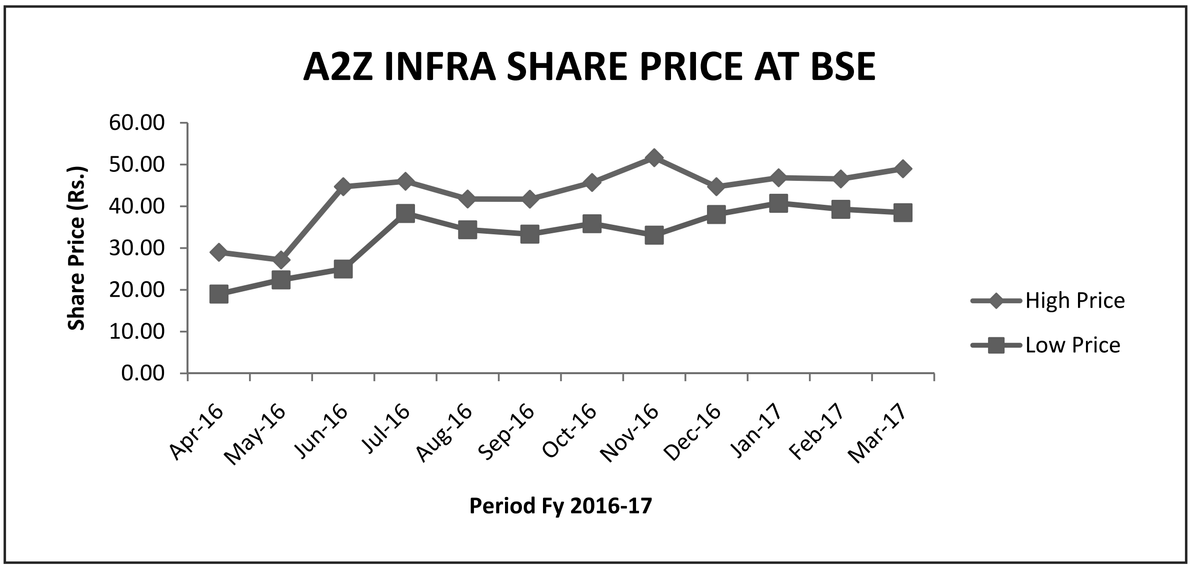
ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized equity shares of the company. The ISIN number of the shares of Company is INE619I01012.

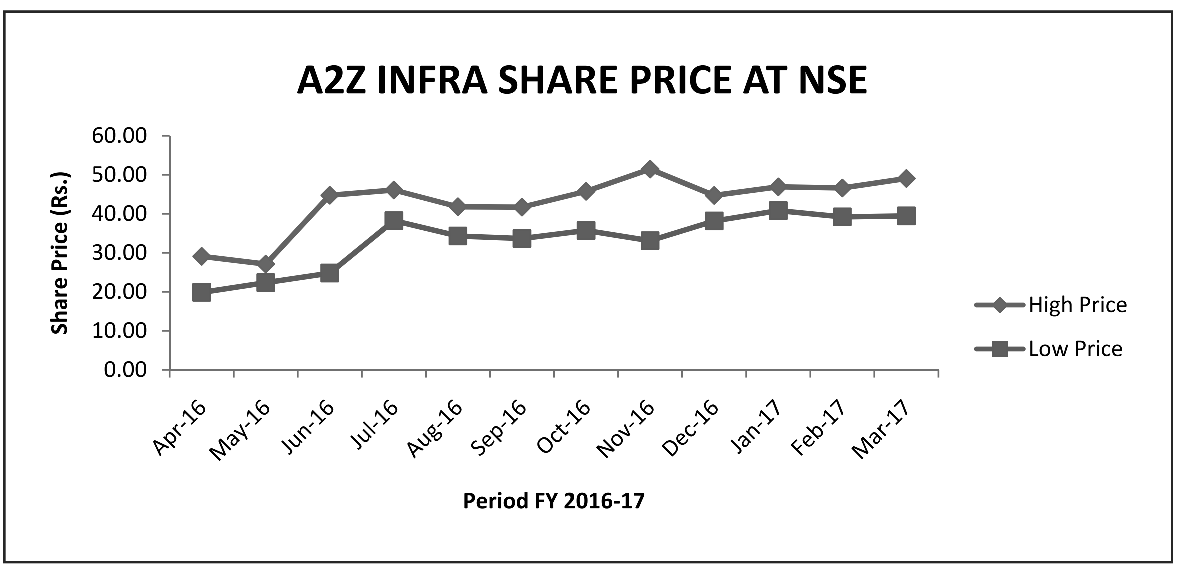
6.8 Market Price Data

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 2016-17 are as under:

BSE Limited				
	A2Z Stock (in Rs.)		**Sensex**	
Month & Year	**High Price**	**Low Price**	**High**	**Low**
April-2016	29.00	19.00	26,100.54	24,523.20
May-2016	27.15	22.40	26,837.20	25,057.93
Jun-2016	44.70	25.00	27,105.41	25,911.33
Jul-2016	46.00	38.30	28,240.20	27,034.14
Aug-2016	41.75	34.40	28,532.25	27,627.97
Sep-2016	41.70	33.35	29,077.28	27,716.78
Oct-2016	45.70	35.85	28,477.65	27,488.30
Nov-2016	51.65	33.10	28,029.80	25,717.93
Dec-2016	44.70	38.05	26,803.76	25,753.74
Jan-2017	46.85	40.75	27,980.39	26,447.06
Feb-2017	46.55	39.30	29,065.31	27,590.10
Mar-2017	49.00	38.50	29,824.62	28,716.21

National Stock Exchange of India Limited				
	A2Z Stock (in Rs.)		Nifty	
Month & Year	High Price	Low Price	High	Low
April-2016	29.10	19.85	7,992.00	7,516.85
May-2016	27.10	22.35	8,213.60	7,678.35
Jun-2016	44.75	24.80	8,308.15	7,927.05
Jul-2016	46.10	38.20	8,674.70	8,287.55
Aug-2016	41.80	34.30	8,819.20	8,518.15
Sep-2016	41.70	33.65	8,968.70	8,555.20
Oct-2016	45.75	35.70	8,806.95	8,506.15
Nov-2016	51.45	33.10	8,669.60	7,916.40
Dec-2016	44.70	38.15	8,274.95	7,893.80
Jan-2017	46.90	40.80	8,672.70	8,133.80
Feb-2017	46.60	39.20	8,982.15	8,537.50
Mar-2017	49.05	39.45	9,218.40	8,860.10





6.9 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
1E/13, Alankit House,
Jhandewalan Extension
New Delhi – 110 055
Ph.: +91 11 42541234, 2351234
Fax: +91 11 42541967
Email: rta@alankit.com
Website: www.alankit.com

6.10 Share Transfer System

All the transfer are processed by the registrar and share transfer agent and approved by the Company. The transfer requests are processed within 15 days of receipt of the documents, if the documents are found in order. Shares under objection are returned within 15 days. The Board has delegated the authority for approving transfer, transmissions etc. of the Company's securities to the Stakeholders Relationship Committee of the Board of Directors. The Company obtains half year Compliance Certificate from DR Associates, Company Secretaries for due compliance of share transfer formalities by the Company and ensuring that all the certificates have been issued within thirty days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies..

6.11 Distribution of Shareholding

(a) By number of shareholder & shares as on March 31, 2017

S. No.	Range of Shares	No. of Shareholders	% to Total Shareholders	No. of Shares	% of Shares to total shares
1	1-100	12,792	44.02	6,53,294	0.45
2	101-500	9,627	33.13	28,32,031	1.95
3	501-1000	2,839	9.77	24,10,879	1.66
4	1001-5000	2,810	9.67	66,75,363	4.61
5	5001-10000	477	1.64	35,60,949	2.46
6	10001-20000	237	0.82	33,71,160	2.33
7	20001-30000	97	0.33	23,86,501	1.65
8	30001-40000	35	0.12	12,12,765	0.84
9	40001-50000	34	0.12	16,02,696	1.11
10	50001-100000	57	0.20	40,75,133	2.81
11	100001-500000	37	0.13	72,21,818	4.98
12	500001 and Above	21	0.07	10,89,46,880	75.16
	TOTAL	**29,063**	**100.00**	**14,49,49,469**	**100.00**

(b) By category of shareholders as on March 31, 2017

Sr. No.	Category of Shareholder	Total number of shares	% of Holding
(I)	**Shareholding of Promoter and Promoter Group**		
	(a) Indian	5,91,84,640	40.83
	(b) Foreign	-	-
	Total Shareholding of Promoter & Promoter Group	**5,91,84,640**	**40.83**
(II)	**Public shareholding**		
	(A) Institutions		
	(a) Mutual Funds/ UTI	-	-
	(b) Financial Institutions / Banks	82,83,393	5.71
	(c) Central Government/ State Government(s)	-	-
	(d) Venture Capital Funds	-	-
	(e) Insurance Companies	-	-

Sr. No.	Category of Shareholder	Total number of shares	% of Holding
	(f) Foreign Institutional Investors	2,,7,68,439	1.91
	(g) Foreign Venture Capital Investors	49,74,589	3.43
	(h) Qualified Foreign Investor	-	-
	(i) Any Other (specify)	-	-
	(B) Non-institutions		
	(a) Individuals		
	i. Individual shareholders holding nominal share capital up to Rs 2 lakh	1,72,57,734	11.91
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	2,35,24,705	16.23
	(b) Qualified Foreign Investor	-	-
	(c) NBFCs registered with RBI	24,200	0.02
	(d) Any Other (specify)		
	(d-i) Non Resident Indian	1,04,29,629	7.20
	(d-ii) Corporate Body	1,85,01,640	12.76
	(d-iii) Trust	500	0
	Total Public Shareholding (A+B)	**8,57,64,829**	**59.17**
	GRAND TOTAL (I+II)	**14,49,49,469**	**100.00**

6.12 Dematerialization of Shares and Liquidity

(a) Dematerialization of Shares

Your Company's equity shares are compulsorily traded in dematerialised form by all categories of investors. Equity Shares of the Company representing 99.99% of the Company's Share Capital are dematerialized as on March 31, 2017. 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 March 31, 2017)**

Particulars of Shares	Equity Shares of Rs. 10/- each		Shareholders	
Dematerialised	**Number**	**% of Total Shares**	**Number**	**% of Total Shareholders**
NSDL	12,29,58,334	84.83	16,606	57.13
CDSL	2,19,84,138	15.16	12,435	42.79
Sub total	14,49,42,472	99.99	29,041	99.92
Physical form	6,997	0.01	22	0.08
Total	**14,49,49,469**	**100.00**	**29,063**	**100.00**

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

The Company has made an Allotment of 2,46,95,780 (Two Crore Forty Six Lac Ninety Five Thousand Seven Hundred Eighty) warrants convertible into equal no. of equity shares of Rs. 10/- each (exercisable in one or more tranches) at the option of the holder thereof at any time within 18 (eighteen) months after the allotment i.e. (September 17, 2015) at an issue price of Rs. 21.66 each on preferential basis to persons other than the promoters and Promoter group as per SEBI (ICDR) Regulations, 2009 as amended from, time to time in terms of approval granted by the shareholders of the Company in their meeting duly held on August 17, 2015.

Further as on March 31, 2017, there are no outstanding Warrants and all the warrants have been converted into equal no. of equity shares.

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

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

6.13 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

6.14 Address for Correspondence

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

Mr. Atul Kumar Agarwal
Company Secretary cum Compliance Officer

A2Z INFRA ENGINEERING LTD.
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,
1E/13, Jhandewalan Extension
New Delhi – 110055
Ph.:- +91-11-42541234, 2351234
Fax: - +91 11 23552001
Email ID: - rta@alankit.com

7. Other Disclosures:

i. Materially Significant Related Party Transactions: - There were no material significant transactions entered by the Company with the related parties and all transactions entered into by the Company with related parties as defined under the Act and Regulation 23 of SEBI LODR, 2015 during the financial year were in the ordinary course of business. These have been approved by the audit committee and Board. The board has approved a policy for related party transactions which has been uploaded on the website of Company at http://a2zgroup.co.in/pdf/Related_Party_Policy_13_Apr_2015.pdf

ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2014-15, 2015-16 and 2016-17 respectively:Nil

iii. Vigil mechanism/ Whistle Blower Policy: The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI LODR, 2015 for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The Whistle Blower Policy is available on Company's website at http://a2zgroup.co.in/pdf/Whistle_Blowe_13_Apr_2015.pdf

iv. The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents and same was also uploaded on the website of the company at below mention links :- http://a2zgroup.co.in/pdf/Policy_for_Determination_of_Materiality_of_Events.pdf.
http://a2zgroup.co.in/pdf/Archival_Policy.pdf

v. Compliance with the Mandatory Requirements of the SEBI Regulations: The Company has complied with all the mandatory requirements of the Code of Corporate Governance under the SEBI LODR, 2015 and also the non-mandatory requirements to the extent applicable on the company and as stipulated under the SEBI LODR, 2015.

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 Whole time director cum 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 March 31, 2017 is attached as **Annexure-I**.

The voting rights on the shares outstanding in the suspense account as on March 31, 2017 shall remain frozen till the rightful owner of such shares claims the shares.

8. Certificate on Corporate Governance

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

Equity Shares in the Suspense Account:

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI LODR, 2015 the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2016.	1	105
Shareholders who approached the Company for transfer of shares from suspense account during the year.	0	NA
Shareholders to whom shares were transferred from the suspense account during the year.	NA	NA
Number of shareholders to whom shares were transferred from suspense account during the year.	NA	NA
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	1	105

The voting rights on the shares outstanding in the suspense account as on March 31, 2017 shall remain frozen till the rightful owner of such shares claims the shares.

Annexure-I to CG Report

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

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

I, hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2017.

For **A2Z INFRA ENGINEERING LTD**

Sd/-
(Rajesh Jain)
Whole time director & Chief Executive Officer

Place : Gurgaon
Date : 29.05.2017

Annexure – II to CG Report

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
A2Z Infra Engineering Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by A2Z Infra Engineering Limited (‘the Company’), for the financial year ended 31st March 2017, as stipulated in Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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

In our opinion and to the best of our information and according to the explanation given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

For **DR Associates**
Company Secretaries

Sd/-
Suchitta Koley
Partner
CP No.: 714

Place : New Delhi
Date : 14.08.2017

Independent Auditor's Report

To
The Members of
A2Z Infra Engineering Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of A2Z Infra Engineering Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branches at Zambia, Uganda and Nepal.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

9. We draw attentions to;
   (a) Note 3.1 to the accompanying standalone financial statements, which describes the uncertainty relating to the estimates and assumptions, including extension of the concession period, used by the management with respect to the impairment assessment of the cogeneration power plants classified under property, plant and equipment and capital work-in-progress.
   (b) Note 7.1 to the standalone financial statements with respect to unbilled receivables relating to certain projects which are still in progress aggregating to Rs. 12,759.95 lacs, recognized in the earlier years. Management, based on ongoing discussions/ negotiations with the customers believes that these amounts are completely billable and accordingly, no adjustments have been made in the standalone financial statements.
   (c) Note 43 to the standalone financial statements, which describes the uncertainty relating to the outcome of litigation pertaining to income tax matters pursuant to assessment orders received by the Company for the Assessment years 2009-10 to 2013-14 which are pending with Income Tax Appellate Tribunal (ITAT).

Pending the final outcome of these matters, which is presently unascertainable, no further adjustments have been made in the standalone financial statements.

(d) Note 5.2 to the standalone financial statements, regarding the Company's non-current investments in its subsidiary company and its other current financial assets (net of provision) which include amounts due from such subsidiary companies aggregating Rs. 19,408.80 lacs and Rs. 399.95 lacs, respectively. The consolidated net worth of the aforesaid subsidiary company as at 31 March 2017 has been fully eroded; however, based on the future business plans and projections of the subsidiary company, which have been developed using certain management assumptions and estimates, as described in the aforesaid note, management believes that the realizable amount is higher than the carrying value of the investments and its other current financial assets due to which these are considered as good and recoverable. Accordingly, no provisions against the aforesaid amounts have been recognised in the standalone financial statements.

Our opinion is not modified in respect of above matters.

Other Matters

10. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 28 May 2016 and 26 May 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

11. We did not audit the separate financial statements of three branches located outside India, included in the standalone financial statements, whose financial statements reflects total revenues (after eliminating intra-group transaction) of Rs. 3,365.23 lacs and net loss after tax of Rs. 201.78 lacs for the year ended 31 March 2017 and total assets of Rs. 5,445.99 lacs as at 31 March 2017, as considered in these standalone financial statements. These financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These separate financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.

Our opinion in so far it relates to the amounts and disclosure in respect of these branches is solely based on report of the other auditors and the conversion adjustment prepared by the management of the Company, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

(a) we have sought and 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 it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

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

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

(e) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

(f) the matters described in paragraph 9 under the Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of the Company.

(g) on the basis of the written representations received from the directors as on March 31, 2017and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section164(2) of the Act;

(h) we have also audited the internal financial controls over financial reporting (IFCOFR) of the Company as on March 31,2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 30, 2017 as per Annexure II expressed an unqualified opinion;

(i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in Note 43 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

ii. the Company, as detailed in Note 42 to the standalone financial statements, has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts. The Company does not have any derivative contracts.;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. the company, as detailed in Note 45 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Place : Gurugram
Date : 30 May 2017

Annexure I to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited, on the standalone financial statements for the year ended 31 March 2017.

Annexure I

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, and to the best of our knowledge and belief, 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. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

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

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether re-payments/ receipts of the principal amount and the interest are regular;

(c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the 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.

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

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

Name of the statute	Nature of the dues	Amount (in lacs)	Period to which the amount relates	Due Date	Date of payment
Income Tax Act, 1961	Tax deducted at source	469.58	January 2016-August 2016	7th day of subsequent month	Not yet paid
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Employee Provident Fund	30.85	January 2016-August 2016	15th day of subsequent month	Not yet paid
Employees State Insurance Act, 1948	Employee State Insurance	8.1	January 2016-August 2016	21st day of subsequent month	Not yet paid
Employee Welfare Fund	Employee Welfare Fund	0.76	January 2016-August 2016	25th day of subsequent month	Not yet paid

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

Statement of disputed dues

Name of the statute	Nature of the dues	Amount (in lacs)	Amount Paid Under Protest (in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand made under section 153A and 153B	1,992.17	-	A.Y. 2009-10 to 2013-14	Income Tax Appellate Tribunal, Delhi
Bihar Value Added Tax, 2005	Value Added Tax	83.55	-	2010-11	Assessing Officer Commercial Tax, Bihar
	Value Added Tax	431.98	-	2012-13	Honourable High Court, Patna
	Value Added Tax	1,644.31	125.00	2013-14	Commissioner, Commercial Tax, Bihar
Jharkhand Value Added Tax, 2005	Value Added Tax	138.46	58.24	2008-09 to 2011-12	Commissioner, Commercial tax, Ranchi, Jharkhand
The West Bengal Value Added Tax, 2003	Value Added Tax	653.11	50.00	2009-10	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	Value Added Tax	1,019.40	175.00	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	Central Sales Tax	54.13	-	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	Central Sales Tax	229.16	-	2011-12	Additional Commissioner (Appeals) Sales Tax
The Maharashtra Value Added Tax, 2002	Central Sales Tax	131.42	-	2007-08	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Value Added Tax	1,801.79	-	2008-09	Maharashtra Sales Tax Tribunal
	Value Added Tax	15.52	-	2009-10	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Central Sales Tax	154.06	-	2009-10	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Value Added Tax	22.88	-	2010-11	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Central Sales Tax	225.99	-	2010-11	Joint Commissioner (Appeal), Mumbai, Maharashtra

	Central Sales Tax	17.92	-	2011-12	Joint Commissioner, Mumbai, Maharashtra
AP Value Added Tax Act, 2005	Value Added Tax	62.95	31.25	2010-11	AP Sales Tax and VAT Appellate Tribunal, Hyderabad
The Jammu and Kashmir Value Added Tax Act, 2005	Central Sales Tax	86.02	-	2012-13	Deputy Commissioner (Appeals), Sales tax
	Central Sales Tax	64.66	-	2013-14	Deputy Commissioner (Appeals), Sales tax
The Madhya Pradesh VAT Act, 2002	Central Sales Tax	3.25	-	2013-14	Joint Commissioner, Indore, M.P.-Appeal filed
	Central Sales Tax	103.05	45.34	2011-12	Sales Tax Tribunal, Madhya Pradesh
	Central Sales Tax	89.96	9.10	2012-13	Joint Commissioner, Indore, Madhya Pradesh
	Entry Tax	3.32	2.07	2012-13	Joint Commissioner, Indore, Madhya Pradesh
The Haryana Value Added Tax Act, 2003	Central Sales Tax	1,930.50	-	2009-10	Sales Tax Tribunal, Chandigarh
The Chhattisgarh Value Added Sales Tax Act, 2003	Central Sales Tax	8.26	-	2011-12	The Company is in the process of filing appeal with the Deputy Commissioner (Appeals), Sales Tax against the demand.
	Central Sales Tax	1.84	-	2012-13	
The Karnataka Value Added Tax Act, 2003	Central Sales Tax	16.26	-	2010-11	The Company is in the process of filing appeal with the Joint Commissioner, Commercial tax, Karnataka against the demand.

(viii) There are no dues payable to debenture-holders or Government. The Company has defaulted in repayment of loans and borrowings to the following banks financial institutions during the year, which is detailed below:

(Amount in lacs)

Particulars	**Default (in months)**				
Banks	**(0-3)**	**(3-6)**	**(6-12)**	**(12-24)**	**(More than 24)**
Allahabad Bank	474.18	8.00	-	-	-
Axis Bank	418.83	9.48	2.15	-	-
DBS Bank	225.06	151.26	521.74	870.26	6,880.30
HSBC Bank	27.29	17.97	61.18	95.19	216.24
ICICI Bank*	650.57	254.10	1,675.24	2,028.27	-
IDBI Bank	394.08	81.13	-	-	-
Indusind Bank	93.93	28.67	23.41	-	-
Kotak Mahindra Bank	119.89	5.70	-	-	-
State Bank of Hyderabad	63.47	36.47	139.72	201.33	21.85
State Bank of Mysore	168.66	50.59	80.06	-	-
State Bank of Patiala	1,709.92	400.79	351.80	-	-
State Bank of Travancore	192.19	32.15	40.18	1.35	-
Standard Chartered Bank	304.52	203.41	679.30	1,064.50	1,711.22
State Bank of India	233.09	115.46	514.16	663.00	236.13
Union Bank of India	179.50	24.76	-	-	-
Yes Bank	2,242.62	240.30	755.84	-	-
Financial Institutions:					
State Industrial & Investment corporation of Maharashtra Limited (SICOM)	184.93	125.34	439.55	750.69	6,439.69

*During the year ICICI bank has transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act except for in following cases:

(Amount in lacs)

S. No	Payment made to	Financial year	Amount Paid/ provided in excess of limits prescribed	Amount due for Recovery as at 31 March 2017	Steps taken to secure the recovery of the amount	Remarks (if any)
1	Managing Director	2012-13	94.54	32.49	The Company has obtained a confirmation from the Managing Director that such amount has been held in trust will be repaid as per agreed plan.	Amount recoverable pertains to non-grant of requisite approval by Central Government under the provision of 198, 309 & 310 of erstwhile Companies Act 1956.
		2013-14	94.94	94.94		

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

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

(xiv) During the year, the Company has made preferential allotment/ private placement of shares. In respect of the same, in our opinion, the company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/ private placement of convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Place : Gurugram
Date : 30 May 2017

Annexure II to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited, on the standalone financial statements for the year ended 31 March 2017.

Annexure II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of A2Z Infra Engineering Limited ('the Company') as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI')and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2017, based on 'the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India'.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Place : Gurugram
Date : 30 May 2017

Standalone Balance sheet as at March 31, 2017

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

	Notes No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS:				
Non-current assets:				
Property, plant and equipment	3	16,311.51	18,612.45	20,546.46
Capital work-in-progress	3	20,877.12	26,613.09	26,712.23
Intangible assets	4	43.77	85.96	172.12
Financial assets:				
Investments	5	29,802.85	29,654.06	29,449.04
Loans	6	271.76	174.68	71.42
Other financial assets	7	2,057.18	1,668.95	1,850.71
Deferred tax assets (net)	8	6,318.17	12,173.58	12,228.11
Non-current tax assets (net)	9	2,279.40	1,831.31	1,432.91
Other non-current assets	10	1,461.05	1,516.64	1,438.27
		79,422.81	**92,330.72**	**93,901.27**
Current Assets:				
Inventories	11	765.66	1,812.27	1,163.87
Financial assets:				
Investments	12	-	231.28	231.28
Trade receivables	13	120,029.73	101,157.13	65,029.44
Cash and cash equivalents	14	5,152.78	796.91	245.43
Other bank balances	15	0.82	0.82	0.82
Loans	6	4,440.28	6,065.64	5,587.05
Other financial assets	7	29,624.15	50,840.57	34,116.84
Other current assets	10	11,679.35	9,179.28	7,150.28
		171,692.77	**170,083.90**	**113,525.01**
		251,115.58	**262,414.62**	**207,426.28**
EQUITY AND LIABILITIES:				
Equity:				
Equity share capital	16	14,494.95	12,689.40	8,651.77
Other equity		45,975.54	58,563.21	62,641.84
		60,470.49	**71,252.61**	**71,293.61**
Liabilities:				
Non-current liabilities:				
Financial liabilities:				
Borrowings	17	25,103.30	30,222.71	31,429.34
Long term provisions	18	314.26	177.11	208.30
		25,417.56	**30,399.82**	**31,637.64**
Current liabilities:				
Financial liabilities:				
Borrowings	19	56,524.55	52,677.14	50,129.39
Trade payables	20	65,920.55	67,641.13	20,896.51
Other financial liabilities	21	31,415.66	31,674.08	26,646.56
Other current liabilities	22	11,213.17	8,471.63	6,612.09
Short term provisions	18	153.60	298.21	210.48
		165,227.53	**160,762.19**	**104,495.03**
		251,115.58	**262,414.62**	**207,426.28**

Notes 1 to 48 form an integral part of the standalone financial statements

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

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

Sd/-
Rajesh Jain
Whole Time Director & CEO
(DIN 07015027)

Sd/-
G R Nagendran
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Place : Gurugram
Date : May 30, 2017

Standalone Statement of Profit and Loss for the Year ended March 31, 2017

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

	Notes	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Revenue:			
Revenue from operations	23	63,455.83	96,138.78
Other income	24	1,563.48	3,337.82
Total revenue		**65,019.31**	**99,476.60**
Expenses:			
Cost of materials consumed	25	47,240.91	77,754.10
Purchases of stock-in-trade	26	4,996.99	2,512.63
Changes in inventories	27	-	7.38
Employee benefits expense	28	1,965.05	2,346.24
Finance costs	29	11,967.31	11,743.21
Depreciation and amortisation expenses	30	1,447.52	1,657.35
Other expenses	31	4,501.85	7,384.00
Total expenses		**72,119.63**	**103,404.91**
Loss before exceptional item and tax		**(7,100.32)**	**(3,928.31)**
Exceptional items	44	(959.58)	-
Loss before tax		**(8,059.90)**	**(3,928.31)**
Tax expense			
Current tax		3.67	38.06
Deferred tax	32	5,855.41	54.53
Loss for the year		**(13,918.98)**	**(4,020.90)**
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Re-measurement of defined benefit obligations		29.58	(16.64)
		29.58	**(16.64)**
Total comprehensive income for the year (comprising loss and other comprehensive income)		**(13,889.40)**	**(4,037.54)**
(Loss) per equity share(INR) :	33		
[Nominal value of shares INR 10]			
Basic		(10.75)	(3.53)
Diluted		(10.75)	(3.53)

Notes 1 to 48 form an integral part of the standalone financial statements

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

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

Sd/-
Rajesh Jain
Whole Time Director & CEO
(DIN 07015027)

Sd/-
G R Nagendran
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Place : Gurugram
Date : May 30, 2017

Standalone Statement of Changes in Equity for the year ended March 31, 2017

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

		Notes	Number of shares	Amount
A	**Equity share capital:**			
	Issued, subscribed and fully paid up			
	Equity Shares of INR 10 each			
	Balance as at April 1, 2015	16	**8,65,17,694**	**8,651.77**
	Changes in equity share capital		4,03,76,286	4,037.63
	Balance as at March 31, 2016	16	**12,68,93,980**	**12,689.40**
	Changes in equity share capital		1,80,55,489	1,805.55
	Balance as at March 31, 2017	16	**14,49,49,469**	**14,494.95**

B. Other equity:

		Reserves and surplus					
	Share application money pending allotment	Money received against share warrants	Securities premium account	General reserve	Employee stock option plan reserve	Retained earnings	Total equity attributable to equity holders
Balance as at April 1, 2015	**2,220.00**	**-**	**77,148.59**	**640.14**	**422.32**	**(17,789.21)**	**62,641.84**
Loss for the year	-	-	-	-	-	(4,020.90)	**(4,020.90)**
Other comprehensive income	-	-	-	-	-	(16.64)	**(16.64)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(4,037.54)**	**58,604.30**
Reclassification for surrender of vested share options	-	-	-	-	(42.66)	42.66	**-**
Reclassification for exercise of vested share options	-	-	81.98	-	(81.98)	-	**-**
Transactions with owners in their capacity as owners:							
Issue of equity shares	-	-	1,002.56	-	-	-	**1,002.56**
Share option expense for the year	-	-	-	-	192.87	-	**192.87**
On account of ESOP given to employees of subsidiaries	-	-	-	-	92.98	-	**92.98**
Received during the year against issue of share warrants	-	2,677.62	-	-	-	-	**2,677.62**
Shares issued against share warrant money during the year	-	(1,787.12)	-	-	-	-	**(1,787.12)**
Shares issued against share application money during the year	(2,220.00)	-	-	-	-	-	**(2,220.00)**
Balance as at March 31, 2016	**-**	**890.50**	**78,233.13**	**640.14**	**583.53**	**(21,784.09)**	**58,563.21**
Loss for the year	-	-	-	-	-	(13,918.98)	**(13,918.98)**
Other comprehensive income	-	-	-	-	-	29.58	**29.58**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(13,889.40)**	**(13,889.40)**
Reclassification for surrender of vested share options	-	-	-	-	(69.54)	69.54	**-**
Transactions with owners in their capacity as owners:							
Received during the year against issue under ESOP schemes	-	-	143.69	-	(143.69)	-	-
Received during the year against issue of share warrants	-	2,671.49	-	-	-	-	**2,671.49**
Issue of equity shares	-	-	2,022.70	-	-	-	**2,022.70**
Share option expense for the year	-	-	-	-	140.01	-	**140.01**
On account of ESOP given to employees of subsidiaries	-	-	-	-	29.52	-	**29.52**
Shares issued against share warrant money during the year	-	(3,561.99)	-	-	-	-	**(3,561.99)**
Balance as at March 31, 2017	**-**	**-**	**80,399.52**	**640.14**	**539.83**	**(35,603.95)**	**45,975.54**

Notes 1 to 48 form an integral part of the standalone financial statements

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

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

Sd/-
Rajesh Jain
Whole Time Director & CEO
(DIN 07015027)

Sd/-
G R Nagendran
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Place : Gurugram
Date : May 30, 2017

Standalone Cash flows statement for the year ended March 31, 2017

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

		For the Year ended March 31, 2017	For the Year ended March 31, 2016
A	**Cash flow from operating activities**		
	Net loss before tax from	(8,059.90)	(3,928.31)
	Adjustments:		
	Exceptional items-	959.58	-
	Depreciation and amortisation expense	1,447.52	1,657.35
	(Gain) on disposal of property, plant and equipment	(39.60)	(512.47)
	(Profit) on sale of investment in subsidiary (Net)	(394.47)	(468.82)
	Interest expense	11,370.75	11,041.80
	Interest income	(895.31)	(2,064.61)
	Provision for contract revenue in excess of billing	93.79	1,350.83
	Provision for diminution in value of long term investment	231.29	-
	Provision for profit on transfer of investments	394.47	482.65
	Provision for bad and doubtful debts / advances written back	1,693.23	1,757.43
	Provision for warranty	(23.07)	44.55
	Provision for gratuity and leave encashment	33.47	61.68
	Bad debts written off	42.32	553.15
	Capital work in progress written off	-	107.50
	Liabilities written back	-	(115.09)
	Rental income from operating leases	(62.67)	(4.20)
	Advances/ earnest money deposit written off	0.14	62.94
	Recognition of share based payments at fair value	140.01	192.87
	Fair valuation (gain)/loss on derivatives	-	631.00
	Unwinding of discount on security deposits	1.12	1.13
		14,992.57	**14,779.69**
	Operating Profit before working capital changes	**6,932.67**	**10,851.38**
	Net changes in working capital		
	Changes in inventories	1046.60	(648.40)
	Change in trade and other receivables	(20,609.32)	(38,019.10)
	Changes in loans	1,509.57	(379.73)
	Changes in other financial assets	16,003.78	(17,524.80)
	Changes in other non-current assets	48.34	(28.34)
	Change in trade payables	(1,720.59)	44,459.87
	Changes in provisions	(3.57)	(86.59)
	Change in financial liabilities	(369.75)	(677.11)
	Change in other liabilities	2,741.54	1,888.75
	Net changes in working capital:	**(1,353.40)**	**(11,015.45)**
	Net cash generated from operations	**5,579.27**	**(164.07)**
	Current taxes paid (net of refunds)	(451.76)	(436.46)
	Net cash generated from / (used in) operating activities	**5,127.51**	**(600.53)**

Standalone Cash flows statement for the year ended March 31, 2017

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

		For the Year ended March 31, 2017	For the Year ended March 31, 2016
B.	**Cash flows from investing activities:**		
	Payments for property, plant and equipment	(607.54)	(167.85)
	Proceeds from sale of property, plant and equipment	102.20	893.35
	Purchase of long term investment in subsidiaries	(0.01)	-
	Proceeds from sale of subsidiaries	-	0.07
	Fixed deposits matured/(placed)-(net)	(207.91)	27.32
	Rental income from operating leases	62.67	4.20
	Interest received	193.30	1,312.14
	Net cash from/(used in) investing activities	**(457.29)**	**2,069.23**
C.	**Cash flows from financing activities:**		
	Proceeds from issuance of equity share capital	915.05	1,007.63
	Proceeds from securities premium	2,022.70	1,002.56
	Proceeds from share warrant	-	890.50
	Proceeds from long term borrowings	418.00	3,731.82
	Repayment of long term borrowings	(1,854.22)	(2,680.53)
	Proceeds from short term borrowings (net)	3,847.41	2,547.75
	Interest paid	(5,663.29)	(7,416.95)
	Net cash (used in) / generated from financing activities	**(314.35)**	**(917.22)**
	Net increased in cash and cash equivalents (A+B+C)	4,355.87	551.48
	Cash and cash equivalents at the beginning of the year	796.91	245.43
	Cash and cash equivalents at the end of the year	**5,152.78**	**796.91**

		As at March 31, 2017	As at March 31, 2016
	Reconciliation of cash and cash equivalents as per the cash flow statement.		
	Cash and cash equivalents as per above comprises of the following :		
a.	Cash on hand	1.16	4.56
b.	Balance in current account	5,151.62	792.35
	Balances as per statement of cash flows	**5,152.78**	**796.91**

Note : All figures in brackets are outflows.

Notes 1 to 48 form an integral part of the standalone financial statements

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

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

Sd/-
Rajesh Jain
Whole Time Director & CEO
(DIN 07015027)

Sd/-
G R Nagendran
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Place: Gurugram
Date : May 30, 2017

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

Note 1 : CORPORATE INFORMATION

A2Z Infra Engineering Limited ('A2Z or the Company') was incorporated at National Capital Territory of Delhi and Haryana on January 7, 2002 for providing maintenance and engineering services. The Company commenced its business with the facility management services and entered into engineering business during the year 2005-06. The Company has also entered into collaboration with sugar mills for setting up 3 Cogeneration (Cogen) power plants on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years.

The Company's engineering business segment primarily includes supply, erection and maintenance of electrical transmission lines including laying and maintenance of Optic Fiber Cable (OFC) and allied services to power distribution companies.

Note 2 : SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies act, 2013 ("The Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 issued by Ministry of Corporate Affairs ('MCA'). All other relevant provisions of the Act, as amended, are also complied with in these financial Statements.The Company has prepared these financial statements which comprise the balance sheet as at March 31, 2017, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2017, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The financial statements prepared up to the year ended March 31, 2016, were in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

These financial statements for the year ended March 31, 2017 are the first set of financial statements prepared in accordance with Ind AS. The Company has uniformly applied the accounting policies during the period presented.

The date of transition to Ind AS is April 1, 2015. Refer Note 39 for the explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial statements.

2.2 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant judgements and areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

- **Recognition of deferred tax assets -** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Classification of leases –** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

- **Recoverability of advances/ receivables –** At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.
- **Classification of assets and liabilities into current and non-current –** The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities.
- **Warranty provision –** The management makes estimate of costs that would be incurred with respect to warranties given on products. The provision requires use of several estimates based on past data and expectations of future.
- **Impairment of assets –**In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.
- **Useful lives of depreciable/ amortisable assets (Property plant and equipment and intangible) –**Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.
- **Revenue recognition –**The Company uses the percentage completion method in accounting for its revenue from construction services. The use of percentage-of-completion method requires the Company to estimate costs expended to date as a proportion of the total costs to be expended. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and output.
- **Contract estimates –** The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- **Recoverability of claims –** The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/ discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.
- **Defined benefit obligation (DBO) –** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements –** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available.

2.3 Significant accounting policies

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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 the management. Materials purchased specifically for the projects and identifiable to the project are considered as part of contract costs in accordance with Ind AS 11, “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 financial assets” and billing in excess of contract revenue has been reflected under “Other current liabilities” in the Balance Sheet. As the outcome of the contracts cannot be measured reliably during the early stages of the project, contract revenue is recognised only to the extent of costs incurred in the statement of profit and loss unless the actual cost reaches a minimum threshold of 10% of total estimated cost of the project.

Liquidated damages/ penalties, interest, warranties and contingencies are provided for, based on management’s assessment of the estimated liability, as per contractual terms and/or acceptance.

ii. **Revenue from operation and maintenance services**

Revenue from maintenance contracts and renting of equipment’s 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.

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**

Interest income is recognised on effective interest rate method, as further discussed in Note- g below.

vi. **Dividends**

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

b) Foreign currencies and operations

i. **Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is the Company’s functional and presentation currency.

ii. **Foreign currency transactions and balances**

Foreign currency transactions are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction (spot exchange rate).

All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.

Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

c) Joint operations

The Company enters into certain joint arrangements when the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Such arrangements are considered to be joint operations, and the Company the entities recognises the following in relation to its interest in a joint operation:

a) its assets, including its share of any assets held jointly;

b) its liabilities, including its share of any liabilities incurred jointly;

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

c) its revenue from the sale of its share of the output arising from the joint operation;

d) its share of the revenue from the sale of the output by the joint operation; and

e) its expenses, including its share of any expenses incurred jointly.

d) Property, Plant and Equipment (PPE)

i. Initial recognition

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses.

When significant components of property and equipment are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation as if these components are initially recognized as separate asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company has elected to regard the Previous GAAP values of property, plant and equipment as deemed cost at the date of transition to Ind AS (April 1, 2015).

ii. Subsequent measurement

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for leasehold land which is amortised over the lease term on straight line basis.

Particulars	**Useful Life**
Building	10-60 Years
Office equipment	5 Years
Plant and equipment	8-25 Years
Computers	3-6 Years
Furniture and fixtures	8-10 Years
Vehicles	8-10 Years
Leasehold land	Over the lease term on straight line basis.

Depreciation method, useful life and residual value are reviewed periodically.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within 'other income' or 'other expenses' respectively.

e) Intangible assets

Intangible asset include Computer softwarewhich is stated at cost less accumulated amortisation. This software is amortised on a straight line basis over the estimated useful life of five to six years, as determined by the management.

On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible assets recognised as at April 1, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

i. Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Interest free deposits for leases are financial assets and measured at amortised cost under Ind AS 109. The difference between the present value and the nominal value of deposit is considered as prepaid rent and amortised over the lease term.

ii. Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~˜ and either (1) the Company has transferred substantially all the risks and rewards of the asset, or (2) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

ii. Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Debt instruments at Amortised cost
- Debt instruments at Fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at Fair value through profit or loss (FVTPL)
- Equity instruments measured at Fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at Fair value through profit or loss (FVTPL)

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

- **Debt instruments at amortised cost**

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

  1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

- **Debt instruments at fair value through other comprehensive income**

  A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

  1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  2. The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- **Debt instruments at fair value through profit or loss**

  FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

  Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- **Equity instruments**

  All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

  If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

iii. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost.

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

c) Loan commitments which are not measured as at FVTPL

d) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and the application of simplified approach does not require the Company to track changes in credit

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

iv. Classification and subsequent measurement of financial liabilities

All financial liabilities are recognised initially at its fair value adjusted by directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

❑ **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

The Company has not designated any financial liability as at fair value through profit and loss.

❑ **Financial liabilities measured at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

h) Equity shares

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

i) Reserve and surplus

Nature and purpose of reserves;

a) General reserve

General reserves can be used for the purpose and as per guidelines prescribes in the Companies Act, 2013.

b) Securities premium reserve

Securities premium is used to record the premium on issue of shares or debentures. The reserve will be utilised in accordance with the provisions of the Act.

c) Net gain on fair value of defined benefit plans

The Company has recognised premeasurement gains/ (loss) on defined benefit plans in Other Comprehensive Income (OCI). These changes are accumulated within the OCI reserve within other equity. The Company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

d) Employee stock option plan reserves

The Company has four type of Option scheme under which options to subscribe for the Company's share have been granted to certain employees. The Employee Stock Option Plan Reserves is used to recognise the value of equity settled share based payments provided to employees. Refer to note 29.2 for further details of these plans.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

k) Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Fair value measurement

The Company measures financial instruments at fair value on initial recognition

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

m) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

n) 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.

o) Provisions, contingent liabilities and contingent assets

A provision is recognised when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The Company does not recognise contingent liabilities but it is disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent asset is not recognised in the financial statements.

p) Employee benefits

i. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognised at actual amounts due in the period in which the employee renders the related service.

ii. Post-employment benefits

1. **Defined contribution plans:**The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance.The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.
2. **Defined benefit plans:**The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

   The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

   Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

   Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

3. **Other long-term employee benefits:** Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

q) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred. Also, the effective interest rate (EIR) amortization is included in finance costs.

r) Earnings per share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

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

s) Segment reporting

The Company's operating businesses are organized and managed separately according to the nature of services, with each segment representing a strategic business unit that offers different services to different markets. The Company has three operating/reportable segments, i.e., engineering services, Power generation projects and others represents trading of goods, and renting of equipments.

The operating segments are managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Company's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Company uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

No asymmetrical allocations have been applied between segments

t) Share based payments

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

u) Current/non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

v) Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

w) Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.4 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 'Statement of cash flows' and Ind AS 102 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board ('IASB') to IAS 7 'Statement of cash flows' and IFRS 2 'Share-based payment', respectively. The amendments are applicable to the Company from April 1, 2017.

a) **Amendment to Ind AS 7:** The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

b) **Amendment to Ind AS 102:** The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the "fair values", but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the awards that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. This amendment does not have a material impact on the Company

The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 3 : PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

	Freehold land	Leasehold land	Leasehold improvement	Computers	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total	Capital work in progress
Gross carrying amount:											
Balance as at April 1, 2015	**824.74**	**11.37**	**26.00**	**539.57**	**6,685.23**	**13,423.93**	**128.78**	**2,318.13**	**519.74**	**24,477.49**	**26,712.23**
Additions	-	-	-	1.93	-	11.51	0.31	1.40	2.92	**18.07**	35.21
Disposals	(189.64)	(11.37)	-	(38.13)	(130.67)	(33.09)	(0.08)	(150.82)	(0.07)	**(553.87)**	(134.35)
Balance as at March 31, 2016	**635.10**	**-**	**26.00**	**503.37**	**6,554.56**	**13,402.35**	**129.01**	**2,168.71**	**522.59**	**23,941.69**	**26,613.09**
Additions	-	-	-	5.53	-	113.70	0.57	1.40	0.31	**121.51**	145.24
Disposals	-	-	-	(50.72)	-	(14.47)	-	(275.72)	-	**(340.91)**	-
Balance as at March 31, 2017	**635.10**	**-**	**26.00**	**458.18**	**6,554.56**	**13,501.58**	**129.58**	**1,894.39**	**522.90**	**23,722.29**	**26,758.33**
Depreciation and impairment:											
Balance as at April 1, 2015	**-**	**1.07**	**24.54**	**502.46**	**180.00**	**1,365.87**	**98.12**	**1,387.24**	**371.73**	**3,931.03**	**-**
Depreciation for the year	-	-	1.46	19.34	286.34	854.86	7.53	284.63	117.03	**1,571.19**	-
Disposals	-	(1.07)	-	(38.02)	(12.70)	(10.39)	(0.06)	(110.70)	(0.04)	**(172.98)**	-
Balance as at March 31, 2016	**-**	**-**	**26.00**	**483.78**	**453.64**	**2,210.34**	**105.59**	**1,561.17**	**488.72**	**5,329.24**	**-**
Depreciation for the year	-	-	-	11.22	285.86	857.45	6.78	215.96	24.33	**1,401.60**	-
Impairment loss (Note 3.1)	-	-	-	-	228.11	729.33	-	0.81	-	**958.25**	5,881.21
Disposals	-	-	-	(50.40)	-	(8.36)	-	(219.55)	-	**(278.31)**	-
Balance as at March 31, 2017	**-**	**-**	**26.00**	**444.60**	**967.61**	**3,788.76**	**112.37**	**1,558.39**	**513.05**	**7,410.78**	**5,881.21**
Net carrying amount:											
Balance as at March 31, 2017	**635.10**	**-**	**-**	**13.58**	**5,586.95**	**9,712.82**	**17.21**	**336.00**	**9.85**	**16,311.51**	**20,877.12**
Balance as at March 31, 2016	**635.10**	**-**	**-**	**19.59**	**6,100.92**	**11,192.01**	**23.42**	**607.54**	**33.87**	**18,612.45**	**26,613.09**
Balance as at April 1, 2015*	**824.74**	**10.30**	**1.46**	**37.11**	**6,505.23**	**12,058.06**	**30.66**	**930.89**	**148.01**	**20,546.46**	**26,712.23**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of fair understanding of the original cost of assets.

Note 3.1: Impairment

The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2017, such plants have a power generation capacity of 15 MW each. The assessment has been done on the basis of assumptions of useful life of assets, discounted cash flows with significant underlying assumptions, achievement of certain operating capacity and the ability of new technology to perform on a consistent basis.

The management had filed a writ petition with the High Court of Punjab and Haryana for the extension of the concession period wherein the Hon'ble Court has directed vide its order dated March 23, 2017 the sugar mills to consider the request made by the Company for the extension within a period of 3 months. Additionally, the Company has also initiated arbitration proceedings with the sugar mills for the extension. Based on the assessment and advice from an independent legal counsel on the availability of concession period, excluding the available renewal period by exercising the option for renewal/ extension of the concession period, the management, is confident, that there exists reasonable certainty that arrangement shall be extended for a term of 5 years. Management carried out an impairment assessment and has recorded an impairment provision of INR 6,839.46 lacs in carrying value of these assets. Accordingly management believes that the estimates of the useful lives are reasonable and no further material adjustments to the carrying value of these plants are necessary.

Out of the aforementioned impairment provision amounting to INR 6,839.46 lacs, INR 5,881.21 lacs is against Morinda and Fazilka power plants, which were yet to be capitalised and INR 958.25 lacs is for power plant situated Nakodar which have already been capitalised. This was recognised in the statement of profit and loss under the head exceptional item. The recoverable amount of INR 32,091.86 lacs of all three cogeneration power plants as at March 31, 2017 was based on value in use and was determined at the level of the Cash Generating Unit (CGU). The CGU consisted of assets relating to the power plant, and the cash flows of the CGU were discounted at a rate of 16.21% on a pre tax basis and 13.80% on a post tax basis.

Note 3.2: Contractual commitments

The Company does not have any outstanding contractual commitments to purchase any items of property, plant and equipment.

Note 3.3: Property, plant and equipment are pledged as collateral for borrowings from banks (Refer Note 17 & Note 19).

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 3.4: Capital work in progress

Assets under construction comprises of expenditure for the power plant in the course of construction. The amount of expenditure recognised in carrying amount of capital work in progress are as under.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Buildings under construction	190.04	190.04	190.04
Power plant equipment's under erection	17,245.83	17,128.62	17,126.35
Borrowing costs capitalised			
Interest	5,179.50	5,179.50	5,179.50
Amortisation of ancillary borrowing cost	225.05	225.05	218.23
Other expenses (directly attributable to construction/ erection of assets)			
Rent	107.24	105.41	125.44
Legal and professional charges	406.08	405.61	412.42
Employee benefit expense	991.13	988.39	986.29
Depreciation	334.80	334.80	334.80
Insurance charges	70.80	70.80	70.80
Power and fuel	156.09	154.37	153.94
Repair and maintenance charges	144.39	141.10	138.89
Test run expenses	1,515.94	1,515.94	1,623.46
Other miscellaneous expenses	191.44	173.46	152.07
Less:- Impairment loss	(5,881.21)	-	-
Total	**20,877.12**	**26,613.09**	**26,712.23**

Note 4 **: INTANGIBLE ASSETS**

Details of the Company's intangible assets and their carrying amounts are as follows:

	Computer Software	Total
Gross carrying amount:		
Balance as at April 1, 2015	**534.13**	**534.13**
Additions	-	**-**
Disposals	-	**-**
Balance as at March 31, 2016	**534.13**	**534.13**
Additions	3.73	**3.73**
Disposals	-	**-**
Balance as at March 31, 2017	**537.86**	**537.86**
Amortisation and impairment:		
Balance as at April 1, 2015	**362.01**	**362.01**
Amortisation for the year	86.16	**86.16**
Balance as at March 31, 2016	**448.17**	**448.17**
Amortisation for the year	45.92	**45.92**
Balance as at March 31, 2017	**494.09**	**494.09**
Net carrying amount:		
Balance as at March 31, 2017	**43.77**	**43.77**
Balance as at March 31, 2016	**85.96**	**85.96**
Balance as at April 1, 2015*	**172.12**	**172.12**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of fair understanding of the original cost of assets.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 4.1: The Company does not have any outstanding contractual commitments to purchase any items of intangible assets.

Note 4.2: Additions do not include any internally generated assets.

Note 4.3: Intangible assets are pledged as collateral for borrowings from banks (Refer Note 17 and Note 19).

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 5 **: NON-CURRENT INVESTMENTS**			
Carrying amount			
Investments in equity instruments	24,605.28	25,121.35	25,499.75
Investments in preference shares (debt portion)	5,330.58	4,665.71	4,082.29
Provision for impairment in value of long term investment (in A2Z Powertech Limited)	(133.01)	(133.00)	(133.00)
Total	**29,802.85**	**29,654.06**	**29,449.04**

Note 5.1 Details of investments:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment in equity instruments [Valued at cost]:			
Subsidiary companies [Unquoted]:			
A. In fully paid-up equity shares :			
3,580,410 (March 31, 2016: 3,580,410; April 1, 2015: 3,580,410) equity shares of INR 10 each fully paid up in A2Z Infraservices Limited	6,072.29	6,072.29	6,072.29
10,893,987 (March 31, 2016: 16,349,985; April 1, 2015: 20,925,000) equity shares of INR 10 each fully paid up in A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited) (Refer Note 5.1.2)	1,089.40	1,635.00	2,092.50
125,000 (March 31, 2016: 125,000; April 1, 2015: 125,000) equity shares of INR 10 each fully paid up in A2Z Powercom Limited	10.00	10.00	10.00
1,400,000 (March 31, 2016: 1,330,000; April 1, 2015: 1,330,000) equity shares of INR 10 each fully paid up in A2Z Powertech Limited (Refer Note 5.1.3)	133.01	133.00	133.00
800,000 (March 31, 2016: 800,000; April 1, 2015: 800,000) equity shares of INR 10 each fully paid up in Selligence Technologies Services Private Limited	80.00	80.00	80.00
50,000 (March 31, 2016: 50,000; April 1, 2015: 50,000) equity share of INR 10 each fully paid up in Mansi Bijlee & Rice Mills Limited	5.00	5.00	5.00
989,996 (March 31, 2016: 989,996; April 1, 2015: 989,996) equity share of INR 10 each fully paid up in Star Transformers Limited	1,499.41	1,499.41	1,499.41
60,000 (March 31, 2016: 60,000; April 1, 2015: 60,000) equity share of INR 10 each fully paid up in Magic Genie Services Limited (Formerly A2Z Water Solutions Limited)	6.00	6.00	6.00
1,146,326 (March 31, 2016: 1,146,326; April 1, 2015: 1,146,326) equity share of INR 10 each fully paid up in Chavan Rishi International Limited	1,031.69	1,031.69	1,031.69

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Nil (March 31, 2016: Nil; April 1, 2015: 100,000) equity share of Uganda Shilling 100 each fully paid up in A2Z Maintenance & Engineering Services (Uganda) Private Limited (Refer note 5.1.4)	-	-	1.89
Nil (March 31, 2016: Nil; April 1, 2015: 30,375) equity share of Singapore Dollar 1 each fully paid up in A2Z Singapore Waste Management Holdings Private Limited (Refer note 5.1.4)	-	-	12.00
24,000 (March 31, 2016: 24,000; April 1, 2015: 24,000) equity share of INR 10 each fully paid up in A2Z Waste Management (Nainital) Private Limited	2.40	2.40	2.40
10,000 (March 31, 2016: 10,000; April 1, 2015: 10,000) equity share of INR 10 each fully paid up in A2Z Waste Management (Jaipur) Limited	1.00	1.00	1.00
	9,930.20	**10,475.79**	**10,947.18**
B. Investment in preference shares (Equity portion)			
171,200,000 (March 31, 2016: 171,200,000; April 1, 2015: 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	13,197.61	13,197.61	13,197.61
14,958,000 (March 31, 2016: 14,958,000; April 1, 2015: 14,958,000) fully paid up, 0.01% Non participative cumulative redeemable preference shares of INR 10 each in Mansi Bijlee & Rice Mills Limited	1,335.90	1,335.90	1,335.90
	14,533.51	**14,533.51**	**14,533.51**
C. Investment in subsidiaries, other than in shares (Refer note 5.1.5)	141.57	112.05	19.06
	141.57	**112.05**	**19.06**
	24,605.28	**25,121.35**	**25,499.75**
Investment in preference shares (Debt portion) [Valued at amortised cost]:			
Subsidiary companies [Unquoted]:			
171,200,000 (March 31, 2016: 171,200,000; April 1, 2015: 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	5,121.79	4,482.96	3,922.39
14,958,000 (March 31, 2016: 14,958,000; April 1, 2015: 14,958,000) fully paid up, 0.01% Non participative cumulative redeemable preference shares of INR 10 each in Mansi Bijlee & Rice Mills Limited	208.79	182.75	159.90
	5,330.58	**4,665.71**	**4,082.29**
Total	**29,935.86**	**29,787.06**	**29,582.04**
Aggregate amount of unquoted investments	29,935.86	29,787.06	29,582.04
Aggregate amount of impairment in value of investments	(133.01)	(133.00)	(133.00)

Note 5.1.1 The management has committed to provide continued operational and financial support to its subsidiaries for meeting their working capital and other financial requirements and based upon approved future projections of the subsidiaries, believes that no impairment exist in excess of the provision already created and accordingly, no further adjustment is considered necessary in respect of carrying value of investments.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 5.1.2 During the year ended March 31, 2017, one of the lenders of A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited and hereinafter referred to as AGWML), IL&FS Financial Service Limited ("IFIN") has invoked pledge on 5,455,998 (March 31, 2016 4,575,015) equity shares of AGWML constituting 23.98% (March 31, 2016 20.11%) of the paid up equity share capital of AGWML and have adjusted/appropriated an amount of INR 940.07 lacs (March 31, 2016 INR 940.15 lacs) towards interest payable by AGWML to IFIN for the period from October 1, 2015 to March 31, 2016.

Note 5.1.3 During the year ended March 31, 2017, The Company has acquired 70,000 equity shares, which is 5% of total share capital of A2Z Powertech Limited. After this acquisition, total shareholding in A2Z Powertech Limited has increased from 95% to 100%.

Note 5.1.4 During the year ended March 31, 2016, the Company has sold the investments in two wholly owned subsidiaries, i.e., A2Z Singapore Waste Management Holdings Private Limited and A2Z Maintenance and Engineering Services (Uganda) Private Limited.

Note 5.1.5 Investment in subsidiaries, other than in shares, represents employee stock option granted to employees of subsidiaries.

Note 5.2 The Company, as at March 31, 2017, has non-current investments amounting to INR 19,408.80 lacs (includes investment in equity shares of INR 1,089.40 lacs, preference shares of INR 5,121.79 lacs and investment other than shares of INR 13,197.61 lacs) and other current financial assets (net of provision) amounting to INR 399.95 lacs in its subsidiary AGWML which has 100% holding in various SPVs under its fold hereinafter AGWML together with its subsidiaries is referred to as AGWML Group. While AGWML Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2017 has been substantially eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net worth of AGWML Group does not represent its true market value as the value of the underlying investments/assets, based on valuation report of an independent valuer, is higher. Therefore, the management believes that the realisable amount of these subsidiaries is higher than the carrying value of the non-current investments and other current financial assets due to which these are considered as good and recoverable.

Note 5.3 The Company does not have any quoted investments.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
***Note 6* : LOANS**						
(Unsecured considered good, unless otherwise stated)						
Security deposits	622.22	271.76	631.10	174.68	532.67	71.42
Loans to subsidiaries (Refer Note 6.1)	3,481.35	-	5,005.47	-	5,054.09	-
Loan to employees	0.03	-	0.04	-	0.29	-
Interest accrued but not due from others	336.68	-	429.03	-	-	-
Total	**4,440.28**	**271.76**	**6,065.64**	**174.68**	**5,587.05**	**71.42**

Note 6.1 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances to in nature of loans:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Closing balance at year end						
Subsidiaries:						
a) A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	1.79	-	2,127.93	-	1,797.60	-
b) A2Z Powertech Limited	19.42	-	19.27	-	109.44	-
c) A2Z Waste Management (Jaipur) Limited	679.26	-	619.47	-	568.52	-
d) A2Z Waste Management (Ludhiana) Limited	494.82	-	227.50	-	343.90	-

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
e) A2Z Waste Management (Ahmedabad) Limited	150.00	-	150.00	-	150.00	-
f) A2Z Waste Management (Dhanbad) Private Limited	230.56	-	230.56	-	230.56	-
g) A2Z Waste Management (Mirzapur) Limited	95.00	-	95.00	-	95.00	-
h) A2Z Waste Management (Moradabad) Limited	7.47	-	7.47	-	7.47	-
i) A2Z Waste Management (Ranchi) Limited	350.00	-	350.00	-	350.00	-
j) A2Z Waste Management (Sambhal) Limited	130.23	-	130.23	-	130.23	-
k) A2Z Waste Management (Varanasi) Limited	250.96	-	250.96	-	250.96	-
l) A2Z Infraservices Limited	90.75	-	-	-	-	-
m) Mansi Bijlee & Rice Mills Limited	81.10	-	-	-	-	-
n) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	899.99	-	797.08	-	1,020.41	-
Total	**3,481.35**	**-**	**5,005.47**	**-**	**5,054.09**	**-**
Maximum amount outstanding during the year						
Subsidiaries:						
a) A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	204.17	-	2,132.58	-	3,028.09	-
b) A2Z Powertech Limited	19.42	-	96.13	-	109.44	-
c) A2Z Waste Management (Jaipur) Limited	679.26	-	619.47	-	568.52	-
d) A2Z Waste Management (Ludhiana) Limited	494.82	-	357.04	-	367.12	-
e) A2Z Waste Management (Ahmedabad) Limited	150.00	-	150.00	-	150.00	-
f) A2Z Waste Management (Dhanbad) Private Limited	230.56	-	230.56	-	230.56	-
g) A2Z Waste Management (Mirzapur) Limited	95.00	-	95.00	-	95.00	-
h) A2Z Waste Management (Moradabad) Limited	7.47	-	7.47	-	38.53	-
i) A2Z Waste Management (Ranchi) Limited	350.00	-	350.00	-	350.00	-
j) A2Z Waste Management (Sambhal) Limited	130.23	-	130.23	-	130.23	-
k) A2Z Waste Management (Varanasi) Limited	250.96	-	250.96	-	250.96	-
l) A2Z Infraservices Limited	169.18	-	-	-	-	-
m) Mansi Bijlee & Rice Mills Limited	81.10	-	-	-	-	-
n) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	899.99	-	880.14	-	1,020.41	-

All the above loans are repayable on demand.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Note 7 : **OTHER FINANCIAL ASSETS**						
[Unsecured, considered good unless otherwise stated]						
Deferred purchase consideration against sale of investment						
Considered good	-	-	-	-	-	146.00
Considered doubtful	-	146.00	-	146.00	-	-
Less: Provision for doubtful assets	-	(146.00)	-	(146.00)	-	-
	-	**-**	**-**	**-**	**-**	**146.00**
Earnest money deposit						
Considered good	282.99	-	302.85	-	413.49	-
Considered doubtful	100.00	-	100.00	-	100.00	-
Less: Provision for doubtful deposits	(100.00)	-	(100.00)	-	(100.00)	-
	282.99	**-**	**302.85**	**-**	**413.49**	**-**
Other assets						
Considered good*	256.69	289.10	1,379.87	161.95	1,513.14	137.32
Considered doubtful	332.53	-	222.35	-	307.61	-
Less: Provision for doubtful assets	(332.53)	-	(222.35)	-	(307.61)	-
	256.69	**289.10**	**1,379.87**	**161.95**	**1,513.14**	**137.32**
Contract revenue in excess of billings (Refer Note 7.1)	31,101.53	-	50,998.42	-	33,162.59	-
Less: Provision for doubtful assets	(2,417.01)	-	(2,323.21)	-	(972.38)	-
	28,684.52	**-**	**48,675.21**	**-**	**32,190.21**	**-**
Recoverable from subsidiaries (Refer Note 5.2)	399.95	-	482.64	-	-	-
Bank deposits with more than 12 months maturity**	-	1,768.08	-	1,507.00	-	1,567.39
Total	**29,624.15**	**2,057.18**	**50,840.57**	**1,668.95**	**34,116.84**	**1,850.71**
*Includes amount due from a director of the Company- Mr Amit Mittal	127.43	-	179.48	-	182.78	-

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

Note 7.1: Contract revenue in excess of billings amounting INR 12,759.95 lacs (March 31, 2016 : INR 12,041.18 lacs, April 1, 2015 : INR 19,665.01 lacs), pertains to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussions with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to recover the amounts owing to completion of certain administrative and contractual matters, the current provision being carried in the books is adequate and no further material adjustments are considered necessary in respect of above balances.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2017	Credit/ (Charge) to statement of profit and loss	As at March 31, 2016	Credit/ (Charge) to statement of profit and loss	As at April 1, 2015
Note 8 **: DEFERRED TAX ASSETS (NET)**					
Deferred tax liabilities					
Depreciation	524.63	(150.34)	674.97	572.39	102.59
Provision for upfront costs on borrowings	21.16	7.45	13.71	2.02	11.69
Others	-	-	-	(20.66)	20.66
	545.79	**(142.89)**	**688.68**	**553.74**	**134.94**
Deferred tax assets					
Provision for Doubtful Debts	5,672.38	605.85	5,066.53	1,004.49	4,062.04
Provision for Doubtful Advances	1,011.78	216.15	795.63	365.94	429.69
Security Deposit	0.09	0.07	0.02	0.02	-
Provision for warranty	99.72	(3.93)	103.65	(5.55)	109.20
Provision for Bonus	17.79	(2.93)	20.72	(4.62)	25.34
Provision for Gratuity	58.96	2.10	56.86	29.88	26.98
Provision for leave encashment	3.24	(0.75)	3.99	(2.17)	6.16
Unabsorbed loss and Depreciation	-	(6,814.86)	6,814.86	(888.78)	7,703.64
	6,863.96	**(5,998.30)**	**12,862.26**	**499.21**	**12,363.05**
Total	**6,318.17**	**(5,855.41)**	**12,173.58**	**(54.53)**	**12,228.11**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 9 **: NON-CURRENT TAX ASSETS (NET)**			
Advance tax (net of provision)	2,279.40	1,831.31	1,432.91
Total	**2,279.40**	**1,831.31**	**1,432.91**

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Note 10 **: OTHER ASSETS**						
[Unsecured, considered good unless otherwise stated]						
Capital Advances						
Considered good	-	1,387.22	-	1,396.17	-	1,345.00
Considered doubtful	-	21.41	-	21.41	-	-
Less: Provision for doubtful advances	-	(21.41)	-	(21.41)	-	-
	-	**1,387.22**	-	**1,396.17**	-	**1,345.00**
Other advances	4,710.38	-	1,947.87	-	2,061.79	-

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(Contd.)						
Others						
Prepaid expenses	183.11	73.83	298.77	120.47	196.34	93.27
Balances with government authorities	6,785.86	-	6,932.64	-	4,892.15	-
	6,968.97	**73.83**	**7,231.41**	**120.47**	**5,088.49**	**93.27**
Total	**11,679.35**	**1,461.05**	**9,179.28**	**1,516.64**	**7,150.28**	**1,438.27**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
***Note 11* : INVENTORIES**			
[Valued at lower of cost or net realisable value]			
Project stores and spares	765.66	1,181.72	1,156.49
Finished goods for project	-	630.55	-
Traded goods	-	-	7.38
Total	**765.66**	**1,812.27**	**1,163.87**

Inventories with a value of INR 765.66 lacs (March 31, 2016 INR 1,181.72 Lacs, April 1, 2015 INR 1,156.49 Lacs) are carried at net realisable value, this being lower than cost. During the year ended March 31, 2017, INR 440.77 lacs (March 31, 2016 Nil) was charged to the statement of profit and loss for decrease in net realisable value.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
***Note 12* : CURRENT INVESTMENTS**			
Investments in equity instruments (valued at fair value through profit and loss)			
22,815 (March 31 2016: 22,815; April 1, 2015: 22,815) equity shares of INR 10 each fully paid up in Weensure E Waste Limited	-	2.28	2.28
Investment in preference shares (valued at Fair value through profit and loss)			
2,290,000 (March 31, 2016: 2,290,000; April 1, 2015: 2,290,000) 0.01% Non participative cumulative redeemable preference shares of INR 10 each fully paid up in Weensure E Waste Limited	-	229.00	229.00
Total	**-**	**231.28**	**231.28**
Aggregate amount of unquoted investments	-	231.28	231.28

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
***Note 13* : TRADE RECEIVABLES**			
Trade receivables - (Unsecured):			
From other than related parties			
Considered good	113,009.32	94,225.16	57,334.64
Considered doubtful	9,929.11	8,219.57	7,171.28
	122,938.43	**102,444.73**	**64,505.92**
From related parties			
Considered good	7,020.41	6,931.97	7,694.80
Considered doubtful	4,081.86	4,096.99	3,807.02
	11,102.27	**11,028.96**	**11,501.82**
Less: Allowances for doubtful debts (Refer note 13.2)	(14,010.97)	(12,316.56)	(10,978.30)
Total	**120,029.73**	**101,157.13**	**65,029.44**

Note 13.1: Trade receivables include retention money of INR 65,447.87 lacs (March 31, 2016 INR 52,147.36 lacs, April 1, 2015 INR 35,639.29 lacs) 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.

Note 13.2: The movements in the allowance for doubtful debts is presented below:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening balance	12,316.56	10,978.30
Add: Provision for doubtful debts	1,694.41	1,338.26
Closing balance	**14,010.97**	**12,316.56**

All trade receivables are short-term. The effect of any difference between the effective interest rate applied and the estimated current market rate is not significant. Allowance for credit losses has been recorded accordingly within other expenses, and is based on the expected credit loss methodology. The doubtful trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
***Note 14* : CASH AND CASH EQUIVALENTS**			
Balances with banks (Refer note 14.1)	5,151.62	792.35	182.28
Cash in hand	1.16	4.56	63.15
Total	**5,152.78**	**796.91**	**245.43**

Note 14.1 Earmarked balances with banks:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks include:			
i Balance in current account	5,151.62	792.35	182.27
ii Balance in cash credits	-	-	0.01
	5,151.62	**792.35**	**182.28**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 15 **: OTHER BANK BALANCES**			
Unpaid dividend account*	0.82	0.82	0.82
Total	**0.82**	**0.82**	**0.82**

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

	Number of Shares	Amount
Note 16 **: EQUITY SHARE CAPITAL**		
(i) Authorised share capital		
Equity shares of INR 10 each		
Balance as at April 1, 2015	**126,000,000**	**12,600.00**
Changes in equity share capital	34,000,000	3,400.00
Balance as at March 31, 2016	**160,000,000**	**16,000.00**
Changes in equity share capital	-	-
Balance as at March 31, 2017	**160,000,000**	**16,000.00**
(ii) Issued, subscribed and fully paid up		
Equity Shares of INR 10 each		
Balance as at April 1, 2015	**86,517,694**	**8,651.77**
Changes in equity share capital	40,376,286	4,037.63
Balance as at March 31, 2016	**126,893,980**	**12,689.40**
Changes in equity share capital	18,055,489	1,805.55
Balance as at March 31, 2017	**144,949,469**	**14,494.95**

(iii) Reconciliation of shares outstanding at the beginning and at the end of the reporting year:-

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Beginning of the year	126,893,980	12,689.40	86,517,694	8,651.77	74,177,694	7,417.77
Shares issued during the year						
Against conversion of share warrants (Refer Note 16(vi))	16,444,994	1,644.50	8,250,786	825.08	-	-
Under employee stock option plan scheme (Refer Note 16(vii))	1,610,495	161.05	1,825,500	182.55	-	-
Under corporate debt restructuring Scheme (Refer Note 16(x))	-	-	8,100,000	810.00	-	-
Against share application money (Refer Note 16(xi))	-	-	22,200,000	2,220.00	12,340,000	1,234.00
Total	**144,949,469**	**14,494.95**	**126,893,980**	**12,689.40**	**86,517,694**	**8,651.77**

(iv) The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(v) No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2017.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

(vi) During the year, the Company has received remaining 75% of the proceeds for the issue of 16,444,994 equity shares aganist share warrants. Accordingly, pursuant to the requisite approvals and board meeting held, the Company has issued equity shares against equivalent number of share warrants at an issue price of INR 21.66 each on a preferential basis to persons other than the Promoters and Promoter group.

(vii) During the year, the Company has allotted 1,610,495 equity shares of face value of INR 10 each to the eligible employees of the Company who have exercised their stock options under the A2Z Employee Stock Option Plan 2013 (Tranche I and Tranche II) and Employee Stock Option Plan 2014. These shares are pari-passu with the existing equity shares of the Company, in all respects.

(viii) Shares reserved for issue under options

Information relating to Employee option plan, including details of options issues, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 28.

(ix) Details of shares held by shareholders holding more than 5% equity shares of the Company:

Equity Shares of INR 10 each Fully paid up	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares held	Holding	Number of Shares held	Holding	Number of Shares held	Holding
Amit Mittal	33,204,301	22.91%	36,172,301	28.51%	39,057,301	45.14%
Shankar Sharma	8,200,000	5.66%	818,000	0.64%	-	-
Mestric Consultants Private Limited	22,200,000	15.32%	22,200,000	17.49%	-	-
ICICI Bank	8,100,000	5.59%	8,100,000	6.38%	-	-
Beacon India Investors Limited	4,974,589	3.43%	5,210,862	4.11%	5,210,862	6.02%
IL and FS Financial Services Limited	7,478,000	5.16%	4,510,000	3.55%	-	-
	84,156,890	**58.07%**	**77,011,163**	**60.68%**	**44,268,163**	**51.16%**

(x) During the year ended March 31, 2016, the Company has allotted 8,100,000 equity shares on preferential basis to one of the banks as per SEBI (ICDR) Regulations, 2009 as amended from time to time, on the conversion of Funded Interest Term Loan (FITL) as per the Master Restructuring Agreement with the banks under the Corporate Debt Restructuring Scheme (CDR Scheme) in terms of approval granted by the shareholders of the Company by the way of postal ballot.

(xi) Share application money pending allotment represents contribution received from the promoter / promoter group company under Corporate Debt Restructuring (CDR) Scheme. During the year ended March 31, 2016, the Company has allotted 22,200,000 equity shares of INR 10 each (at par) having same terms and conditions as defined in Note 16 (iv) against the entire share application money outstanding as at March 31, 2016.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Note 17 : **NON-CURRENT BORROWINGS**						
Carried at amortised cost-secured						
Term Loans from Banks (Refer Note 17.2 and 17.5)	6,237.66	15,064.49	4,046.37	17,776.05	2,456.47	17,166.39
Term loans from financial institution (Refer Note 17.3 and 17.5)	5,000.00	-	5,000.00	-	5,139.78	-
Working capital term loans from banks (Refer Note 17.4(a) and 17.5)	1,053.84	3,543.42	634.50	4,150.17	1,064.12	4,756.92
Funded interest term loans from banks (Refer Note 17.4(b) and 17.5)	2,183.12	6,495.39	973.74	8,296.49	391.67	9,506.03
Total	**14,474.62**	**25,103.30**	**10,654.61**	**30,222.71**	**9,052.04**	**31,429.34**

Note 17.1: Restructuring of borrowings under Corporate Debt Restructuring Scheme (CDR Scheme): The Corporate debt restructuring (CDR) proposal to re-structure the debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Scheme") of the Company, having January 01, 2013 as the "cut-off date", was approved by the CDR Cell vide its Letter of Approval (LOA) dated December 28, 2013 as further modified dated February 03, 2014. From the "cut-off date" the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR Scheme.

Details of terms of repayment for the Non-Current borrowings and security provided in respect of secured non-current borrowings:

Note 17.2: Term loans from banks:

1) Term loan from bank amounting to INR 8,580.00 lacs (March 31, 2016 INR 8,580.00 lacs, April 1, 2015 INR 8,800.00 lacs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme is repayable in 32 quarterly instalments, first instalment was due in March 2015.
   The above loan is secured against (i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. (ii) Second pari-passu charge on fixed assets and current assets on EPC business.
2) Term loan from bank amounting to INR 8,378.75 lacs (March 31, 2016 - INR 9,233.79 lacs, April 1, 2015 INR 10,385.11 lacs) having an interest rate from 12.75% - 13.25% per annum during the year is repayable in 24 quarterly instalments, first instalment was due in June 2015.

   The above loan is secured against:
   (i) First charge on pari - passu basis: (a) 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; (b) 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).
   (ii) First charge: (a) on all the insurance contracts with respect to the projects together with any receivables thereunder; (b) on all the accounts (including but not limited to the project accounts) with respect to the projects.
   (iii) An assignment of: (a) 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; (b) the rights and interest in the project site to the extent permissible by law; (c) all its rights and obligations under the assignment orders and memorandum of understandings and; (d) 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 INR 1,000.00 lacs) to the extent permissible by law
   (iv) Personal guarantee of Mr. Amit Mittal (Managing Director).
3) Term loans from banks amounting to INR 1,712.91 lacs (March 31, 2016 INR 1,519.86 lacs, April 1,2015 INR 967.00 lacs) having interest rate of 10.15% - 10.75% per annum during the year are repayable in 28 quarterly instalments, first instalment was due in March 2016.
   The above loan is secured against: (i) First charge ranking pari passu on present and future fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (ii) Second charge ranking pari passu on present and future current assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (iii) Second charge ranking pari passu on both present and future current assets, as well as fixed assets of Company other than assets exclusively financed to other lenders.
4) Term loans from banks amounting to INR 1,402.66 lacs (March 31, 2016 INR 1,397.79 lacs, April 1, 2015 INR 131.00 lacs) having interest rate from 10.15% to 10.75% per annum during the year are repayable in 21 quarterly instalments, first instalment was due in March 2016.
   The above loan is secured against: (i) First charge ranking pari passu on both present and future current assets as well as fixed assets of the Company other than assets exclusively charged to other lenders. (ii) Second charge ranking pari passu on both present and future current assets of the power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
5) Term loans from banks amounting to INR 1,600.00 lacs (March 31, 2016 INR 1,600.00 lacs, April 1, 2015 Nil) having interest rate from 12.75% - 13.25% per annum during the year are repayable in 28 quarterly instalments, first instalment was due in March 2016.
   The above loan is secured against: (i) First pari passu charge on present and future fixed assets of the Power projects at Fazilka, Nakodar and Morinda. (ii) Second pari passu charge on present and future current assets of the Power projects at Fazilka, Nakodar and Morinda. (iii) Second pari passu charge on both present and future current assets as well as fixed assets of the company other than assets exclusively charged to other lenders. (iv) Personal Guarantee of Mr. Amit Mittal.

Note 17.3: Term loans from financial institution:

1) The loan amounting to INR 5,000.00 lacs (March 31, 2016 INR 5,000.00 lacs, April 1, 2015 INR 5,000.00 lacs) 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 was repayable in April 2015.
2) The loans amounting to Nil (March 31, 2016 - Nil, April 1, 2015 INR 143.10 lacs) is secured against hypothecation of equipment's acquired out of loan. The interest rate is 11.50% - 13.00% per annum and the loans are repayable in 12 quarterly and 48 monthly instalments, first instalment was due in January 2011.

Note 17.4 (a) : Working capital term loan: Working capital term loans from bank amounting to INR 4,597.25 lacs (March 31, 2016 INR 4,784.66 lacs, April 1, 2015 INR 5,821.04 lacs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly instalments. First instalment was due in March 2015.The above loan is secured against (i) First pari passu charge on both present and future fixed assets as well as current assets of the Company or Borrower other than assets exclusively charged to other lenders. (ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 17.4 (b) (i) : Funded interest term loan -1 (EPC): Funded interest term loans from bank amounting to INR 8,367.28 lacs (March 31, 2016 INR 8,958.99 lacs, April 1, 2015 INR 9,897.70 lacs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 25 quarterly instalments. First instalment was due in March 2015.The above loan is secured against (i) First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders. (ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

Note 17.4 (b) (ii) : Funded interest term loan -2 (EPC): Funded interest term loans from bank amounting to INR 311.24 lacs (March 31, 2016 INR 311.24 lacs, April 1, 2015 Nil) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in single instalment, which will due in March 2021.

The above loan is secured against: (i) First charge pari passu on both present and future current asset as well as fixed assets of the EPC business other than assets exclusively charged to lenders. (ii) Second charge pari passu on both current assets and fixed assets of the 3 biomass power plant projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (iii) Second charge pari passu on land property first charged to DBS and SCB given for term loan.

Note 17.5: The Company has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Banks:			
- Principal			
0-3 Months	974.28	-	256.33
3-6 Months	-	229.30	-
6-12 Months	1,564.90	486.47	-
> 12 months	793.93	-	-
- Interest			
0-3 Months	874.72	577.11	457.30
3-6 Months	545.53	435.36	30.47
6-12 Months	1,306.14	694.66	75.21
> 12 months	1,502.78	186.96	19.44
Financial institutions:			
- Principal			
> 12 months	5,000.00	5,000.00	5,135.50
- Interest			
0-3 Months	184.93	125.85	189.56
3-6 Months	125.34	193.41	128.52
6-12 Months	439.55	449.29	451.10
> 12 months	2,190.38	1,494.28	725.11

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Note 18 : **PROVISIONS**						
Provision for employee benefits						
Provision for gratuity (Refer Note 18.ii)	6.53	163.85	127.40	36.91	79.38	-
Provision for compensated leave absences	9.36	-	11.52	-	18.13	-
Others						
Provision for warranty (Refer Note 18.i)	137.71	150.41	159.29	140.20	112.97	208.30
Total	**153.60**	**314.26**	**298.21**	**177.11**	**210.48**	**208.30**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Movements in provisions:

i) Movement in provision for warranty during the financial year are as follows:

	Amount
As at April 1, 2015	**321.27**
Charged/ (credited) to profit or loss	
Additional provision recognised	162.21
Unused amount reversed	(117.76)
Unwinding of the discounting	20.36
Amount used during the year	(86.59)
As at March 31, 2016	**299.49**
Charged/ (credited) to profit or loss	
Additional provision recognised	44.94
Unused amount reversed	(68.02)
Unwinding of the discounting done	15.28
Amount used during the year	(3.57)
As at March 31, 2017	**288.12**

A provision is recognised for expected warranty claims, based on past experience, for expected cost of meeting obligations of rectification/replacement. It is expected that most of these costs will be incurred in the next 3 years and all would have been incurred within 5 years after the reporting date. The Company accounts for the provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates / trends. These estimates are established using historical information on the nature and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

ii) Defined benefit plan and long term employment benefit

A General description:

Gratuity [Defined benefit plan]:

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company (Birla Sun Life) in the form of a qualifying insurance policy.

Leave wages [Short term employment benefit]:

The employees of the Company are entitled to leave as per the leave policy of the Company. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. Actuarial gains or losses are recognized in Statement of Profit and Loss.

A reconciliation of the Company's defined benefit obligation (DBO) and plan assets, i.e. the gratuity plan, to the amounts presented in the statement of financial position for each of the reporting periods is presented below:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets and liability (Balance sheet position)			
Present value of obligation	(191.73)	(247.90)	(263.89)
Fair value of plan assets	21.35	83.59	184.51
Net asset / (liability)	**(170.38)**	**(164.31)**	**(79.38)**

Expenses recognized during the year

	For the year ended March 31, 2017	For the year ended March 31, 2016
In income statement	35.64	68.29
In other comprehensive income	(29.58)	16.64
Total expenses recognized during the year	**6.06**	**84.93**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

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

Changes in the present value of obligation

	For the year ended March 31, 2017	For the year ended March 31, 2016
Present value of obligation as at the beginning	**247.89**	**263.89**
Current service cost	22.97	61.98
Interest expense or cost	19.12	20.95
Re-measurement or actuarial (gain) / loss arising from:		
- change in demographic assumptions	16.42	6.56
- change in financial assumptions	8.73	3.44
- experience adjustments	(55.53)	(0.39)
Benefits Paid	(67.87)	(108.53)
Present value of obligation as at the year end	**191.73**	**247.90**

Bifurcation of net liability

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current liability (short term)	6.53	127.40	79.38
Non-current liability (long term)	163.85	36.91	-
Net liability	**170.38**	**164.31**	**79.38**

Plan assets
The reconciliation of the balance of the assets held for the Company's defined benefit plan is presented below:

Changes in the fair value of plan assets

	As at March 31, 2017	As at March 31, 2016
Fair value of plan assets as at the beginning	**83.59**	**184.51**
Investment income	6.45	14.65
Benefits paid	(67.87)	(108.53)
Return on plan assets , excluding amount recognised in net interest expense	(0.82)	(7.04)
Fair value of plan assets as at the year end	**21.35**	**83.59**

Expenses recognised in the profit and loss statement

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current service cost	22.97	61.99
Net interest cost on the net defined benefit liability	12.67	6.30
Expenses recognised in the profit and loss statement	**35.64**	**68.29**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Other comprehensive income

	For the year ended March 31, 2017	For the year ended March 31, 2016
Actuarial (gains) / losses		
- change in demographic assumptions	16.42	6.56
- change in financial assumptions	8.71	3.43
- experience variance (i.e. Actual experience vs assumptions)	(55.53)	(0.39)
Return on plan assets, excluding amount recognised in net interest expense	0.82	7.04
Components of defined benefit costs recognised in other comprehensive income	**(29.58)**	**16.64**

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate (per annum)	7.05%	7.72%	7.94%
Salary growth rate (per annum)	5.00%	5.00%	5.00%

Demographic assumptions

	As at March 31, 2017	As at March 31, 2016
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
4 and below years	10.00%	48.00%
Above 4 years	10.00%	8.00%

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

Sensitivity analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation (Base)	191.72	247.89

	As at March 31, 2017		As at March 31, 2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	205.97	179.15	268.17	230.14
(% change compared to base due to sensitivity)	7.40%	(6.6%)	8.20%	(7.2%)
Salary Growth Rate (- / + 1%)	180.39	204.10	235.94	260.93
(% change compared to base due to sensitivity	(5.9%)	6.50%	(4.8%)	5.30%
Attrition Rate (- / + 50%)	178.50	198.33	231.05	253.75
(% change compared to base due to sensitivity)	(6.9%)	3.40%	(6.8%)	2.40%
Mortality Rate (- / + 10%)	191.63	191.80	247.71	248.08
(% change compared to base due to sensitivity)	0.00%	0.00%	(0.1%)	(0.1%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

The following payments are expected contributions to the defined benefit plan in future years:

	As at March 31, 2017	As at March 31, 2016
Within the next 12 months [next annual reporting period]	27.87	25.28
Between 2 and 5 years	83.76	95.08
Between 6 and 10 years	87.85	95.20
Beyond 10 years	153.92	175.03
Total expected payments	**353.40**	**390.59**

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2016: 8 years)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 19 : **CURRENT BORROWINGS**			
Carried at amortised cost			
From banks (secured) (Refer Note: 19.1)			
Working capital loans	5,571.50	5,573.22	5,573.22
Cash credit facilities	50,953.05	47,103.92	44,556.17
Total	**56,524.55**	**52,677.14**	**50,129.39**

Note 19.1: 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.

I) Plot No. G-1030 A having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Balaji Pottery Private Limited;

II) Plot No. G-1030 having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Hari Om Utensils Private Limited;

III) Office space on 7th Floor of a B+G+7 storied commercial building on east side of LA-VIDA Mall at CK-3,4, 48, 49 Salt Lake City, Sector-II, Kolkata

IV) Mortgage of following properties :

(a) Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab;

(b) Land measuring about 5.309 Hectare situated at village Palsora, District Indore;

(c) Village Mandela Chhota, Tehsil Fatehpur, District Seekar, Rajasthan admeasuring about 6.065 Hectare;

(d) Land with Boundary wall, Gate No. 70, Vill Sherpur Madho urf Ghaniakhera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 1.465 Hectare or 3.62 acre;

(e) Land with Boundary wall, at Gate No. 184, 188, 189, Vill Sherpur Madho urf Ghaniakhera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 2.391 Hectare or 5.91 acre.

Further secured by Corporate Guarantees of Shree Hariom Utensils Private Limited and Shree Balaji Pottery Private Limited. The rate of interest vary from 10.15% - 13.25% per annum and these loans are repayable on demand.b) Second charge on pari-passu basis over all rights, titles, interest, benefits, claims and demands in respect of projects and insurance contracts and over all movable and immoveable properties, accounts, plant and machinery, all other tangible moveable assets both present and future, project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature in respect of project.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 19.2: The Company has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Banks:			
-Principal			
6-12 Months	-	-	2,181.51
> 12 months	5,571.50	5,573.22	-
-Interest			
0-3 Months	1,238.38	512.25	692.52
3-6 Months	805.49	719.57	317.49
6-12 Months	1,950.33	1,593.33	1,154.73
> 12 months	6,109.71	3,203.01	1,240.53

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
***Note 20* : TRADE PAYABLES**			
Total outstanding dues of micro and small enterprises (Refer note 20.1)	22.98	20.67	21.25
Total outstanding dues of creditors other than micro and small enterprises	65,897.57	67,620.46	20,875.26
Total	**65,920.55**	**67,641.13**	**20,896.51**

Note 20.1 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 Enterprises Development (MSMED) Act, 2006 is as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Details of dues to micro and small enterprises as per MSMED Act, 2006 the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- principal amount	12.80	12.80	15.86
- interest amount	2.30	2.49	3.74
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	10.18	7.87	5.39
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	-	-	-

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 21 : **OTHER FINANCIAL LIABILITIES**			
Current maturities of long term debt (Refer Note 17)	14,474.62	10,654.61	9,052.04
Interest accrued but not due on borrowings	171.16	154.27	135.14
Interest accrued and due on borrowings	13,159.45	7,621.02	4,100.23
Unpaid Dividends [*]	0.82	0.82	0.82
Book overdrafts	0.02	160.11	51.75
Security deposits received	3,156.96	3,366.61	4,152.10
Payable against purchase of property plant and equipment	452.63	798.64	867.48
Derivative financial liability	-	8,918.00	8,287.00
Total	**31,415.66**	**31,674.08**	**26,646.56**

[*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 22 : **OTHER CURRENT LIABILITIES**			
Advance purchase consideration against sale of property plant and equipment	21.00	21.00	21.00
Advances from customers	4,652.82	1,838.27	2,581.58
Billing in excess of contract revenue	1,357.77	1,035.45	1,521.36
Statutory dues payable	5,181.58	5,576.91	2,488.15
Total	**11,213.17**	**8,471.63**	**6,612.09**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Note 23 : **REVENUE FROM OPERATIONS**		
Sale/rendering of services		
Revenue from engineering services	56,699.58	92,306.77
Revenue from Sale of Power	154.39	94.85
Revenue from operation and maintenance services	963.94	355.79
Revenue from professional services	6.30	20.71
Revenue from data processing services	496.33	469.34
Other operating revenues:		
Sale of traded goods	5,134.24	2,735.99
Liabilities written back	-	115.09
Duty drawback	1.05	31.25
Scrap sale	-	8.99
Total	**63,455.83**	**96,138.78**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 24* : OTHER INCOME**		
Interest income:		
on fixed deposits	97.41	139.45
on loan given to subsidiaries	796.98	732.92
on other	0.92	1,192.23
Other Non-operating income		
Profit on sale of Property, Plant and equipment	39.60	512.47
Profit on sale of investments (other than trade)	394.47	482.65
Rental income	62.67	4.20
Foreign exchange fluctuation (net)	-	135.62
Provision written back	1.18	-
Miscellaneous	170.25	138.28
Total	**1,563.48**	**3,337.82**

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 25* : COST OF MATERIALS CONSUMED**		
Opening inventory	1,812.27	1,156.49
Add: Purchases	13,527.34	48,070.72
Less: Recovery from contractors	(255.16)	(475.43)
Less: theft / damage of material [*]	-	(19.25)
Less: Closing inventory	(765.66)	(1,812.27)
Material consumed	**14,318.79**	**46,920.26**
Freight and cartage	216.98	1,288.61
Sub contractor / erection expenses	29,123.34	27,190.61
Labour charges	290.22	464.78
Fabrication expenses	10.44	10.54
Site expenditure	91.91	136.13
Technical consultancy for projects	2,325.74	1,138.11
Power plant running expenses	115.68	-
Other direct cost	747.81	605.06
Total	**47,240.91**	**77,754.10**

[*] During the year, the Company has incurred a loss of Nil (March 31, 2016 INR 19.25 lacs) 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 INR 11.37 lacs (March 31, 2016 INR 7.15 lacs) as insurance claim from the insurance company during the year.

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 26* : PURCHASE OF STOCK-IN-TRADE**		
Purchases of stock-in-trade [*]	4,996.99	2,512.63
Total	**4,996.99**	**2,512.63**
[*] Details of purchases of stock-in-trade under broad heads:		
Cables / GI Wire / GSS Wire	3,045.77	2,512.63
Steel / Galvanised Steel / M S Angle / M S Channel / TMT Bars	1,951.22	-
Total	**4,996.99**	**2,512.63**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
Note 27 : **CHANGES IN INVENTORIES**		
Opening inventory of traded goods	-	7.38
Less: Closing inventory of traded goods	-	-
Decrease in inventory	-	**7.38**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Note 28 : **EMPLOYEES BENEFITS EXPENSES**		
Salaries and bonus including directors' remuneration	1,662.66	1,942.11
Contribution to provident and other funds (Refer Note 28.1)	67.30	66.60
Gratuity	35.64	68.29
Compensated absences benefits	(2.17)	(6.60)
Share-based payments (Refer Note 28.2)	140.01	192.87
Staff welfare expenses	61.61	82.97
Total	**1,965.05**	**2,346.24**

Note 28.1 Defined contribution plan

The Company has certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basic salary as per regulations. The contribution are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards the defined contribution plan is INR 67.30 lacs (March 31, 2016 INR 66.60 lacs).

Note 28.2 Share-based employee remuneration

(a) A2Z Stock Option Plan 2010

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 company 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.

(b) A2Z Employees Stock Option Plan, 2013 Tranche I

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 INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 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.

(c) A2Z Employees Stock Option Plan, 2013- Tranche II

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on July 3, 2014 has granted 1,905,000 stock options convertible into equivalent number of equity shares of INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 19.95 each which is BSE closing market price on July 02, 2014 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of four years since then.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

(d) A2Z Employees Stock Option Plan, 2014

The members of the Company vide special resolution at the Annual General Meeting held on September 27, 2014 had approved the A2Z Employees Stock Option Plan, 2014. The ESOP Compensation Committee in its meeting held on July 6, 2015 has granted 4,500,000 stock options convertible into equivalent number of equity shares of INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 15.50 each which is NSE closing market price on July 03, 2015 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then.

	ESOP 2010 plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013-I Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013-II Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2014 Plan (Number of shares)	Programme weighted average exercise price per share
Outstanding as at April 1, 2015	**344,250**	**314.13**	**1,570,000**	**10.35**	**1,745,000**	**19.95**	**-**	**-**
Granted			-		-	-	4,500,000	15.50
Lapsed/forfeited	67,500	314.13	80,000	10.35	210,000	19.95	-	
Exercised	-		1,470,000	10.35	355,500	19.95	-	
Outstanding as at March 31, 2016	**276,750**	**314.13**	**20,000**	**10.35**	**1,179,500**	**19.95**	**4,500,000**	**15.50**
Granted								
Lapsed/forfeited	100,850	314.13			189,000	19.95	340,000	15.50
Exercised	-		9,995	10.35	385,500	19.95	1,215,000	15.50
Outstanding as at March 31, 2017	**175,900**	**314.13**	**10,005**	**10.35**	**605,000**	**19.95**	**2,945,000**	**15.50**
Exercisable at April 1, 2015	279,000	314.13	1,570,000	10.35	-	-	-	-
Exercisable at March 31, 2016	276,750	314.13	20,000	10.35	105,000	19.95	-	-
Exercisable at March 31, 2017	175,900	314.13	10,005	10.35	141,000	19.95	75,000	15.50

The following table lists the inputs to the models used for the plans as at March 31, 2017:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48
Volatility	34.93%	65.19%	67.05%	65.50%
Option life	10 years	6 years	8 years	8 years
Dividend yield	2.25%	0%	0%	0%
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 10.48
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023
Weighted average remaining contractual life (In Years)	1.17	2.85	4.36	5.37
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

The following table lists the inputs to the models used for the ESOP Plans as at March 31, 2016:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48
Volatility	34.93%	65.19%	67.05%	65.50%
Option life	10 years	6 years	8 years	8 years
Dividend yield	2.25%	0%	0%	0%
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 10.48
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023
Weighted average remaining contractual life (In Years)	2.17	3.85	5.36	6.37
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

The following table lists the inputs to the models used for the plans as at April 1, 2015:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52
Volatility	34.93%	65.19%	67.05%
Option life	10 years	6 years	8 years
Dividend yield	2.25%	0%	0%
Risk-free investment rate	7.45%	8.90%	8.64%
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022
Weighted average remaining contractual life (In Years)	3.17	4.85	6.36
Model used	Black-Scholes	Black-Scholes	Black-Scholes

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 29* : FINANCE COSTS**		
Interest expense [*]	11,370.76	11,039.08
Other borrowing costs		
Loan processing fees	12.38	12.77
Bank commission and charges	584.17	691.36
Total	**11,967.31**	**11,743.21**
[*] The break up of interest expense into major heads is given below:		
On term loans	4,276.29	4,302.20
On other bank loans	6,827.29	6,680.37
On others	267.18	56.51
Total	**11,370.76**	**11,039.08**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 30* : DEPRECIATION AND AMORTISATION EXPENSES**		
Depreciation of property, plant and equipment (Refer Note 3)	1,401.60	1,571.19
Amortisation of intangible assets (Refer Note 4)	45.92	86.16
Total	**1,447.52**	**1,657.35**

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 31* : OTHER EXPENSES**		
Electricity	70.15	108.27
Rent (refer Note 31.1)	209.75	256.27
Rates and taxes	99.54	199.54
Insurance	169.53	161.36
Repair and maintenance		
- Building	-	3.46
- Others	152.77	167.72
Traveling expenses	266.80	385.48
Communication expenses	39.23	58.26
Printing and stationery	20.97	30.80
Legal and professional fees	685.07	484.51
Director sitting fees	18.45	8.10
Payment to auditors (refer Note 31.2)	84.95	76.10
Foreign exchange fluctuation (net)	23.27	-
Mark-to-market loss on derivatives	-	631.00
Impairment in value of current investment	231.29	-
Provision for contract revenue in excess of billing	93.79	1,350.83
Provision for profit on transfer of investments	394.47	482.65
Provision for doubtful advances	-	419.17
Provision for bad and doubtful debts	1,694.41	1,338.26
Tender expenses	15.52	10.12
Fees and subscription / inspection charges	31.17	64.91
Business promotion	50.37	111.25
Warranty expense (Refer Note 18.i)	-	44.45
Bad debts written off	42.32	553.15
Advances/ earnest money deposit written off	0.14	62.94
Capital work in progress written off	-	107.50
Theft of material	-	10.23
Miscellaneous expenses	107.89	257.67
Total	**4,501.85**	**7,384.00**

Note 31.1 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 INR 209.75 lacs (March 31, 2016: INR 256.27 lacs).

Note 31.2 : Details of payments to auditors

	For the year ended March 31, 2017	For the year ended March 31, 2016
As auditor		
Statutory audit fee	20.94	31.50
Audit fee for consolidated financial statements	5.00	5.00
Limited review fee	30.00	30.00
Certification fee	1.10	5.55
Other matter	23.48	-
Reimbursement of expenses	4.43	4.05
Total	**84.95**	**76.10**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017
(Unless otherwise stated, all amounts are in INR Lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 32* : TAX EXPENSE**		
Current tax expense	3.67	38.06
Deferred tax expense (Refer Note 8)	5,855.41	54.53
Tax expense	**5,859.08**	**92.59**

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
Loss before tax	(8,059.90)	(3,928.31)
Corporate tax rate as per income tax act, 1961	34.61%	34.61%
Tax on accounting profit	**(2,789.37)**	**(1,359.51)**
i) Tax effect on non deductable expenses/ Non taxable income	(3,199.76)	353.72
ii) Tax effect on impairement loss	2,035.37	-
iii) Tax effect on deffered tax assets reversed during the year	6,814.78	888.78
iv) Tax effect on temporary timing differences on which deferred tax not created	23.24	15.27
v) Tax effect on lossess of current year on which no deferred tax is created	2,974.82	194.33
Tax Expense	**5,859.08**	**92.59**

Note 32.1: a) Detail of unused tax losses for which no deferred tax is recognised in balance sheet:

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Tax losses									
Assessment Year 2013-14	2,507.61	867.83	March 31, 2022	-	-	-	-	-	-
Assessment Year 2014-15	13,971.29	4,835.19	March 31, 2023	-	-	-	-	-	-
Assessment Year 2015-16	15,307.92	5,297.76	March 31, 2024	12,095.24	4,185.92	March 31, 2024	13,661.23	4,643.45	March 31, 2024
Assessment Year 2017-18	6,662.75	2,305.84	March 31, 2026	-	-	-	-		
Total	**38,449.57**	**13,306.62**		**12,095.24**	**4,185.92**		**13,661.23**	**4,643.45**	

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

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

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	5,234.15	1,811.43	N.A.	3,873.29	1340.47	N.A.	3,579.21	1,216.57	N.A.
Provision for doubtful debts	37.56	13.00	N.A.	-	-	-	-	-	-
Provision for Gratuity	29.59	10.24	N.A.	-	-	-	-	-	N.A.
Impairment loss	5,881.21	2,035.37	N.A.	-	-	-	-	-	-
	11,182.51	**3,870.04**	**-**	**3,873.29**	**1340.47**	**-**	**3,579.21**	**1,216.57**	**-**

Note 33 : EARNINGS PER SHARE (EPS)

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the Company as the numerator, i.e. no adjustments to loss were necessary in year ended March 31, 2017 or March 31, 2016.

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

	As at March 31, 2017	As at March 31, 2016
Weighted average number of shares used in basic earnings per share	129,509,513	113,952,726
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	**129,509,513**	**113,952,726**

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

Loss attributable to Shareholders	INR in lacs	(13,918.98)	(4,020.90)
Weighted average number of equity shares outstanding during the year	Numbers	129,509,513	113,952,726
Nominal value of equity share	INR	10.00	10.00
Basic EPS	INR	(10.75)	(3.53)
Diluted EPS	INR	(10.75)	(3.53)

Note 34: Information about interest in subsidiaries and joint venture

a) Interest in subsidiaries

The Company's interest and share in subsidiaries including step down subsidiaries.

No.	Name	Principal place of business	Proportion of ownership interest as at March 31, 2017	Proportion of ownership interest as at March 31, 2016	Proportion of ownership interest as at April 1, 2015
A	**Subsidiaries companies**				
1	A2Z Infraservices Limited	India	93.83%	93.83%	93.83%
2	A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)*	India	47.89%	71.87%	91.98%
3	A2Z Powercom Limited	India	100.00%	100.00%	100.00%
4	A2Z Powertech Limited	India	100.00%	95.00%	95.00%
5	Mansi Bijlee & Rice Mills Limited	India	100.00%	100.00%	100.00%
6	Magic Genie Services Limited (formerly A2Z Water Solutions Limited)	India	75.00%	75.00%	100.00%
7	Chavan Rishi International Limited	India	100.00%	100.00%	100.00%
8	Selligence Technologies Services Private Limited	India	80.00%	80.00%	80.00%
9	Star Transformers Limited ^	India	49.00%	49.00%	49.00%
10	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	India	60.00%	60.00%	60.00%

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017
(Unless otherwise stated, all amounts are in INR Lacs)

No.	Name	Principal place of business	Proportion of ownership interest as at March 31, 2017	Proportion of ownership interest as at March 31, 2016	Proportion of ownership interest as at April 1, 2015
11	A2Z Waste Management (Nainital) Private Limited **	India	48.00%	48.00%	48.00%
12	A2Z Singapore Waste Management Holdings Private Limited (Strike off w.e.f. March 17, 2016)	Singapore	-	-	100.00%
13	A2Z Maintenance & Engineering Services (Uganda) Private Limited (Strike off w.e.f. March 30, 2016)	Uganda	-	-	100.00%
B	**Step down subsidiaries** **Shareholding in Step down represent shares hold of the respective Subsidiary Company.** **Subsidiaries of A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)**				
1	A2Z Waste Management (Aligarh) Limited	India	80.00%	80.00%	80.00%
2	A2Z Waste Management (Moradabad) Limited	India	80.00%	80.00%	80.00%
3	A2Z Waste Management (Meerut) Limited	India	80.00%	80.00%	80.00%
4	A2Z Waste Management (Varanasi) Limited	India	80.00%	80.00%	80.00%
5	A2Z Waste Management (Jaunpur) Limited	India	100.00%	100.00%	100.00%
6	A2Z Waste Management (Badaun) Limited	India	100.00%	100.00%	100.00%
7	A2Z Waste Management (Sambhal) Limited	India	100.00%	100.00%	100.00%
8	A2Z Waste Management (Mirzapur) Limited	India	100.00%	100.00%	100.00%
9	Ecogreen Envirotech Solutions Limited (Formerly known as A2Z Waste Management (Loni) Limited) (till November 10, 2016)	India	-	100.00%	100.00%
10	A2Z Waste Management (Balia) Limited	India	100.00%	100.00%	100.00%
11	A2Z Waste Management (Fatehpur) Limited	India	100.00%	100.00%	100.00%
12	A2Z Waste Management (Ranchi) Limited	India	100.00%	100.00%	100.00%
13	A2Z Waste Management (Ludhiana) Limited	India	100.00%	100.00%	100.00%
14	A2Z Waste Management (Dhanbad) Private Limited	India	100.00%	100.00%	100.00%
15	Shree Balaji Pottery Private Limited	India	100.00%	100.00%	100.00%
16	Shree Hari Om Utensils Private Limited	India	100.00%	100.00%	100.00%
17	A2Z Waste Management (Jaipur) Limited #	India	100.00%	100.00%	100.00%
	Subsidiaries of A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)				
18	A2Z Mayo SNT Waste Management (Nanded) Private Limited	India	60.00%	60.00%	60.00%
19	A2Z Waste Management (Ahmedabad) Limited	India	100.00%	100.00%	100.00%
20	Earth Environment Management Services Private Ltd	India	100.00%	100.00%	100.00%
21	Green Waste Management Private Limited (formerly known as A2Z Waste Management (Haridwar) Private Limited) (Strike off w.e.f September 23, 2016)	India	-	100.00%	100.00%
	'Subsidiaries of Magic Genie Services Limited (formerly known as A2Z Water Solutions Limited)				
1	Magic Genie Smartech Solutions Limited (Incorporated on June 24, 2016)	India	100.00%	-	-
	Subsidiaries of A2Z Waste Management(Ludhiana) Limited				
1	Ecogreen Envirotech Solutions Limited (Formerly known as A2Z Waste Management (Loni) Limited) (with effect from November 10, 2016)	India	51.00%	-	-

*With respect to A2Z Green Waste Management Limited ("AGWML"), although the Company owns less than one-half of the voting power, it is able to control the company by virtue of an agreement with another investor of A2Z Green Waste Management Limited i.e. Devdhar Trading and Consultants Private Limited ("Devdhar"), which provides that Devdhar shall continue to support the Company to have the control over the management of AGWML and shall continue to follow the instructions given by the Company in this regard. Accordingly, the Company, together with Devdhar controls AGWML

^ Star Transformers Limited has been considered as a subsidiary company on the basis of shareholder agreement that gives the Company control over the board of directors.

** Shares hold by A2Z Green Waste Management Limited as at March 31, 2017 26% (Shares hold as at March 31, 2016 26%, shares hold as at April 1, 2015 26%)

Includes shares held by the Company. The Company directly holds 20% shareholding as at March 31, 2017 (20% shareholding as at March 31, 2016, 20% shareholding as at April 1, 2015) and A2Z Green Waste Management Limited holds 80% shareholding as at March 31, 2017 (80% shareholding as at March 31, 2016, 80 % shareholding as at April , 2015).

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

b) Interest in joint ventures

The Company's interest and share in joint ventures in the jointly controlled operations as at March 31, 2017 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 34(b).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 34(b).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 34(b).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 34(b).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 34(b).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 34(b).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 34(b).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 34(b).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 34(b).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 34(b).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 34(b).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 34(b).1 below	*

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation
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 34(b).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 34(b).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 34(b).1 below	*

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

Note 34(b).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 34(b).2: The Company holds 60% interest in an Association of Person (AOP), formed between A2Z Infra Engineering Limited and Satya Builders, a jointly controlled entity which is involved in waste water projects at Alwar and Chittorgarh, Rajasthan.

Note 35 : RELATED PARTY DISCLOSURES

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures".

A Name of the related parties and nature of the related party relationship:

1 Subsidiary companies

a) A2Z Infraservices Limited
b) A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)
c) A2Z Powertech Limited
d) A2Z Powercom Limited
e) Selligence Technologies Services Private Limited
f) Mansi Bijlee & Rice Mills Limited
g) Star Transformers Limited
h) Chavan Rishi International Limited
i) Magic Genie Services Limited (formerly known as A2Z Water Solutions Limited)
j) A2Z Waste Management (Nainital) Private Limited
k) A2Z Maintenance & Engineering Services (Uganda) Private Limited (till March 30, 2016)
l) A2Z Singapore Waste Management Holdings Private Limited (till March 17, 2016)
m) A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)

2 Subsidiaries of A2Z Green Waste Management Limited. (formerly known as A2Z Infrastructure Limited):

a) A2Z Waste Management (Meerut) 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 (Fatehpur) Limited
h) A2Z Waste Management (Jaunpur) Limited
i) A2Z Waste Management (Mirzapur) Limited

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

j) A2Z Waste Management (Ranchi) Limited
k) A2Z Waste Management (Sambhal) Limited
l) Green Waste Management Private Limited (formerly A2Z Waste Management (Haridwar) Private Limited) (Strike off w.e.f September 23, 2016)
m) A2Z Waste Management (Dhanbad) Private Limited
n) A2Z Waste Management (Ludhiana) Limited
o) A2Z Waste Management (Jaipur) Limited
p) A2Z Mayo SNT Waste Management (Nanded) Private Limited
q) A2Z Waste Management (Ahmedabad) Limited
r) Earth Environment Management Services Private Limited
s) Shree Balaji Pottery Private Limited
t) Shree Hari Om Utensils Private Limited

3 Subsidiary of A2Z Waste Management (Ludhiana) Limited

a) Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited)

4 Subsidiary of Magic Genie Services Limited

a) Magic Genie Smartech Solutions Limited (Incorporated on June 24, 2016)

5 Joint Venture (unincorporated)

a) M/s UB Engineering Limited
b) M/s SPIC – SMO Limited
c) M/S Cobra Instalaciones Y Servicios, S.A
d) M/S Karamtara Engineering Private Limited
e) M/S Richardson & Cruddas (1972) Limited
f) M/S Linkwell Telesystems Private Limited

6 Key Management Personnel (‘KMP’)

a) Mr. Amit Mittal (Managing director)
b) Mrs. Dipali Mittal (Whole time director)
c) Mr. Surender Kumar Tuteja (Non- executive independent director)
d) Mr. Suresh Prasad Yadav (Non- executive independent director)
e) Dr. Ashok Kumar (Non- executive independent director)
f) Mr. Rajesh Jain (Chief Executive Officer and Whole time director)
g) Mr. Gaurav Jain (Chief Financial Officer, till September 22, 2015) (Non- executive non-independent director from September 23, 2015)
h) Dr. Ashok Kumar Saini (Whole Time Director)
i) Mr. Ratan Kishore Bajaj (Additional director)(till July 06, 2015)
j) Mr. Lalit Mohan Gulati (Chief Financial Officer) (till September 10, 2016)
k) Mr. Atul Kumar Agarwal (Company Secretary)
l) Dr. G.R. Nagendran (Chief Financial Officer) (with effect from September 11, 2016)

7 Relative of Key Management Personnel

a) Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)
b) Mr. Rajendra Kumar Mittal (Father of Mr. Amit Mittal)

8 Enterprise in control of relatives of Key Management Personnel

a) Mestric Consultants Private Limited
b) JIT Logistics Private Limited

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

B. Transactions with related parties:

The following transactions were carried out with the related parties in the ordinary course of business:

	For the year ended March 31, 2017				For the year ended March 31, 2016			
	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	-	-	-	-	-	9.24	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	8.22	-	-	-
- A2Z Powercom Limited	-	-	-	-	4.20	-	-	-
Sale of fixed assets								
- A2Z Infraservices Limited	-	-	-	-	3.34	-	-	-
Rental income								
- A2Z Powercom Limited	-	-	-	-	4.20	-	-	-
Interest income								
- A2Z Green Waste Management Limited	646.25	-	-	-	581.37	-	-	-
- A2Z Powertech Limited	0.17	-	-	-	2.33	-	-	-
- A2Z Waste Management (Ludhiana) Limited	1.97	-	-	-	8.49	-	-	-
- A2Z Waste Management (Jaipur) Limited	59.31	-	-	-	54.87	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	59.78	-	-	-	62.99	-	-	-
- Mansi Bijlee & Rice Mills Limited	29.49	-	-	-	22.85	-	-	-
- Chavan Rishi International Limited	0.88	-	-	-	1.05	-	-	-
Purchase of goods or services								
- A2Z Infraservices Limited	35.17	-	-	-	101.68	-	-	-
- Star Transformers Limited	65.92	-	-	-	221.84	-	-	-
- Magic Genie Service Limited	0.15	-	-	-	0.18	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	15.05	-	-	-
Rent expense								
- Sudha Mittal	-	-	-	5.28	-	-	-	5.28
- Dipali Mittal	-	-	-	10.14	-	-	-	14.34
- Chavan Rishi International Limited	30.00	-	-	-	30.00	-	-	-
ESOP option to employees (Refer Note 5.1.5)								
- A2Z Green Waste Management Limited	18.27	-	-	-	23.67	-	-	-
- A2Z Infraservices Limited	2.27	-	-	-	2.96	-	-	-
- Star Transformers Limited	6.52	-	-	-	12.26	-	-	-
- A2Z Powercom Limited	2.46	-	-	-	21.39	-	-	-

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

B. Transactions with related parties: *(Contd.)*

The following transactions were carried out with the related parties in the ordinary course of business:

	For the year ended March 31, 2017				For the year ended March 31, 2016			
	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 transferred / includes expenses incurred on behalf of related party								
- A2Z Green Waste Management Limited	52.69	-	-	-	7.79	-	-	-
- A2Z Infraservices Limited	0.58	-	-	-	25.15	-	-	-
- A2Z Powercom Limited	-	-	-	-	50.80	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	3.71	-	-	-	4.19	-	-	-
- A2Z Waste Management (Ludhiana) Limited	320.25	-	-	-	0.56	-	-	-
- Magic Genie Service Limited	-	-	-	-	3.42	-	-	-
Fund received / includes expenses incurred on behalf of Company								
- A2Z Infraservices Limited	-	-	-	-	3.09	-	-	-
- A2Z Green Waste Management Limited	572.39	-	-	-	91.80	-	-	-
- UB Engineering Limited	-	218.63	-	-	-	-	-	-
- SPIC-SMO	-	28.47	-	-	-	-	-	-
- Magic Genie Service Limited	1.39	-	-	-	-	-	-	-
Provision created/(reversed) for doubtful debts expense								
- UB Engineering Limited	-	(0.59)	-	-	-	-	144.74	-
- SPIC-SMO	-	(14.54)	-	-	-	-	145.23	-
Loan given / advances paid								
- A2Z Green Waste Management Limited	393.01	-	-	-	261.63	-	-	-
- A2Z Powertech Limited	-	-	-	-	3.23	-	-	-
- A2Z Waste Management (Jaipur) Limited	6.41	-	-	-	271.57	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	45.40	-	-	-	15.00	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	56.39	-	-	-
- Mansi Bijlee & Rice Mills Limited	78.00	-	-	-	-	-	-	-
- A2Z Infraservices Limited	169.18	-	-	-	-	-	-	-

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

B. Transactions with related parties: *(Contd.)*

The following transactions were carried out with the related parties in the ordinary course of business:

	For the year ended March 31, 2017				For the year ended March 31, 2016			
	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
Loan / advances refunded								
- A2Z Powertech Limited	-	-	-	-	95.50	-	-	-
- A2Z Green Waste Management Limited	2126.43	-	-	-	370.52	-	-	-
- A2Z Waste Management (Ludhiana) Limited	36.56	-	-	-	175.00	-	-	-
- A2Z Waste Management (Jaipur) Limited	-	-	-	-	270.00	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	-	-	-	-	299.21	-	-	-
- A2Z Infraservices Limited	78.43	-	-	-	-	-	-	-
Amit Mittal	-	-	-	52.05	-	-	-	10.00
Remuneration								
- Rajesh Jain	-	-	-	68.35	-	-	-	87.02
- Ashok Saini	-	-	-	34.16	-	-	-	37.31
- Dipali Mittal	-	-	-	19.08	-	-	-	19.08
- Surender Kumar Tuteja	-	-	-	5.35	-	-	-	2.80
- Ashok Kumar	-	-	-	6.10	-	-	-	2.40
- Suresh Prasad Yadav	-	-	-	4.75	-	-	-	2.20
- Gaurav Jain	-	-	-	2.25	-	-	-	0.50
- Ratan Kishore Bajaj	-	-	-	-	-	-	-	0.20
Sale of Investment to IL & FS Financial Service Limited (IFIN) (Refer Note 5.1.2)								
- A2Z Green Waste Management Limited	940.07	-	-	-	940.15			
Equity Shares Issued								
- Mestric Consultants Private Limited	-	-	-	-	-	-	2,220.00	-

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2017				Balance outstanding as at March 31, 2016				Balance outstanding as at April 01, 2015			
	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	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Loan/advances given												
- A2Z Green Waste Management Limited	1.79	-	-	-	2,127.93	-	-	-	1,797.60	-	-	-
- A2Z Powertech Limited	19.42	-	-	-	19.27	-	-	-	109.44	-	-	-
- A2Z Waste Management (Jaipur) Limited	679.26	-	-	-	619.47	-	-	-	568.52	-	-	-
- A2Z Waste Management (Ludhiana) Limited	494.82	-	-	-	227.50	-	-	-	343.90	-	-	-
- A2Z Waste Management (Ahmedabad) Limited	150.00	-	-	-	150.00	-	-	-	150.00	-	-	-
- A2Z Waste Management (Dhanbad) Private Limited	230.56	-	-	-	230.56	-	-	-	230.56	-	-	-
- A2Z Waste Management (Mirzapur) Limited	95.00	-	-	-	95.00	-	-	-	95.00	-	-	-
- A2Z Waste Management (Moradabad) Limited	7.47	-	-	-	7.47	-	-	-	7.47	-	-	-
- A2Z Waste Management (Ranchi) Limited	350.00	-	-	-	350.00	-	-	-	350.00	-	-	-
- A2Z Waste Management (Sambhal) Limited	130.23	-	-	-	130.23	-	-	-	130.23	-	-	-
- A2Z Waste Management (Varanasi) Limited	250.96	-	-	-	250.96	-	-	-	250.96	-	-	-
- A2Z Infraservices Limited	90.75	-	-	-	-	-	-	-	-	-	-	-
- Mansi Bijlee & Rice Mills Limited	81.10	-	-	-	-	-	-	-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builder '- (AOP)	899.99	-	-	-	797.08	-	-	-	1,020.41	-	-	-
Share application money pending allotment												
- Mestric Consultants Private Limited	-	-	-	-	-	-	-	-	-	-	2,220.00	-
Trade receivable / advances recoverable												
- A2Z Green Waste Management Limited	1,277.07	-	-	-	482.65	-	-	-	-	-	-	-
- A2Z Powercom Limited	1,005.44	-	-	-	1,005.44	-	-	-	1,005.44	-	-	-
- UB Engineering Limited	-	8,268.39	-	-	-	8,489.08	-	-	-	8,887.93	-	-
- SPIC-SMO	-	2,448.60	-	-	-	2,477.70	-	-	-	2,551.70	-	-
- Karamtara Engineering Private Limited	-	385.28	-	-	-	62.18	-	-	-	62.18	-	-
- A2Z Maintenance & Engineering Services (Uganda) Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- A2Z Infraservices Limited	26.21	-	-	-	-	-	-	-	-	-	-	-
- Amit Mittal	-	-	-	127.43	-	-	-	179.48	-	-	-	182.78
Security deposit paid												
- Chavan Rishi International Limited	9.06	-	-	-	10.83	-	-	-	9.78	-	-	-
Investment in preference shares												
- A2Z Green Waste Management Limited	5,121.79	-	-	-	4,482.96	-	-	-	3,922.39	-	-	-
- Mansi Bijlee & Rice Mills Limited	208.79	-	-	-	182.75	-	-	-	159.90	-	-	-
Provision for doubtful debts/advances												
- UB Engineering Limited	-	2,945.63	-	-	-	2,946.22	-	-	-	2,801.48	-	-
- SPIC-SMO	-	1,136.22	-	-	-	1,150.77	-	-	-	1,005.54	-	-
- A2Z Green Waste Management Limited	877.17	-	-	-	-	482.64	-	-	-	-	-	-

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2017				Balance outstanding as at March 31, 2016				Balance outstanding as at April 01, 2015			
	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	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Remuneration payable												
- Rajesh Jain	-	-	-	2.51	-	-	-	3.00	-	-	-	-
- Ashok Saini	-	-	-	2.51	-	-	-	2.01	-	-	-	-
- Dipali Mittal	-	-	-	8.69	-	-	-	13.62	-	-	-	13.62
- Surender Kumar Tuteja	-	-	-	3.02	-	-	-	1.26	-	-	-	1.62
- Ashok Kumar	-	-	-	3.47	-	-	-	1.62	-	-	-	1.08
- Suresh Prasad Yadav	-	-	-	2.03	-	-	-	1.53	-	-	-	1.12
- Gaurav Jain	-	-	-	0.90	-	-	-	0.36	-	-	-	-
- Ratan Kumar Bajaj	-	-	-	-	-	-	-	-	-	-	-	0.27
Other current liabilities												
- Magic Genie Service Limited	1.39	-	-	-	-	-	-	-	-	-	-	-
Trade payable												
- A2Z Powercom Limited	398.72	-	-	-	751.15	-	-	-	-	-	-	-
- A2Z Infraservices Limited	34.78	-	-	-	117.03	-	-	-	-	-	-	-
- Chavan Rishi International Limited	31.79	-	-	-	0.29	-	-	-	-	-	-	-
- A2Z Waste Management (Meerut) Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Linkwell Telesystems Private Limited	-	0.02	-	-	-	0.02	-	-	-	0.02	-	-
- Richardson & Cruddas (1972) Limited	-	14.61	-	-	-	14.61	-	-	-	14.61	-	-
- Cobra Instalaciones Y Servicios, S.A	-	4.85	-	-	-	4.85	-	-	-	4.85	-	-
- Star Transformers Limited	266.32	-	-	-	366.65	-	-	-	-	-	-	-
- Magic Genie Service Limited	0.12	-	-	-	-	-	-	-	-	-	-	-
- Dipali Mittal	-	-	-	1.58	-	-	-	-	-	-	-	-
- Manoj Gupta	-	-	-	0.33	-	-	-	-	-	-	-	-
- Sudha Mittal	-	-	-	1.98	-	-	-	-	-	-	-	-

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2017				Balance outstanding as at March 31, 2016				Balance outstanding as at April 01, 2015			
	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	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Guarantees given on behalf of subsidiaries												
- A2Z Infraservices Limited	9,938.00	-	-	-	9,938.00	-	-	-	9,938.00	-	-	-
- A2Z Green Waste Management Limited	25,325.00	-	-	-	25,325.00	-	-	-	25,325.00	-	-	-
- A2Z Waste Management (Meerut) Limited	3,500.00	-	-	-	3,500.00	-	-	-	3,500.00	-	-	-
- A2Z Waste Management (Moradabad) Limited	1,830.00	-	-	-	1,830.00	-	-	-	1,830.00	-	-	-
- A2Z Waste Management (Aligarh) Limited	1,350.00	-	-	-	1,350.00	-	-	-	1,350.00	-	-	-
- A2Z Waste Management (Varanasi) Limited	4,400.00	-	-	-	4,400.00	-	-	-	4,400.00	-	-	-
- A2Z Waste Management (Ranchi) Limited	3,140.00	-	-	-	3,140.00	-	-	-	3,140.00	-	-	-
- Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited)	700.00	-	-	-	700.00	-	-	-	700.00	-	-	-
- A2Z Waste Management (Badaun) Limited	560.00	-	-	-	560.00	-	-	-	560.00	-	-	-
- A2Z Waste Management (Jaunpur) Limited	220.00	-	-	-	220.00	-	-	-	220.00	-	-	-
- A2Z Waste Management (Sambhal) Limited	550.00	-	-	-	550.00	-	-	-	550.00	-	-	-
- A2Z Waste Management (Fatehpur) Limited	410.00	-	-	-	410.00	-	-	-	410.00	-	-	-
- A2Z Waste Management (Mirzapur) Limited	560.00	-	-	-	560.00	-	-	-	560.00	-	-	-
- A2Z Waste Management (Balia) Limited	420.00	-	-	-	420.00	-	-	-	420.00	-	-	-
- A2Z Waste Management (Ludhiana) Limited	5,080.00	-	-	-	5,080.00	-	-	-	5,080.00	-	-	-
- A2Z Waste Management (Jaipur) Limited	2,000.00	-	-	-	2,000.00	-	-	-	2,000.00	-	-	-
- Star Transformers Limited	2,700.00	-	-	-	2,700.00	-	-	-	2,700.00	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	580.00	-	-	-	580.00	-	-	-	580.00	-	-	-

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 35.1: In the opinion of the management, the transactions reported herein are on arms' length basis.

Note 35.2:

- Details relating to persons referred to as key managerial personnel above:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Short term employee benefits	54.00	54.00
Defined contribution plan	1.08	1.08
Share-based payment transactions	66.51	88.33
Sitting fees	18.45	8.10
Total compensation paid/payable to key management personnel	**140.04**	**151.51**

Note 35.3: Due to unexpected change in the profitability of the Company during the financial year 2012-13 and 2013-14, the managerial remuneration paid to the Managing Director exceeded the limits in terms of the provision of Section 198, 309, 310 read with schedule XIII of the erstwhile Companies Act, 1956. Subsequent to the approval by shareholders in the 13th Annual General Meeting of the Company duly held on September 27, 2014, the Company had made an application for the approval from the Central Government for the waiver of excess remuneration so paid. During the previous year, the Central Government has rejected the Company's application for the waiver of the excess remuneration so paid amounting to INR 189.48 lacs which is being held in trust by the Managing Director. Out of the entire excess remuneration paid INR 62.06 lacs has been received/adjusted from the Managing Director and the balance outstanding as at March 31, 2017 is INR 127.43 lacs.

Note 36 : FAIR VALUE MEASUREMENT

(i) Fair value measurement of financial instruments

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

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

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

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

(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

As on March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through profit and loss				
Investment in equity instruments	-	-	-	-
Total	-	-	-	-
Financial liabilities				
Derivative liability	-	-	-	-
Total	-	-	-	-

As on March 31, 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through profit and loss				
Investment in equity instruments	-	-	2.28	2.28
Investment in preference shares	-	-	229.00	229.00
Total	-	-	**231.28**	**231.28**
Financial liabilities				
Derivative liability	-	-	8,918.00	8,918.00
Total	-	-	**8,918.00**	**8,918.00**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

As on April 1, 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through profit and loss				
Investment in equity instruments	-	-	2.28	2.28
Investment in preference shares	-	-	229.00	229.00
Total	-	-	**231.28**	**231.28**
Financial liabilities				
Derivative liability	-	-	8,287.00	8,287.00
Total	-	-	**8,287.00**	**8,287.00**

(iii) Fair value of instruments measured at amortised cost

The carrying values of financial instruments measured at amortised cost is considered to be a reasonable approximation of their fair values.

(iv) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Fair value of investment in equity instruments is measured by reference to the transaction price at which the investment was made. Considering that the equity instrument are unquoted and fair values are not readily available, the original cost is considered to be a reasonable estimate of fair value in case the Company is not aware of any events / circumstances that would result in a significant change in value of the investment. As at 31 March 2017, the Company does not expect to recover anything from its investments in equity instruments, and hence the fair value is considered to be nil.

(b) The fair value of derivative liability is estimated using Black Scholes technique. The significant an unobservable inputs used in the fair value measurements are as shown below:

Significant unobservable inputs	Estimate of input
Volatility	2.00%

Along with the assumptions mentioned above, the valuation model considered the equity value of the Company which was derived using the following assumptions:

Parameter	
Cash flow projections for 6 years	As per internal estimates
Weighted average cost of capital	16.60%
Perpetuity growth rate	5%
Income tax rate	34.61%

Sensitivity of the fair value measurement to key unobservable inputs

As at March 31, 2016

	% change compared to base due to sensitivity	Equity volatility		
		51.40%	**56.40%**	**61.40%**
Company Specific Risk Premium	**1%**	(382.00)	(382.00)	(382.00)
	2%	-	-	-
	3%	365.00	365.00	365.00

As at March 31, 2015

	% change compared to base due to sensitivity	Equity volatility		
		51.40%	**56.40%**	**61.40%**
Company Specific Risk Premium	**1%**	(414.00)	(296.00)	(141.00)
	2%	(28.00)	-	140.00
	3%	341.00	341.00	414.00

Further, no amount has been transferred into or out of Level 3 of the fair value hierarchy

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 37 : FINANCIAL RISK MANAGEMENT

(i) Financial instruments by category

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

	As at March 31, 2017		
	FVPL	**FVOCI**	**Amortised cost**
Financial assets			
Investments			
Preference shares	-	-	5,330.58
Trade receivables	-	-	120,029.73
Loans	-	-	4,712.04
Cash and cash equivalents	-	-	5,152.78
Other bank balances	-	-	0.82
Other financial assets	-	-	31,681.33
Total	**-**	**-**	**166,907.28**

	As at March 31, 2017		
	FVPL	**FVOCI**	**Amortised cost**
Financial liabilities			
Borrowings	-	-	109,433.08
Trade payables	-	-	65,920.55
Other financial liabilities	-	-	3,610.43
Total	**-**	**-**	**178,964.06**

	As at March 31, 2016		
	FVPL	**FVOCI**	**Amortised cost**
Financial assets			
Investments			
Equity instruments	2.28	-	-
Preference shares	229.00	-	4,665.71
Trade receivables	-	-	101,157.13
Loans	-	-	6,240.32
Cash and cash equivalents	-	-	796.91
Other bank balances	-	-	0.82
Other financial assets	-	-	52,509.52
Total	**231.28**	**-**	**165,370.41**
Financial liabilities			
Borrowings	-	-	101,329.75
Trade payables	-	-	67,641.13
Other financial liabilities	-	-	4,326.19
Derivative liabilities	**8,918.00**	-	-
Total	**8,918.00**	**-**	**173,297.07**

	As at April 1, 2015		
	FVPL	**FVOCI**	**Amortised cost**
Financial assets			
Investments			
Equity instruments	2.28	-	-
Preference shares	229.00	-	4,082.29
Trade receivables	-	-	65,029.44
Loans	-	-	5,658.47
Cash and cash equivalents	-	-	245.43
Other bank balances	-	-	0.82
Other financial assets	-	-	35,967.55
Total	**231.28**	**-**	**110,984.00**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at April 1, 2015		
	FVPL	FVOCI	Amortised cost
Financial liabilities			
Borrowings	-	-	94,846.14
Trade payables	-	-	20,896.51
Other financial liability	-	-	5,072.15
Derivative liability	8,287.00	-	-
Total	**8,287.00**	**-**	**120,814.80**

(ii) Risk management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Analysis of committed credit lines and borrowing facilities
Market risk-foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Risk limits
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Risk limits
Market risk - security price	Investments in equity securities	Sensitivity analysis	Risk limits

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

A. Credit risk

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

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

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not more than 30 days	31,369.70	16,121.18	36,080.25
More than 30 days but not more than 60 days	3,470.13	10,289.09	31,535.21
More than 60 days but not more than 90 days	804.74	3,146.59	6,521.96
More than 90 days	98,396.13	83,916.83	1,870.32
	134,040.70	**113,473.69**	**76,007.74**

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good. The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables. The Company follows a single loss rate approach and

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

estimates expected credit loss on trade receivables to be 3%. Further, specific provision is made for any individual debtors which are considered to be doubtful and non-recoverable in part or in full. The reconciliation of expected credit losses on trade receivables is given below.

	Amount
As at April 1, 2015	**(10,978.30)**
Changes in provision	(1,338.26)
As at March 31, 2016	**(12,316.56)**
Changes in provision	(1,694.41)
As at March 31, 2017	**(14,010.97)**

The credit risk for other financial assets is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings. However, specific provision is made in case a particular receivable is considered to be non-recoverable.

B. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

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

As at March 31, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	94,448.19	6,560.62	7,073.97	14,496.80	**122,579.58**
Trade payables	65,920.55	-	-	-	**65,920.55**
Other financial liabilities	3,610.43	-	-	-	**3,610.43**
Total	**163,979.17**	**6,560.62**	**7,073.97**	**14,496.80**	**192,110.56**

As at March 31, 2016	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	78,528.18	6,300.28	6,370.47	21,345.13	**112,544.06**
Trade payables	67,641.13	-	-	-	**67,641.13**
Derivatives					
Written put option on shares of subsidiary	-	8918.00	-	-	**8918.00**
Total	**146,169.31**	**15,218.28**	**6,370.47**	**21,345.13**	**189,103.19**

As at April 1, 2015	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	70,637.21	4,624.42	5,769.30	25,199.76	**106,230.69**
Trade payables	20,896.51	-	-	-	**20,896.51**
Other financial liabilities	5,072.15	-	-	-	**5,072.15**
Derivatives					
Written put option on shares of subsidiary	-	-	8,287.00	-	**8,287.00**
Total	**96,605.87**	**4,624.42**	**14,056.30**	**25,199.76**	**140,486.35**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

C. Market risk

(a) Interest rate risk

(i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing as at March 31, 2017, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Variable rate borrowing	96,102.47	93,554.46	90,610.77
Total borrowings	**96,102.47**	**93,554.46**	**90,610.77**

Sensitivity

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

	As at March 31, 2017	As at March 31, 2016
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	(628.41)	(611.75)
Interest rates – decrease by 100 basis points (100 bps)	628.41	611.75

* Holding all other variables constant

(b) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Ugandan Shillings and Zambian Kwacha. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Unhedged foreign currency exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

	As at March 31, 2017			
	Currency	Amount in foreign currency	Exchange rate	Amount
Trade receivables	USD	6.61	64.75	428.00
	Uganda Shillings	276.17	0.02	5.52
	Zambian Kwacha	15.47	6.71	103.80
Cash and cash equivalents	USD	2.40	64.75	155.40
	Uganda Shillings	8,910.92	0.02	178.22
	Zambian kwacha	1.38	6.71	9.26
Other financial assets	USD	21.91	64.75	1,418.67
	Uganda Shillings	30,020.67	0.02	600.41
Trade payables	USD	10.31	64.75	667.57
	Uganda Shillings	3,364.95	0.02	67.30
	Zambian Kwacha	4.43	6.71	29.73
Other financial liabilities	USD	18.75	64.75	1,214.06
	Uganda Shillings	68.11	0.02	1.36

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2016			
	Currency	**Amount in foreign currency**	**Exchange rate**	**Amount in INR**
Trade receivables	USD	5.88	66.14	388.90
	Uganda Shillings	5,886.65	0.02	117.73
	Zambian Kwacha	15.48	5.85	90.56
Cash and cash equivalents	USD	1.24	66.14	82.01
	Uganda Shillings	1,379.52	0.02	27.59
	Zambian Kwacha	1.20	5.85	7.02
Other financial assets	USD	11.04	66.14	730.19
	Uganda Shillings	3,170.61	0.02	63.41
	Zambian Kwacha	2.61	5.85	15.27
Trade payables	USD	0.31	66.14	20.50
	Uganda Shillings	5,842.04	0.02	116.84
	Zambian Kwacha	3.75	5.85	21.94
Other financial liabilities	USD	2.82	66.14	186.51
	Uganda Shillings	131.25	0.02	2.63

	As at April 1, 2015			
	Currency	**Amount in foreign currency**	**Exchange rate**	**Amount in INR**
Trade receivables	USD	13.54	62.53	846.66
	Uganda Shillings	11,903.91	0.02	238.08
	Zambian Kwacha	17.91	8.20	146.86
Cash and cash equivalents	USD	0.29	62.53	18.13
	Uganda Shillings	37.86	0.02	0.76
	Zambian Kwacha	6.87	8.20	56.33
Other financial assets	USD	4.75	62.53	297.02
	Uganda Shillings	2,961.35	0.02	59.23
	Zambian Kwacha	3.62	8.20	29.68
Trade payables	USD	0.33	62.53	20.63
	Uganda Shillings	3,880.37	0.02	77.61
	Zambian Kwacha	10.38	8.20	85.12
Other financial liabilities	USD	10.05	62.53	628.43
	Uganda Shillings	9,601.14	0.02	192.02

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	As at March 31, 2017	As at March 31, 2016
USD sensitivity		
INR/USD- increase by 5%	3.94	32.50
INR/USD- decrease by 5%	(3.94)	(32.50)
Uganda Shillings (UGX) sensitivity		
INR/UGX- increase by 5%	23.39	2.92
INR/UGX- decrease by 5%	(23.39)	(2.92)
Zambian Kwacha (ZMW) sensitivity		
INR/ZMW- increase by 5%	2.72	2.97
INR/ZMW- decrease by 5%	(2.72)	(2.97)

** Holding all other variables constant*

Note 38 : CAPITAL MANAGEMENT POLICIES AND PROCEDURES

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company' s capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

by pricing products and services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings	109,433.08	101,329.75	94,846.14
Trade payables	65,920.55	67,641.13	20,896.51
Less: cash and cash equivalents	5,152.78	796.91	245.43
Net debt	170,200.85	168,173.97	115,497.22
Equity	60,470.49	71,252.61	71,293.61
Capital and net debt	**230,671.34**	**239,426.58**	**186,790.83**
Gearing ratio	**73.79%**	**70.24%**	**61.83%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

Note 39 : FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 & 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

A. Ind AS optional exemptions

1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

3 Business combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Company has applied same exemption for investment in associates and joint ventures.

B Ind AS mandatory exemptions

1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 40 : RECONCILIATION WITH INDIAN GAAP [IGAAP]

				As at March 31, 2016	As at April 1, 2015
A	**Reconciliation of equity:**				
	1	**Equity as per IGAAP**		**81,137.98**	**81,895.56**
	2	**Add [Less]: Adjustments:**			
		a	Impact of discounting on long term provision for warranty	150.29	124.57
		b	Impact of recognising employee share based options at fair value of the option	112.03	19.05
		c	Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost	622.97	34.39
		d	Effect of Expected credit loss	(1,852.66)	(2,553.73)
		e	Value of put option	(8,918.00)	(8,287.00)
		f	Reversal for prior period item	-	60.77
		Total		**(9,885.37)**	**(10,601.95)**
	3	**Equity as per Ind AS**		**71,252.61**	**71,293.61**

				For the year ended March 31, 2016
B	**Reconciliation of net profit for the year ended March 31, 2016:**			
	1	**Loss after tax as per Indian GAAP**		**(4,468.26)**
	2	**Adjustments**		
		a	Impact of discounting on long term provision for warranty	25.71
		b	Reclassification of net actuarial gain on employee defined benefit obligations	16.64
		c	Impact of recognising employee share based options at fair value of the option	(192.87)
		d	Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost	588.58
		e	Value of derivative liability relating to put option on fully convertible debentures issued by a subsidiaries company	(631.00)
		f	Reversal of prior period income recognized in IGAAP	(60.77)
		g	Impact of expected credit loss	701.07
	3	**Loss after tax as per Ind AS**		**(4,020.90)**
		Other comprehensive income (net of tax)		(16.64)
	4	**Total comprehensive income after tax as per Ind AS**		**(4,037.54)**

Impact of discounting on long term provision for warranty

- Under IGAAP, any expenses incurred with respect to such warranties are deducted from the provision for warranty, when incurred. Provisions are not discounted. Entire provisions are classified as long term. Under Ind AS, whenever any expense is incurred it is booked in Statement of Profit and Loss on actual basis and provision for warranty are amortised over the period of the warranty. Provisions are discounted and classified as long term as well as short term provisions.

Impact of recognising employee share based options at fair value of the option

- Under IGAAP, the employee compensation cost is calculated using the intrinsic value of the stock options measured as the difference between the face value of the underlying equity shares at the grant date and the exercise price. The intrinsic value is considered to be nil, and accordingly there was no accounting implication for stock options given to employees. Under Ind AS, employee compensation cost is calculated using fair value method. The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model. Since, the fair value is greater than zero, the employee compensation cost is booked from the date of option granted over the vesting period. Graded vesting method is required for amortization of cost over vesting period.

Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost

- **Borrowings:**
  Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of ‘borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

- **Investment in preference Shares**
  Under IGAAP, investment in preference shares of subsidiary companies are shown in books under Non-current investments at cost. Under Ind AS, investment in redeemable preference shares is measured initially at fair value and then carried at amortized cost using effective interest method.
- **Others :Deposits**
  Under IGAAP, the deposits payments have been included in the Assets under Loans & Advances at the amounts originally paid. Under Ind AS, the Security deposits (non current) are shown in the books at present value on transition date and the excess portion over the security amount is to be booked as prepaid expense.

Others:

Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' include remeasurements of defined benefit plans corresponding tax impact thereon. The concept of other comprehensive income did non exist under previous GAAP.

Statement of cash flows:

The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 41 : SEGMENT REPORTING

Segmental information

Business segments:

The Company's steering committee, which consists of the chief executive officer, the chief financial officer, Directors, examines the Company's performance from a product perspective and has identified the following three reportable segments of the business:

(i) Engineering Service (ES)

(ii) Power generation projects ('PGP')

(iii) Others represents trading of goods, renting of equipment's and providing housekeeping services

The steering committee primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation to assess the performance of operating segments. However steering committee also receives the information about segment revenue and segment assets on monthly basis.

	For the year ended March 31, 2017			
	Engineering Services	**Power generation projects**	**Others**	**Total**
Revenue				
Segment revenue	56,706.93	154.39	6,594.51	**63,455.83**
Other income	273.70	-	-	**273.70**
Total segment revenue	**56,980.63**	**154.39**	**6,594.51**	**63,729.53**
Cost				
Segment cost	(52,313.90)	(1,235.86)	(6,208.09)	**(59,757.85)**
Total segment cost	**(52,313.90)**	**(1,235.86)**	**(6,208.09)**	**(59,757.85)**
Segment operating profit / (loss)	**4,666.73**	**(1,081.47)**	**386.42**	**3,971.68**
Interest income				**895.31**
Interest expense				**(11,370.76)**
Exceptional item				**(959.58)**
Unallocable expenditure net off unallocable income				**(596.55)**
Loss before tax				**(8,059.90)**
Tax expense				
Current tax				**(3.67)**
Deferred tax (Net)				**(5,855.41)**
Loss after tax				**(13,918.98)**
Reclassification of net actuarial gain on employee defined benefit obligations				**29.58**
Total comprehensive income for the year (comprising loss and other comprehensive income)				**(13,889.40)**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2017			
	Engineering Services	Power generation projects	Others	Total
Assets				
Segment assets	172,966.76	34,662.75	1,604.28	**209,233.79**
Unallocable corporate assets	-	-	-	**41,881.79**
Total assets	**172,966.76**	**34,662.75**	**1,604.28**	**251,115.58**
Liabilities				
Segment liabilities	79,131.51	599.24	1,480.44	**81,211.19**
Unallocable corporate liabilities	-	-	-	**109,433.90**
Total liabilities	**79,131.51**	**599.24**	**1,480.44**	**190,645.09**
Capital expenditure	125.24	145.24	-	**270.48**
Depreciation	486.85	959.64	1.03	**1,447.52**
Provision for impairment	-	6,839.46	-	**6,839.46**
Other non-cash expenditure	-	-	-	**2,764.05**

	For the year ended March 31, 2016			
	Engineering Services	Power generation projects	Others	Total
Revenue				
Segment revenue	92,482.81	94.85	3,561.12	**96,138.78**
Other income	287.18	-	-	**287.18**
Total segment revenue	**92,769.99**	**94.85**	**3,561.12**	**96,425.96**
Cost				
Segment cost	(86,812.52)	(1,175.69)	(3,190.85)	**(91,179.06)**
Total segment cost	**(86,812.52)**	**(1,175.69)**	**(3,190.85)**	**(91,179.06)**
Segment operating profit/(loss)	**5,957.47**	**(1,080.84)**	**370.27**	**5,246.90**
Interest income				**2,064.61**
Interest expense				**(11,039.08)**
Unallocable expenditure net off unallocable income				**(200.74)**
Loss before tax				**(3,928.31)**
Tax Expense				
Current tax				**(38.06)**
Deferred tax				**(54.53)**
Loss after tax				**(4,020.90)**
Reclassification of net actuarial gain on employee defined benefit obligations				**(16.64)**
Total comprehensive income for the year (comprising loss and other comprehensive income)				**(4,037.54)**

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

	As at March 31, 2016			
	Engineering Services	**Power generation projects**	**Others**	**Total**
Assets				
Segment assets	167,894.37	43,192.66	2,431.88	**213,518.91**
Unallocable corporate assets	-	-	-	**48,895.71**
Total assets	**167,894.37**	**43,192.66**	**2,431.88**	**262,414.62**
Liabilities				
Segment liabilities	79,216.89	957.81	738.77	**80,913.47**
Unallocable corporate liabilities	-	-	-	**110,248.54**
Total liabilities	**79,216.89**	**957.81**	**738.77**	**191,162.01**
Capital expenditure	18.07	35.21	-	**53.28**
Depreciation	693.09	963.22	1.04	**1,657.35**
Other non-cash expenditure	-	-	-	**4,665.87**

	As at April 1, 2015			
	Engineering Services	**Power generation projects**	**Others**	**Total**
Assets				
Segment assets	112,031.79	43,411.83	3,441.21	**158,884.83**
Unallocable corporate assets	-	-	-	**48,541.45**
Segment assets	**112,031.79**	**43,411.83**	**3,441.21**	**207,426.28**
Liabilities				
Segment liabilities	30,536.18	740.33	1,722.21	**32,998.72**
Unallocable corporate liabilities	-	-	-	**103,133.95**
Segment liabilities	**30,536.18**	**740.33**	**1,722.21**	**136,132.67**

Unallocated operating income and expense mainly consist of post-employment benefits expenses. The unallocable assets includes tax receivable from Government Authorities.

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a company basis.

The Revenue form a Customer (Having more than 10% of Total Revenue) during the year is INR 48,014.85 Lacs (March 31,2016 INR 77,924.74 Lacs) Arising from Revenue from Engineering Services.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 42 : DISCLOSURE PURSUANT TO IND AS -11 "CONSTRUCTION CONTRACTS"

Revenue of INR 56,699.58 Lacs (March 31, 2016 INR 92,306.77 Lacs, April 1, 2015 INR 20,598.30 Lacs) relating to construction contracts has been included in revenue for the current reporting period. The amounts recognised in the balance sheet relate to construction contracts in progress at the end of the reporting year. The amounts are calculated as the net amounts of costs incurred plus recognised profits, less recognised losses and progress billings. The carrying amounts of assets and liabilities are analysed as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Contract revenue recognized as revenue in the year	56,699.58	92,306.77	20,598.30
Aggregate amount of costs incurred and recognised profits and losses for all contracts in progress	286,914.02	357,817.80	296,041.83
Amount of advance received on contract under progress and outstanding at year end	4,652.82	1,838.27	2,581.58
Amount of retentions on contract under progress	65,445.87	52,147.35	35,639.29
Due from customers for construction contract work, recognised in trade and other financial assets	31,101.53	50,998.42	33,162.59
Due to customers for construction contract work, recognised in other liabilities	1,357.77	1,035.45	1,521.36

Note 42.1 : Advances from customers for construction contracts related to work not yet performed have been recognised in other liabilities and amount to INR 4,652.82 lacs (March 31, 2016: INR 1,838.27 lacs; April 1, 2015: INR 2,581.58 lacs). Retentions on construction contracts amount to INR 65,445.87 lacs (March 31, 2016 : INR 52,147.36 lacs; April 1, 2015: INR 35,639.29 lacs) and are included within other financial assets. Retentions will be received upon acceptance by the customer of the work performed.

Note 42.2 : The Company has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under the law / accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts. The Company does not have any derivative contracts at the end of the year.

Note 43 : CONTINGENT LIABILITIES AND COMMITMENTS

a) The details of contingent liabilities are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Corporate guarantees given to banks on account of facilities granted by said banks to subsidiaries	63,263.00	63,263.00	63,263.00
Right to recompense (CDR Scheme)	7,974.54	10,559.96	7,608.00
Open letters of credit	-	379.14	948.86
Litigations under workmen compensation act*	29.08	17.46	17.46
Litigations with contractors and Other*	174.24	34.69	36.01
Sales tax demand under dispute*	8,993.72	7,349.99	5,563.92
Income Tax demand under dispute**	1,992.17	1,992.17	1,327.05
	82,426.75	**83,596.41**	**78,764.30**

*Based on discussions with the solicitors / favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

** The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the Assessment Orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of INR 1,992.17 lacs. The Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority has granted partial relief to the Company. The Company and the income tax authorities have further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Based on their assessment and upon consideration of advice from the independent legal counsel, the management believes that the Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending final decision on these matters no adjustments have been made in the financial statements.

b) Commitments outstanding:

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Commitments	13,638.65	36,865.02	74,229.00
	13,638.65	**36,865.02**	**74,229.00**

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 44* : EXCEPTIONAL ITEMS**		
Derivative liability written back (Refer Note 44.1)	(8,918.00)	-
Bank guarantee written off	3,038.12	-
Provision for Impairment loss (Refer Note 3.1)	6,839.46	-
Total	**959.58**	**-**

Note 44.1: Derivative liability written back pertains to reversal of financial guarantee (put option) given against fully convertible debenture issued by its one of its subsidiaries A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited and hereinafter referred to as AGWML) to IL&FS Financial Service Limited ("IFIN") of INR 15,000.00 lacs.

Note 45 : NOTE ON SPECIFIED BANK NOTE

During the year, the Company had specified bank notes or other denomination as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017, on the details of specified bank notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs	Other denomination notes	Total
Closing balance as on November 08, 2016	40.49	2.17	**42.66**
Add- Permitted Receipts	**-**	8.54	**8.54**
Less- Permitted Payments	**-**	10.18	**10.18**
Less- Deposited in Banks	40.49	-	**40.49**
Closing balance as on December 30, 2016	**-**	**0.53**	**0.53**

Note 46 : CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee pursuant to Section 135 of the Companies Act, 2013 and have also formulate a CSR Policy in this regard. The Company has incurred average net loss for immediately preceding three financial years, hence the Company is not required to spend any amount towards CSR activities for the year ended March 31, 2017 and March 31, 2016.

Summary of Significant accounting policies and notes forming part of the Standalone financial statements for the year ended March 31, 2017

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

Note 47 : POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the March 31, 2017 reporting date and the date of authorisation May 30, 2017.

Note 48 : AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended March 31, 2017 (including comparatives) were approved by the board of directors on May 30, 2017.

For **Walker Chandiok & Co LLP** Chartered Accountants	**For and on behalf of the Board of Directors**	
Sd/- per **Neeraj Sharma** Partner	Sd/- **Amit Mittal** Managing Director (DIN 00058944)	Sd/- **Rajesh Jain** Whole-Time Director & CEO (DIN 07015027)
Place : Gurugram **Date : May 30, 2017**	Sd/- **G R Nagendran** Chief Financial Officer	Sd/- **Atul Kumar Agarwal** Company Secretary

Independent Auditor's Report

Independent Auditor's Report

To the Members of A2Z Infra Engineering Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by usand the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. 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 separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2017, and their consolidated loss (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matters

9. We draw attention to:

   (i) Note 3.1 to the accompanying consolidated financial statements, which describes the uncertainty relating to the estimates and assumptions, including extension of the concession period, used by the management with respect to the impairment assessment of the cogeneration power plants classified under property, plant and equipment and capital work-in-progress.

   (ii) Note 7.1 to the consolidated financial statements with respect to unbilled receivables relating to certain projects which are still in progress aggregating to

Rs.12,759.95 lacs, recognized in the earlier years. Management, based on ongoing discussions/ negotiations with the customers believes that these amounts are completely billable and accordingly, no adjustments have been made in the consolidated financial statements.

(iii) Note 45 to the consolidated financial statements which describes the uncertainty relating to the outcome of litigation pertaining to income tax matters pursuant to assessment orders received by the Company for the Assessment years 2009-10 to 2013-14 which are pending with Income Tax Appellate Tribunal (ITAT). Pending the final outcome of these matters, which is presently unascertainable, no further adjustments have been made in the consolidated financial statements.

(iv) Note 50 to the consolidated financial statements, which describe that the following subsidiary Companies, A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Varanasi) Limited, A2Z Waste Management (Aligarh) Limited, A2Z Waste Management (Fatehpur) Limited, A2Z Waste Management (Moradabad) Limited and A2Z Waste Management (Ranchi) Limited have incurred net losses for the year ended 31 March 2017 of Rs. 116.81 lacs, Rs. 1,062.25 lacs, Rs. 426.85 lacs, Rs. 135.74 lacs, Rs. 631.06 lacs and Rs. 50.61 lacs respectively and as at 31 March2017 their accumulated losses amounted to Rs. 664.48 lacs, Rs. 1,919.46 lacs, Rs. 980.03 lacs, Rs. 428.43 lacs, Rs. 2,098.68 lacs, and Rs. 790.78 lacs respectively resulting in complete erosion of their respective net worth. Management is evaluating various options to revive these companies, which are further detailed in note 50. The current financial and operational positions of these subsidiary companies indicate the existence of a material uncertainty that may cast doubt on these companies to continue as a going concern.

Our opinion is not modified in respect of the above matters.

Other Matter

10. We did not audit the financial statements of thirty two subsidiaries and three branches, whose financial statements reflect total assets of Rs. 157,940.80 lacs and net assets of Rs.(7,376.61) lacs as at 31 March 2017, total revenues of Rs.44,879.92 lacs and net cash inflows amounting to Rs. 780.60 lacs for the year ended on that date, as considered in the consolidated financial statements.These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and branches, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements/financial information certified by the management.

11. The company had prepared separate sets of consolidated financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports dated 28 May 2016 and 26 May 2015 respectively. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

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

d) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

e) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

f) The matters described in paragraph 9 of the Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of the Holding Company;

g) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

   (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 45to the consolidated financial statements.

   (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts, as detailed in Note 43 to the consolidated financial statements. The Company doesn't have any derivative contracts;

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act during the year ended 31 March 2017;

   (iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 08 November 2016 to 30 December 2016 by the Holding Company, and its subsidiary companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to usand on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Place : Gurugram
Date : 30 May 2017

Annexure A to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited, on the consolidated financial statements for the year ended 31 March 2017.

Annexure A

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries, (the Holding Company and its subsidiaries together referred to as ('the Group') as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India(ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on 'the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.'

Other Matters

9. We did not audit the IFCoFR insofar as it relates to certain consolidated entities which are companies incorporated in India, whose financial statements reflect total assets Rs.157,940.80 lacs as at 31 March 2017, total revenues of Rs. 44,879.92 lacs and net cash flows amounting to Rs. 780.60 lacs for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Place : Gurugram
Date : 30 May 2017

Consolidated Balance Sheet as at March 31, 2017

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

	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS:				
Non-current assets:				
Property, plant and equipment	3	29,185.54	43,272.75	48,036.24
Capital work-in-progress	3	38,387.57	60,265.97	60,037.09
Goodwill	4	4,977.90	4,978.80	5,506.40
Other Intangible assets	4	67.26	130.07	239.78
Intangibles assets under development	4	73.42	73.42	31.50
Financial assets:				
Investments	5	1.00	1.00	1.00
Loans	6	608.51	509.71	444.27
Other financial assets	7	2,644.92	2,134.40	2,226.60
Deferred tax assets (net)	8	7,104.29	13,072.59	13,212.08
Non-current tax assets (net)	9	4,916.62	4,844.65	4,280.01
Other non-current assets	10	7,884.39	7,184.19	6,469.13
		95,851.42	**136,467.55**	**140,484.10**
Current Assets:				
Inventories	11	2,064.93	6,314.71	5,605.22
Financial assets:				
Investments	12	-	231.28	231.28
Trade receivables	13	133,305.51	114,429.56	78,067.34
Cash and cash equivalents	14	6,186.52	1,124.43	479.46
Other bank balances	15	1,316.75	982.29	1,092.37
Loans	6	1,266.77	1,207.53	674.50
Other financial assets	7	39,054.53	60,534.49	38,852.60
Other current assets	10	12,141.32	10,326.13	9,589.87
Assets held for sale	41	29,211.82	-	-
		224,548.15	**195,150.42**	**134,592.64**
		320,399.57	**331,617.97**	**275,076.74**
EQUITY AND LIABILITIES:				
Equity:				
Equity share capital	16	14,494.95	12,689.40	8,651.77
Other equity		21,373.13	36,403.64	46,707.60
Equity attributable to equity holders of the Company		**35,868.08**	**49,093.04**	**55,359.37**
Non-controlling interests		(14,512.53)	(1,755.19)	1,140.11
Total equity		**21,355.55**	**47,337.85**	**56,499.48**
Liabilities:				
Non-current liabilities:				
Financial liabilities:				
Borrowings	17	46,485.39	56,324.37	61,742.45
Long term provisions	18	362.91	196.02	227.84
Other non-current liabilities	19	12,773.87	12,563.95	13,482.86
		59,622.17	**69,084.34**	**75,453.15**
Current liabilities:				
Financial liabilities:				
Borrowings	20	75,459.08	70,085.80	64,245.18
Trade payables	21	76,036.06	77,363.06	27,008.19
Other financial liabilities	22	71,160.48	54,789.53	41,688.62
Short term provisions	18	1,015.05	978.25	758.91
Other current liabilities	19	15,751.18	11,979.14	9,423.21
		239,421.85	**215,195.78**	**143,124.11**
		320,399.57	**331,617.97**	**275,076.74**

Notes 1 to 52 form an integral part of consolidated financial statements

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

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

Sd/-
Rajesh Jain
Whole Time Director & CEO
(DIN 07015027)

Sd/-
G R Nagendran
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Place : Gurugram
Date : May 30, 2017

Consolidated Statement of Profit and Loss for the Year ended March 31, 2017

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

	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Revenue:			
Revenue from operations	23	99,550.84	134,875.78
Other income	24	3,773.05	3,509.88
Total revenue		**103,323.89**	**138,385.66**
Expenses:			
Cost of materials consumed	25	56,340.53	87,420.68
Purchases of stock-in-trade	26	4,996.99	2,512.63
Changes in inventories	27	(145.68)	38.58
Employee benefits expense	28	25,280.45	25,982.30
Finance costs	29	20,053.32	19,843.17
Depreciation and amortisation expenses	30	4,307.91	4,578.38
Other expenses	31	6,980.62	10,627.93
Total expenses		**117,814.14**	**151,003.67**
Loss before exceptional items and tax		**(14,490.25)**	**(12,618.01)**
Exceptional items-loss	46	(9,877.58)	-
Loss before tax		**(24,367.83)**	**(12,618.01)**
Tax expense	32		
Current tax		237.67	794.54
Reversal of tax expense relating to prior years		(3.78)	(343.06)
Deferred tax (net)		5,968.30	108.91
Loss for the year		**(30,570.02)**	**(13,178.40)**
Other comprehensive income:			
Items that will not be reclassified to profit and loss in subsequent period			
a) Remeasurement of defined benefit obligations		57.44	111.11
b) Income tax relating to items that will not be reclassified to profit or loss		-	(30.58)
		57.44	**80.53**
Total comprehensive income for the year (comprising loss and other comprehensive income)		**(30,512.58)**	**(13,097.87)**
Loss is attributable to:			
Equity holders of the Company		(26,552.83)	(11,665.08)
Non-controlling interests		(4,017.19)	(1,513.32)
Other comprehensive income is attributable to:			
Equity holders of the Company		29.97	69.63
Non-controlling interests		27.47	10.90
Total comprehensive income is attributable to:			
Equity holders of the Company		(26,522.86)	(11,595.45)
Non-controlling interests		(3,989.72)	(1,502.42)
(Loss) per equity share (INR) :	33		
(Nominal value of shares INR 10)			
Basic		(20.50)	(10.24)
Diluted		(20.50)	(10.24)

Notes 1 to 52 form an integral part of consolidated financial statements

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

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

Sd/-
Rajesh Jain
Whole Time Director & CEO
(DIN 07015027)

Sd/-
G R Nagendran
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Place : Gurugram
Date : May 30, 2017

Consolidated Statement of Changes in Equity for the year ended March 31, 2017

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

		Note	Number of shares	Amount
A	**Equity share capital:**			
	Issued, subscribed and fully paid up			
	Equity Shares of INR 10 each			
	Balance as at April 1, 2015	16	**8,65,17,694**	**8,651.77**
	Issue of equity share capital		4,03,76,286	4,037.63
	Balance as at March 31, 2016	16	**12,68,93,980**	**12,689.40**
	Issue of equity share capital		1,80,55,489	1,805.55
	Balance as at March 31, 2017	16	**14,49,49,469**	**14,494.95**

B. Other equity:

	Attributable to equity shareholders of the Company										
			Reserves and Surplus					Items of OCI			
	Share application money pending allotment	Money received against share warrants	Securities premium account	Capital reserve	General reserve	Employee stock option plan reserve	Retained earnings	Exchange equalisation reserve	Total other equity	Non-controlling interests	Total
Balance as at April 1, 2015	**2,220.00**	**-**	**77,148.59**	**14.57**	**640.14**	**422.32**	**(33,737.59)**	**(0.43)**	**46,707.60**	**1,140.11**	**47,847.71**
Loss for the year	-	-	-	-	-	-	(11,665.08)	-	**(11,665.08)**	(1,513.32)	**(13,178.40)**
Other comprehensive income	-	-	-	-	-	-	69.20	0.43	**69.63**	10.90	**80.53**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(11,595.88)**	**0.43**	**(11,595.45)**	**(1,502.42)**	**(13,097.87)**
Reclassification for surrender of vested share options	-	-	-	-	-	(42.66)	42.66	-	**-**	-	**-**
Reclassification for exercise of vested share options	-	-	81.98	-	-	(81.98)	-	-	**-**	-	**-**
Transactions with owners in their capacity as owners:											
Tax on proposed preference dividend	-	-	-	-	-	-	(0.03)	-	**(0.03)**	-	**(0.03)**
Received during the year against issue of share warrants	-	2,677.62	-	-	-	-	-	-	**2,677.62**	-	**2,677.62**
Adjustment due to depreciation	-	-	-	-	-	-	(0.86)	-	**(0.86)**	-	**(0.86)**
Adjustment on account of further acquisition / dilution in subsidiaries	-	-	-	-	-	-	(59.41)	-	**(59.41)**	-	**(59.41)**
Employee stock option expense	-	-	-	-	-	285.85	-	-	**285.85**	-	**285.85**
Share of non-controlling interest on change of holding	-	-	-	-	-	-	1,392.88	-	**1,392.88**	(1,392.88)	**-**
Shares issued against share application money during the year	(2,220.00)	-	-	-	-	-	-	-	**(2,220.00)**	-	**(2,220.00)**
Shares issued against share warrant money during the year	-	(1,787.12)	-	-	-	-	-	-	**(1,787.12)**	-	**(1,787.12)**
Received during the year against issue of shares	-	-	1,002.56	-	-	-	-	-	**1,002.56**	-	**1,002.56**
Balance as at March 31, 2016	**-**	**890.50**	**78,233.13**	**14.57**	**640.14**	**583.53**	**(43,958.23)**	**-**	**36,403.64**	**(1,755.19)**	**34,648.45**
Loss for the year	-	-	-	-	-	-	(26,552.83)	-	**(26,552.83)**	(4,017.19)	**(30,570.02)**
Other comprehensive income	-	-	-	-	-	-	29.98	-	**29.98**	27.46	**57.44**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(26,522.85)**	**-**	**(26,522.85)**	**(3,989.73)**	**(30,512.58)**

Consolidated Statement of Changes in Equity for the year ended March 31, 2017

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

Contd.

	Attributable to equity shareholders of the Company										
			Reserves and Surplus				Items of OCI				
	Share application money pending allotment	Money received against share warrants	Securities premium account	Capital reserve	General reserve	Employee stock option plan reserve	Retained earnings	Exchange equalisation reserve	Total other equity	Non-controlling interests	Total
Reclassification for surrender of vested share options	-	-	-	-	-	(69.54)	69.54	-	**-**	-	**-**
Reclassification for exercise of vested share options	-	-	143.69	-	-	(143.69)	-	-	**-**	-	**-**
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-	-	**-**	-	**-**
Other adjustment in retained earnings	-	-	-	-	-	-	877.12	-	**877.11**	-	**877.11**
Employee stock option expense	-	-	-	-	-	169.53	-	-	**169.53**	-	**169.53**
Received during the year against issue of share warrants	-	2,671.49	-	-	-	-	-	-	**2,671.49**	**-**	**2,671.49**
Tax on proposed preference dividend	-	-	-	-	-	-	(0.03)	-	**(0.03)**	-	**(0.03)**
Adjustment on account of further acquisition / dilution in subsidiaries	-	-	-	-	-	-	545.91	-	**545.91**	-	**545.91**
Share of non-controlling interest on change of holding	-	-	-	-	-	-	8,767.61	-	**8,767.61**	(8,767.61)	**-**
Adjusted/Received during the year against issue of shares	-	(3,561.99)	2,022.70	-	-	-	-	-	**(1,539.29)**	-	**(1,539.29)**
Balance as at March 31, 2017	**-**	**-**	**80,399.52**	**14.57**	**640.14**	**539.83**	**(60,220.93)**	**-**	**21,373.13**	**(14,512.53)**	**6,860.60**

Notes 1 to 52 form an integral part of consolidated financial statements

This is the consolidated statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

Sd/-
Rajesh Jain
Whole Time Director & CEO
(DIN 07015027)

Sd/-
G R Nagendran
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Place : Gurugram
Date : May 30, 2017

Consolidated Cash flows statement for the year ended March 31, 2017

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

		For the Year ended March 31, 2017	For the Year ended March 31, 2016
A	**Cash flow from operating activities**		
	Net loss before tax and non-controlling interest	**(24,367.83)**	**(12,618.01)**
	Adjustments :		
	Exceptional items- loss	9,877.58	-
	Depreciation and amortisation expense	4,307.91	4,578.38
	Interest expense	19,367.19	19,012.67
	Loss/(profit) on sale of property, plant and equipment	117.12	(526.68)
	Provision for contract revenue in excess of billing	93.79	1,350.82
	Provision for doubtful advances	-	419.17
	Provision for impairment in value of current investment	231.29	-
	Provision for bad and doubtful debts	1,701.63	1,635.59
	Provision for warranty	(23.08)	44.45
	Capital work in progress written off	-	107.50
	Unrealised foreign exchange fluctuation loss/(gain)	(314.78)	854.21
	Advances/ earnest money deposit written off	109.59	62.94
	Liability written back	(815.19)	-
	Foreign currency translation reserve	-	0.43
	Bad debts written off	43.52	597.56
	Actuarial gain/ loss on gratuity	57.44	111.11
	Recognition of share based payments	169.53	285.85
	Subsidy amortised	(1,125.75)	(1,133.37)
	Interest income	(1,077.38)	(1,521.90)
	Operating profit before working capital changes	**8,352.58**	**13,260.72**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Changes in inventories	1,070.73	(709.49)
	Change in trade receivables	(21,077.11)	(38,595.37)
	Changes in loans	(239.28)	(216.06)
	Changes in other financial assets	18,383.44	(23,419.09)
	Changes in other assets	(2,624.98)	(1,514.26)
	Adjustments for increase / (decrease) in operating liabilities:		
	Changes in trade payable	(511.84)	50,353.55
	Changes in other financial liabilities	(1,675.69)	(544.43)
	Changes in other liabilities	5,107.71	2,770.39
	Changes in provisions	226.77	143.07
	Net changes in working capital:	**(1,340.25)**	**(11,731.69)**
	Net cash generated from operations	**7,012.33**	**1,529.03**
	Current taxes paid (net of refunds)	(305.86)	(1,016.12)
	Net cash generated from operating activities	**6,706.47**	**512.91**

Consolidated Cash flows statement for the year ended March 31, 2017

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

		For the Year ended March 31, 2017	For the Year ended March 31, 2016
B	**Cash flow from investing activities**		
	Purchase of Property, Plant and equipment (including capital work in progress)	(1,622.73)	(631.75)
	Proceeds from sale of Property, plant and equipment	810.80	1,602.55
	Purchase of investment in subsidiaries	(0.01)	-
	Fixed deposits matured / (placed)	(334.46)	110.08
	Interest received	1,158.62	1,139.49
	Net cash from investing activities	**12.22**	**2,220.37**
C	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	2,937.75	2,010.19
	Proceeds from share application/warrant money pending allotment	-	890.50
	Redemption of debenture	(13,000.00)	-
	Proceeds from long term borrowings (net)	13,424.15	2,113.70
	Proceeds from short term borrowings (net)	5,373.28	5,840.62
	Interest paid	(10,391.78)	(12,943.32)
	Net cash used in financing activities	**(1,656.60)**	**(2,088.31)**
	Net decrease in cash and cash equivalents (A+B+C)	**5,062.09**	**644.97**
	Cash and cash equivalents at the beginning of the year	1,124.43	479.46
	Cash and cash equivalents at the end of the year	**6,186.52**	**1,124.43**

	As at March 31, 2017	**As at March 31, 2016**
Reconciliation of cash and cash equivalents as per the cash flow statement.		
Cash and cash equivalents as per above comprises of the following :		
a. Cash in hand	10.23	22.68
b. Balances with banks		
- in current account	6,077.51	1,028.71
- in fixed deposit account (less than 3 month maturity)	98.78	73.04
	6,186.52	**1,124.43**

Note: All figures in brackets are outflows.

Notes 1 to 52 form an integral part of consolidated financial statements

This is the consolidated cash flow statement as referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

Sd/-
Rajesh Jain
Whole Time Director & CEO
(DIN 07015027)

Sd/-
G R Nagendran
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Place : Gurugram
Date : May 30, 2017

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Note 1 : CORPORATE INFORMATION

A2Z Infra Engineering Limited ('A2Z or the Company') was incorporated at National Capital Territory of Delhi and Haryana on January 7, 2002 for providing maintenance and engineering services. The Company commenced its business with the facility management services and entered into engineering business during the year 2005-06. The Company has also entered into collaboration with sugar mills for setting up 3 Cogeneration (Cogen) power plants on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years and also the Group is setting up one biomass based power plant at Kanpur in the state of Uttar Pradesh.

The Group's main business primarily includes:

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

iii) Facility management services

iv) Technology based facility management services

2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

2.1 Statement of Compliance

These financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies act, 2013 ("The Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 issued by Ministry of Corporate Affairs ('MCA'). All other relevant provisions of the Act, as amended, are also complied with in these financial statements.The Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2017, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements").

The Consolidated Financial Statements prepared up to the year ended March 31, 2016, were in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

These Consolidated Financial Statements for the year ended March 31, 2017 are the first the Group has prepared in accordance with Ind AS. The Group has uniformly applied the accounting policies during the period presented.

The date of transition to Ind AS is April 1, 2015. Refer Note 39 for the explanation of how the transition from previous GAAP to Ind AS has affected the Group'sConsolidated Financial Statements.

2.2 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Consolidated Financial Statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant judgements and areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financialstatements are discussed below:

Significant management judgements

The significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements are as follows:

- **Recognition of deferred tax assets -** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

- **Evaluation of whether an arrangement contains a lease –** The Group has entered into certain arrangement for municipal solid waste management. In such contracts, it was evaluated whether the arrangement contains a lease based on whether an item of property, plant and equipment is specifically identifiable and whether the arrangement contains a right to use such asset.
- **Classification of leases –** The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

- **Recoverability of advances/ receivables –** At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.
- **Classification of assets and liabilities into current and non-current –** The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities.
- **Warranty provision –** The management makes estimate of costs that would be incurred with respect to warranties given on products. The provision requires use of several estimates based on past data and expectations of future.
- **Impairment of assets –**In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.
- **Useful lives of depreciable/ amortisable assets (Property plant and equipment and intangible) –**Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.
- **Revenue recognition–**The Group uses the percentage completion method in accounting for its revenue from construction services. The use of percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.
- **Contract Estimates –** The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- **Recoverability of claims –** The Grouphas claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impactrealisability of these claims.
- **Defined benefit obligation (DBO) –** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements–**Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

1.3 Significant Accounting policies

a) Principles of Consolidation

<u>Subsidiary</u>

The consolidated financial statements include the financial statements of the Company and all its subsidiaries, over which the group has control. The group controls an entity when the group is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to effect those returns through its power to direct the relevant activities of the entity.

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Accounting policy of the subsidiaries have been changed where necessary to ensure consistency with the policy adopted by the group.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.

<u>Associates</u>

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights.

Investments associates are accounted for using the equity method of accounting. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which the investee ceases to be an equity accounted investee.

<u>Joint Arrangements</u>

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

In case of joint operations, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

On the other hand, interests in joint ventures are accounted for using the equity method.

b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and including taxes or duties collected on behalf of the government, trade allowances, rebates, etc.

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 andvalidated by the management. Materials purchased specifically for the projects and identifiable to the project are considered as part of contract costs in accordance with Ind AS 11, "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 financial assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the Balance Sheet.As the outcome of the contracts cannot be measured reliably during the early stages of the project, contract revenue is recognised only to the extent of costs incurred in the statement of profit and loss unless the actual cost reaches a minimum threshold of 10% of total estimated cost of the project.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Liquidated damages/ penalties, interest, warranties and contingencies are provided for, based on management's assessmentof the estimated liability, as per contractual terms and/or acceptance.

ii. Revenue from operation and maintenance services

Revenue from maintenance contracts and renting of equipments are recognised pro-rata over the period of the contractas 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 accordancewith the terms of the agreement.

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 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. As such they are excluded from the amount recognised as revenue.

v. Interest

Interest income is recognised on effective interest rate method, as further discussed in **Note- 'g'** below.

vi. Dividends

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

c) Foreign Currencies And Operations

Initial recognition

The Group's financial statements are presented in INR, which is also the Parent Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Translation of foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the INR are translated into INR upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into INR at the closing rate at the reporting date. Income and expenses have been translated into INR at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

d) Property, Plant And Equipment (PPE)

i. Initial recognition

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses.

When significant components of property and equipment are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation as if these components are initially recognized as separate asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group has elected to regard the Previous GAAP values of property, plant and equipment as deemed cost at the date of transition to Ind AS (April 1, 2015).

ii. Subsequent measurement

Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for leasehold land which is amortised over the lease term on straight line basis.

Particulars	Useful Life (Straight Line Method)
Building	10-60 Years
Office equipment	5 Years
Plant and equipment	8-25 Years
Computers	3-6 Years
Furniture and fixtures	8-10 Years
Vehicles	8-10 Years
Leasehold land	Over the lease term on straight line basis.

Depreciation method, useful life and residual value are reviewed periodically.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within 'other income' or 'other expenses' respectively.

e) Intangible Assets

Intangible asset include Computer software which is stated at cost less accumulated amortisation. This software is amortised on a straight line basis over the estimated usefule life of five to six years, as determined by the management.

On transition to Ind AS, the Group has elected to continue with the carrying value of allintangible assets recognised as at April 1, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

i. Where the Group is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Groupis classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Interest free deposits for leases are financial assets and measured at amortised cost under Ind AS 109. The difference

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

between the present value and the nominal value of depositis considered as prepaid rent and amortised over the lease term.

ii. Where the Group is lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (1) the Group has transferred substantially all the risks and rewards of the asset, or (2) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

ii. Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Debt instruments at Amortised cost
- Debt instruments at Fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at Fair value through profit or loss (FVTPL)
- Equity instruments measured at Fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at Fair value through profit or loss (FVTPL)

❑ **Debt instruments atAmortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

❑ **Debt instruments at fair value through other comprehensive income**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity tostatement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

❑ **Debt instruments at fair value through profit or loss**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria forcategorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

❑ **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for tradingare classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

iii. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost.
b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
c) Loan commitments which are not measured as at FVTPL
d) Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and the application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

iv. Classification and subsequent measurement of financial liabilities

All financial liabilities are recognised initially at its fair value adjusted by directly attributable transaction costs.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

  The Group has not designated any financial liability as at fair value through profit and loss.

- **Financial liabilities measured at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

h) Equity Shares

Equity sharesare classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

i) Reserve and surplus

Nature and purpose of reserves;

a) General reserve

General reserves can be used for the purpose and as per guidelines in the Companies Act, 2013.

b) Securities premium reserve

Securities premium is used to record the premium on issue of shares or debentures. The reserve will be utilised in accordance with the provisions of the Act.

c) Net gain on fair value of defined benefit plans

The Group have recognised remeasurement gains/ (loss) on defined benefit plans in Other Comprehensive Income (OCI). These changes are accumulated within the OCI reserve within other equity. The Group transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

d) Employee stock option plan reserves

The Company has four type of Option scheme under which options to subscribe for the Company's share have been granted to certain employees. The Employee Stock Option Plan Reserves is used to recognise the value of equity settled share based payments provided to employees. Refer to note 28.2 for further details of these plans.

e) Capital reserves

It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business combination in earlier years.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

k) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

l) Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Fair Value Measurement

The Group measures financial instruments at fair value on initial recognition

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

n) Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of

- fair values of the assets transferred;

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

o) Impairment Of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

p) 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.

q) Non-current assets (or disposalgroups)held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished form those of the rest of the Group and which represents a separate major line of business or geographical area of operations and

- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

r) Provisions, Contingent Liabilities And Contingent Assets

A provision is recognised when:

- The Group has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The Group does not recognisecontingent liabilities but it is disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent asset is not recognised in the financial statements.

s) Employee Benefits

i. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognised at actual amounts due in the period in which the employee renders the related service.

ii. Post-employment benefits

1. **Defined Contribution Plans:**The Group makes payments made to defined contribution plans such as provident fund and employees' stateinsurance.The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2. **Defined Benefit Plans:**The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

   The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

   Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

   Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

3. **Other long-term employee benefits:**Other long-term employee benefits is recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Group determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

t) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.Also, the effective interest rate (EIR) amortization is included in finance costs.

u) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

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

v) Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of services, with each segment representing a strategic business unit that offers different services to different markets. The Company has three operating/reportable segments, i.e., engineering services, Power generation projects, Facility Management Services, Municipal Solid Waste Management,and others represents trading of goodsand renting of equipments.

The operating segments are managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Groupuses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

No asymmetrical allocations have been applied between segments

w) Share Based Payments

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

x) Current/Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

y) Rounding Off Of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

z) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

1.4 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 'Statement of cash flows' and Ind AS 102 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board ('IASB') to IAS 7 'Statement of cash flows' and IFRS 2 'Share-based payment', respectively. The amendments are applicable to the Group from April 1, 2017.

a) **Amendment to Ind AS 7:** The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

b) **Amendment to Ind AS 102:** The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the "fair values", but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. This amendment does not have a material impact on the Group

The Group is evaluating the requirements of the amendment and its effect on the financial statements.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Note 3 : PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Details of the Group's property, plant and equipment and their carrying amounts are as follows:

	Freehold land	Leasehold land	Leasehold improvement	Computers	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Tools and equipment	Office equipment	Total	Capital work in progress
Gross carrying amount:												
Balance as at April 1, 2015	**1,223.10**	**11.37**	**73.47**	**1,057.73**	**17,633.31**	**27,127.97**	**550.76**	**12,533.41**	**2,311.73**	**886.23**	**63,409.08**	**60,037.09**
Additions	-	-	-	6.88	-	213.67	1.39	9.52	-	9.76	**241.22**	363.23
Disposals/adjustment	(214.78)	(11.37)	-	(38.13)	(130.67)	(37.82)	(0.08)	(189.51)	-	(0.36)	**(622.72)**	(134.35)
Balance as at March 31, 2016	**1,008.32**	**-**	**73.47**	**1,026.48**	**17,502.64**	**27,303.82**	**552.07**	**12,353.42**	**2,311.73**	**895.63**	**63,027.58**	**60,265.97**
Additions	-	-	-	5.86	2,365.83	446.26	20.25	239.32	-	1.71	**3,079.23**	839.26
Assets classified as held for sale (Refer note 41)	(158.81)	-	-	(9.55)	(7,906.24)	(5,762.23)	(33.11)	(2,619.13)	(94.86)	(88.74)	**(16,672.67)**	(14,642.79)
Disposals/adjustment	-	-	-	(50.72)	-	(1,118.15)	-	(419.91)	-	-	**(1,588.78)**	(2,193.66)
Balance as at March 31, 2017	**849.51**	**-**	**73.47**	**972.07**	**11,962.23**	**20,869.70**	**539.21**	**9,553.70**	**2,216.87**	**808.60**	**47,845.36**	**44,268.78**
Depreciation and impairment:												
Balance as at April 1, 2015	**-**	**1.07**	**72.01**	**1,007.84**	**1,319.06**	**4,446.04**	**318.50**	**5,976.68**	**1,597.47**	**634.17**	**15,372.84**	**-**
Depreciation for the year **	-	-	1.46	29.39	642.79	1,806.85	44.61	1,639.40	231.74	194.55	**4,590.79**	-
Impairment for the year	-	-	-	-	-	-	-	-	-	-	**-**	-
Disposals	-	(1.07)	-	(37.16)	(12.70)	(28.74)	(0.06)	(128.92)	-	(0.15)	**(208.80)**	-
Balance as at March 31, 2016	**-**	**-**	**73.47**	**1,000.07**	**1,949.15**	**6,224.15**	**363.05**	**7,487.16**	**1,829.21**	**828.57**	**19,754.83**	**-**
Depreciation for the year**	-	-	-	18.61	682.53	1,771.11	42.50	1,553.19	228.71	50.55	**4,347.20**	-
Impairment (Refer note 3.1)	-	-	-	-	228.11	729.33	-	0.81	-	-	**958.25**	5,881.21
Assets classified as held for sale (Refer note 41)	-	-	-	(9.55)	(1,168.78)	(2,413.36)	(23.32)	(1,940.33)	(94.86)	(88.50)	**(5,738.70)**	-
Disposals	-	-	-	(50.40)	-	(312.24)	-	(298.44)	-	(0.68)	**(661.76)**	-
Balance as at March 31, 2017	**-**	**-**	**73.47**	**958.73**	**1,691.01**	**5,998.99**	**382.23**	**6,802.39**	**1,963.06**	**789.94**	**18,659.82**	**5,881.21**
Net carrying amount:												
Balance as at March 31, 2017	**849.51**	**-**	**-**	**13.34**	**10,271.22**	**14,870.71**	**156.98**	**2,751.31**	**253.81**	**18.66**	**29,185.54**	**38,387.57**
Balance as at March 31, 2016	**1,008.32**	**-**	**-**	**26.41**	**15,553.49**	**21,079.67**	**189.02**	**4,866.26**	**482.52**	**67.06**	**43,272.75**	**60,265.97**
As at April 1, 2015*	**1,223.10**	**10.30**	**1.46**	**49.89**	**16,314.25**	**22,681.93**	**232.26**	**6,556.73**	**714.26**	**252.06**	**48,036.24**	**60,037.09**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

** Current year depreciation includes INR 107.03 lacs (March 31, 2016: INR 122.28 lacs, April 1, 2015 : INR 206.59 lacs) which has been carried under capital work in progress.

Note 3.1: Impairment

The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2017, such plants have a power generation capacity of 15 MW each. The assessment has been done on the basis of assumptions of useful life of assets, discounted cash flows with significant underlying assumptions, achievement of certain operating capacity and the ability of new technology to perform on a consistent basis.

The management had filed a writ petition with the High Court of Punjab and Haryana for the extension of the concession period wherein the Hon'ble Court has directed vide its order dated March 23, 2017 the sugar mills to consider the request made by the Company for the extension within a period of 3 months. Additionally, the Company has also initiated arbitration proceedings with the sugar mills for the extension. Based on the assessment and advice from an independent legal counsel on the availability of concession period, excluding the available renewal period by exercising the option for renewal/ extension of the concession period, the management, is confident, that there exists reasonable certainty that arrangement shall be extended for a term of 5 years. Management carried out an impairment assessment and has recorded an impairment provision of INR 6,839.46 lacs in carrying value of these assets. Accordingly management believes that the estimates of the useful lives are reasonable and no further material adjustments to the carrying value of these plants are necessary.

Out of the aforementioned impairment provision amounting to INR 6,839.46 lacs, INR 5,881.21 lacs is against Morinda and Fazilka power plants, which were yet to be capitalised and INR 958.25 lacs is for power plant situated at Nakodar, Punjab which have already been capitalised. This was recognised in the statement of profit and loss under the head exceptional item. The recoverable amount of INR 32,091.86 lacs of all three cogeneration power plants as at March 31, 2017 was based on value in use and was determined at the level of the Cash Generating Unit (CGU). The CGU consisted of assets relating to the power plant, and the cash flows of the CGU were discounted at a rate of 16.21% on a pre tax basis and 13.80% .on a post tax basis.

Note 3.2: Contractual commitments

The Group does not have any outstanding contractual commitments to purchase any items of property, plant and equipment.

Note 3.3: Refer Note 17 and Note 20 for details of pledged property, plant and equipment.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Note 3.4: Capital work in progress

Assets under construction comprises of expenditure for the power plant in the course of construction. The amount of expenditure recognised in carrying amount of capital work in progress are as under.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Buildings under construction	7,186.99	9,515.34	9,445.00
Power plant equipment's under erection	27,214.51	26,286.53	26,156.22
Borrowing costs capitalised	13,295.09	13,288.27	13,287.42
Other expenses (directly attributable to construction/ erection of assets)			
Employee benefit expense	3,561.19	3,558.45	3,556.35
Depreciation	904.34	797.31	675.03
Other directly attributable expenses (including trial/ test run expenses)	7,570.10	7,503.75	7,586.56
Less:- Revenue recognised during trial run period	(447.52)	(310.55)	(298.55)
Less:- Impairment loss (Refer note 3.1)	(5,881.21)	-	-
Less:- Classified as held for sale (Refer note 41)	(14,642.79)	-	-
Less:- Others	(373.13)	(373.13)	(370.94)
Total	**38,387.57**	**60,265.97**	**60,037.09**

Note 4 : OTHER INTANGIBLE ASSETS

Details of the Group's other intangible assets and their carrying amounts are as follows:

	Computer Software	Intangibles assets under development**	Goodwill (Refer Note 4.5)
Gross carrying amount:			
Balance as at April 1, 2015	**874.59**	**31.50**	**5,506.40**
Additions	0.15	41.92	-
Disposals / Adjustment	-	-	(527.60)
Balance as at March 31, 2016	**874.74**	**73.42**	**4,978.80**
Additions	4.93	-	-
Disposals / Adjustment	-	-	(0.90)
Balance as at March 31, 2017	**879.67**	**73.42**	**4,977.90**
Amortisation and impairment:			
Balance as at April 1, 2015*	**634.81**	-	**-**
Amortisation for the year	109.86	-	**-**
Disposals / Adjustment	-	-	**-**
Balance as at March 31, 2016	**744.67**	**-**	**-**
Amortisation for the year	67.74	-	**-**
Disposals	-	-	**-**
Balance as at March 31, 2017	**812.41**	**-**	**-**
Net carrying amount:			
Balance as at March 31, 2017	**67.26**	**73.42**	**4,977.90**
Balance as at March 31, 2016	**130.07**	**73.42**	**4,978.80**
Balance as at April 1, 2015*	**239.78**	**31.50**	**5,506.40**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

** Intangible under development includes software under implementation.

Note 4.1: The Group does not have any outstanding contractual commitments to purchase any items of intangible assets

Note 4.2: Additions do not include any internally generated assets.

Note 4.3: Refer Note 17 and Note 20 for details of pledged Intangible assets.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Note 4.4: All amortisation is included in depreciation and amortisation expenses.

Note 4.5: Impairment testing of goodwill:
Goodwill acquired through business combinations has been allocated to the four cash generating units (CGU) below, which are also operating and reportable segments, for impairment testing:

(i) Facility management services (FMS)
(ii) Power generation projects (PGP)
(iii) Municipal solid waste management (MSW)
(iv) Others

Carrying amount of Goodwill allocated to each CGUs are as under;

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Facility management services (FMS)	3,578.10	3,578.09	3,563.65
(ii) Power generation projects (PGP)	0.12	0.12	0.11
(iii) Municipal solid waste management (MSW)	0.75	1.66	543.71
(iv) Others	1,398.93	1,398.93	1,398.93
	4,977.90	**4,978.80**	**5,506.40**

The Group performed its annual impairment test for years ended March 31, 2017. The Group considers the relationship between recoverable value which is calculated based on future discounted cash flows/net sale price, as applicable and its book value, among other factors, when reviewing for indicators of impairment. As at March 31, 2017, the recoverable amount of the CGUs are higher then the book value of its equity, hence, impairment is not required. Detailed CGU wise evaluation of impairment testing has been explained as under;

Facility management services (FMS)

The recoverable amount of this segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The discount rate is a post-tax measure estimated based on the weighted-average cost of capital.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter.

Growth rates: The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports ranging from 8 % to 10 %.

Discount rates: Management estimates discount rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC) of around 18.88%.

Management's key assumptions include stable profit margins, based on past experience in this market. The Group's management believes that this is the best available input for forecasting this mature market. Cash flow projections reflect stable profit margins achieved immediately before the budget period. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

Others (trading of goods, renting of equipments, manufacturing of electrical equipment and operation and maintenance services)

The recoverable amount of this segment is based on fair value less costs to sell, estimated using valuation techniques. For the purpose of valuation, cost approach has been used to determine the value of subject land/buildings. Value in land and building is created by utility of the land and building and capacity to satisfy the needs and wants.

The value of land represents the value in exchange where the valuation of land and development reflects the value in exchange and the additional return for development of the land on account of holding cost, construction execution risk and operating risk for running and maintaining the property. The contributions to the valuation of land parcels are derived from general uniqueness of the land, age of the construction, location of the land, relatively limited supply, heritage value of the property and specific utility of a given site.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
***Note 5* : INVESTMENTS**			
In fully paid-up equity shares :			
10,000 (March 31, 2016: 10,000; April 1, 2015: 10,000) equity shares of INR 10 each, fully paid up in A2Z Anaraeobic Digestion Limited (formerly A2Z Waste Management (Basti) Limited)	1.00	1.00	1.00
Total	**1.00**	**1.00**	**1.00**

The Group does not have any material investments in equity accounted investees. Considering the insignificance of investment and the lack of available information, the investment is carried at cost.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
***Note 6* : LOANS**						
[Unsecured considered good, unless otherwise stated]						
Security deposits	743.54	608.51	722.17	509.71	616.41	444.27
Loan to employees	56.41	-	56.34	-	11.48	-
Interest accrued on fixed deposits	11.10	-	92.35	-	15.93	-
Interest accrued but not due from others	336.68	-	336.67	-	30.68	-
Other	119.04	-	-	-	-	-
	1,266.77	**608.51**	**1,207.53**	**509.71**	**674.50**	**444.27**

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
***Note 7* : OTHER FINANCIAL ASSETS**						
[Unsecured, considered good unless otherwise stated]						
Deferred purchase consideration against sale of investment						
Considered good	-	-	-	-	-	146.00
Considered doubtful	-	146.00	-	146.00	-	-
Less: Provision for doubtful assets	-	(146.00)	-	(146.00)	-	-
	-	**-**	**-**	**-**	**-**	**146.00**
Earnest money deposit with customers						
Considered good	560.72	151.64	544.65	128.89	547.62	74.47
Considered doubtful	112.12	-	112.12	-	112.12	-
Less: Provision for doubtful earnest money deposit	(112.12)	-	(112.12)	-	(112.12)	-
	560.72	**151.64**	**544.65**	**128.89**	**547.62**	**74.47**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(Contd.)						
Other assets						
Considered good*	4,275.64	289.10	7,041.34	161.95	3,975.52	137.32
Considered doubtful	446.05	-	322.35	-	345.88	-
Less: Provision for doubtful assets	(446.05)	-	(322.35)	-	(345.88)	-
	4,275.64	**289.10**	**7,041.34**	**161.95**	**3,975.52**	**137.32**
Contract revenue in excess of billing (Refer Note 7.1)	36,144.98	-	54,777.06	-	34,808.54	
Less: Provision for contract revenue in excess of billing	(2,417.01)	-	(2,323.21)	-	(972.38)	-
	33,727.97	**-**	**52,453.85**	**-**	**33,836.16**	**-**
Subsidy receivable	490.20	-	490.20	-	490.20	-
Contract cost	-	5.53	4.45	-	3.10	-
Bank deposits with more than 12 months maturity **	-	2,198.65	-	1,843.56	-	1,868.81
Total	**39,054.53**	**2,644.92**	**60,534.49**	**2,134.40**	**38,852.60**	**2,226.60**
*Includes amount due from a director of the Company- Mr Amit Mittal (Refer note 35.3)	127.43	-	179.48	-	182.78	-

**Held as margin money against bank guarantee and letter of credit and as debt service reserve account against term loan from banks.

Note 7.1: Contract revenue in excess of billings amounting INR 12,759.95 lacs (March 31, 2016 : INR 12,041.18 lacs, April 1, 2015 : INR 19,665.01 lacs), pertains to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussions with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to recover the amounts owing to completion of certain administrative and contractual matters, the current provision being carried in the books is adequate and no further material adjustments are considered necessary in respect of above balances.

	As at March 31, 2017	Credit/ (Charge) to statement of profit and loss	As at March 31, 2016	Credit/ (Charge) to statement of profit and loss	As at April 1, 2015
Note 8 : **DEFERRED TAX ASSETS (NET)**					
Deferred tax liabilities					
Depreciation	698.35	(136.04)	834.39	585.22	249.17
Provision for upfront costs on borrowings	21.16	7.45	13.71	2.02	11.69
Others	-	-	-	(20.66)	20.66
	719.51	**(128.59)**	**848.10**	**566.58**	**281.52**
Deferred tax assets					
Unabsorbed loss and depreciation**	61.05	(6,862.05)	6,923.10	(906.00)	7,829.10
Expenditure debited to statement of profit and loss in the current year but allowable for tax purposes in the following years	835.48	146.84	688.64	(132.26)	820.90
Provision for doubtful advances	1,049.31	204.43	844.88	368.46	476.42
Provision for doubtful debts	5,877.96	413.89	5,464.07	1,096.89	4,367.18
	7,823.80	**(6,096.89)**	**13,920.69**	**427.09**	**13,493.60**
Total	**7,104.29**	**5,968.30**	**13,072.59**	**139.49**	**13,212.08**

* Includes INR 30.58 lacs disclosed in other comprehensinve income

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

**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 future taxable income. Accordingly, the Company has recognised deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised in accordance with Ind AS -12 “Income Taxes”.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 9 : **NON-CURRENT TAX ASSETS (NET)**			
Advance tax (net of provision)	4,916.62	4,844.65	4,280.01
Total	**4,916.62**	**4,844.65**	**4,280.01**

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Note 10 : **OTHER ASSETS**						
[Unsecured, considered good unless otherwise stated]						
Capital advances						
Considered good	-	7,556.07	-	6,749.85	-	6,058.23
Considered doubtful	-	21.41	-	21.41	-	-
Less: Provision for doubtful advances	-	(21.41)	-	(21.41)	-	-
	-	**7,556.07**	**-**	**6,749.85**	**-**	**6,058.23**
Other advances	4,710.38	-	2,994.52	-	4,335.34	-
Prepaid expenses	10.41	76.13	81.35	132.96	160.30	109.61
Works contract tax recoverable	-	252.19	-	301.38	-	301.29
MAT credit entitlement	34.53	-	18.81	-	39.26	-
Balances with government authorities	7,386.00	-	7,231.45	-	5,054.97	-
Total	**12,141.32**	**7,884.39**	**10,326.13**	**7,184.19**	**9,589.87**	**6,469.13**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 11 : **INVENTORIES**			
[Valued at lower of cost or net realisable value]			
Project stores and spares*	827.61	1,258.13	1,238.74
Finished goods for project	-	630.55	-
Traded goods	-	-	7.38
Raw material	188.27	374.32	276.20
Work-in progress	8.72	20.08	113.90
Finished goods	1,040.33	4,031.63	3,969.00
Total	**2,064.93**	**6,314.71**	**5,605.22**

* Inventories with a value of INR 765.66 lacs (March 31, 2016 INR 1,181.72 lacs, April 1, 2015 INR 1,156.49 lacs)) are carried at net realisable value, this being lower than cost. During the year ended March 31, 2017, INR 440.77 lacs (March 31, 2016 INR Nil) was charged to the statement of profit and loss for decrease in net realisable value.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 12 **: CURRENT INVESTMENTS**			
Investments in equity instruments (valued at fair value through profit and loss)			
22,815 (March 31, 2016: 22,815; April 1, 2015: 22,815) equity shares of INR 10 each fully paid up in Weensure E Waste Limited	-	2.28	2.28
Investment in preference shares (valued at fair value through profit and loss)			
2,290,000 (March 31, 2016: 2,290,000; April 1, 2015: 2,290,000) 0.01% Non Participative Cumulative Redeemable Preference Shares of INR 10 each fully paid up in Weensure E Waste Limited	-	229.00	229.00
Total	-	**231.28**	**231.28**
Aggregate amount of unquoted investments	-	231.28	231.28

Note 12.1 : The Group do not have any quoted investments.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 13 **: TRADE RECEIVABLES**			
Trade receivables - (Unsecured):			
From other than related parties			
Considered good	126,233.66	107,446.16	70,321.10
Considered doubtful	10,696.53	9,643.41	8,305.56
	136,930.19	**117,089.57**	**78,626.66**
From related parties			
Considered good	7,071.85	6,983.41	7,746.24
Considered doubtful	4,081.86	4,096.99	3,807.02
	11,153.71	**11,080.40**	**11,553.26**
Less: Allowances for doubtful debts (Refer note 13.1)	(14,778.39)	(13,740.41)	(12,112.58)
Total	**133,305.51**	**114,429.56**	**78,067.34**

Note 13.1 : The movements in the allowance for doubtful debts is presented below:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening balance	13,740.41	12,112.58
Add: Provision for doubtful debts	1,037.98	1,627.83
Closing balance	**14,778.39**	**13,740.41**

Note 13.2 : All trade receivables are short-term. The effect of any difference between the effective interest rate applied and the estimated current market rate is not significant. Allowance for credit losses has been recorded accordingly within other expenses, and is based on the expected credit loss methodology. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

Note 13.3 : Trade receivables include retention money of INR 65,442.70 lacs (March 31, 2016 : INR 52,147.22 Lacs, April 1, 2015 : 35,983.51 Lacs) which are due on completion of erection / contracts / final acceptance by the customer. The management is confident of recovering these amounts upon erection / contract completion.

Note 13.4 : Trade receivables include, in case of A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited), a subsidiary company an outstanding recoverable of INR 762.66 lacs, being receivable from a customer for collection and transportation

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

of municipal solid waste. The subsidiary company has filed a writ petition with Honourable High Court of Patna, Bihar 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, 2017	As at March 31, 2016	As at April 1, 2015
Note 14 : **CASH AND CASH EQUIVALENTS**			
Balances with banks (Refer Note 14.1)	6,176.29	1,101.75	399.69
Cash in hand	10.23	22.68	79.77
Total	**6,186.52**	**1,124.43**	**479.46**

Note 14.1 Earmarked balances with banks:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks include:			
i Balance in current account	6,077.51	1,028.71	397.68
ii Balances with Banks in deposits account having original maturity of less than three months	98.78	73.04	0.01
iii Balance in cash credits	-	-	2.00
	6,176.29	**1,101.75**	**399.69**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 15 : **OTHER BANK BALANCES**			
Fixed deposit with bank having original maturity of more than three months less than a year	1,315.93	981.47	1,091.55
Unpaid dividend account[*]	0.82	0.82	0.82
Total	**1,316.75**	**982.29**	**1,092.37**

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

	Number of Shares	Amount
Note 16 : **EQUITY SHARE CAPITAL**		
i) Authorised share capital		
Equity shares of INR 10 each		
Balance as at April 1, 2015	**126,000,000**	**12,600.00**
Changes in equity share capital	34,000,000	3,400.00
Balance as at March 31, 2016	**160,000,000**	**16,000.00**
Changes in equity share capital	-	-
Balance as at March 31, 2017	**160,000,000**	**16,000.00**
ii) Issued, subscribed and fully paid up		
Equity Shares of INR 10 each		
Balance as at April 1, 2015	**86,517,694**	**8,651.77**
Issue of equity share capital	40,376,286	4,037.63
Balance as at March 31, 2016	**126,893,980**	**12,689.40**
Issue of equity share capital	18,055,489	1,805.55
Balance as at March 31, 2017	**144,949,469**	**14,494.95**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

iii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:-

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Beginning of the year	126,893,980	12,689.40	86,517,694	8,651.77	74,177,694	7,417.77
Shares issued during the year						
Against conversion of share warrants (Refer Note 16 (vi)	16,444,994	1,644.50	8,250,786	825.08	-	-
Under employee stock option plan scheme (Refer Note 16 (vii)	1,610,495	161.05	1,825,500	182.55	-	-
Under corporate debt restructuring Scheme (Refer Note 16 (x)	-	-	8,100,000	810.00	-	-
Against share application money (Refer Note 16 (xi)	-	-	22,200,000	2,220.00	12,340,000	1,234.00
Total	**144,949,469**	**14,494.95**	**126,893,980**	**12,689.40**	**86,517,694**	**8,651.77**

iv) The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

v) No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2017.

vi) During the year, the Company has received remaining 75% of the proceeds for the issue of 16,444,994 equity shares against share warrant. Accordingly, pursuant to the requisite approvals and board meeting held, the Company has issued equity shares against equivalent number of warrants at an issue price of INR 21.66 each on a preferential basis to persons other than the promoters and promoter group.

vii) During the year, the Company has allotted 1,610,495 equity shares of face value of INR 10 each to the eligible employees of the Company who have exercised their stock options under the A2Z Employee Stock Option Plan 2013 (Tranche I and Tranche II) and Employee Stock Option Plan 2014. These shares are pari-passu with the existing equity shares of the Company, in all respects.

viii) Shares reserved for issue under options

Information relating to Employee option plan, including details of options issues, exercised and lapsed during the financial year and options outstanding at the end of the reporting year, is set out in Note 28.

ix) Details of shares held by shareholders holding more than 5% equity shares of the Company:

Equity Shares of INR 10 each Fully paid up	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares	Holding	Number of Shares	Holding	Number of Shares	Holding
Amit Mittal	33,204,301	22.91%	36,172,301	28.51%	39,057,301	45.14%
Shankar Sharma	8,200,000	5.66%	818,000	0.64%	-	-
Mestric Consultants Private Limited	22,200,000	15.32%	22,200,000	17.49%	-	-
ICICI Bank	8,100,000	5.59%	8,100,000	6.38%	-	-
Beacon India Investors Limited	4,974,589	3.43%	5,210,862	4.11%	5,210,862	6.02%
IL and FS Financial Services Limited	7,478,000	5.16%	4,510,000	3.55%	-	-
	84,156,890	**58.07%**	**77,011,163**	**60.68%**	**44,268,163**	**51.16%**

x) During the year ended March 31, 2016, the Company has allotted 8,100,000 equity shares on preferential basis to one of the banks as per SEBI (ICDR) Regulations, 2009 as amended from time to time, on the conversion of Funded Interest Term Loan (FITL) as per the Master Restructuring Agreement with the banks under the Corporate Debt Restructuring Scheme (CDR Scheme) in terms of approval granted by the shareholders of the Company by the way of postal ballot.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

xi) Share application money pending allotment represents contribution received from the promoter / promoter group company under Corporate Debt Restructuring (CDR) Scheme. During the year ended March 31, 2016, the Company has allotted 22,200,000 equity shares of INR 10 each (at par) having same terms and conditions as defined in Note 16 (iv) against the entire share application money outstanding as at March 31, 2016.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Note 17 : **NON-CURRENT BORROWINGS**						
Carried at amortised cost-Secured						
Debentures (Refer Note 17.2)	2,000.00	-	-	15,000.00	-	15,000.00
External commercial borrowings						
Banks (Refer Note 17.3)	14,692.91	-	12,007.58	3,018.43	8,018.62	8,069.72
Term loans						
From banks (Refer Note 17.4)	17,572.12	23,446.58	13,807.76	25,859.28	10,241.59	24,379.66
From financial institution (Refer Note 17.5)	5,043.91	13,000.00	5,045.36	-	5,175.89	-
Working capital term loans						
From banks (Refer Note 17.6)	1,053.84	3,543.42	634.50	4,150.17	1,064.12	4,756.92
Funded interest term loans						
From banks (Refer Note 17.7)	2,183.12	6,495.39	973.74	8,296.49	391.67	9,506.03
Others						
Vehicle and equipment loan from banks (Refer Note 17.8)	8.88	-	137.49	-	138.55	30.12
Total	**42,554.78**	**46,485.39**	**32,606.43**	**56,324.37**	**25,030.44**	**61,742.45**

Note 17.1: Restructuring of borrowings under Corporate Debt Restructuring Scheme (CDR Scheme):

The Corporate Debt Restructuring (CDR) proposal to re-structure the debt obligations, including interest, additional funding and other terms (hereafter referred to as “the CDR Scheme”) of the Group, having January 01, 2013 as the “cut-off date”, was approved by the CDR Cell vide its Letter of Approval (LOA) dated December 28, 2013 as further modified dated February 03, 2014. From the “cut-off date” the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR Scheme.

Details of terms of repayment for the Non-current borrowings and security provided in respect of the secured non-current borrowings:

Note 17.2 Details of security, terms of conversion and terms of repayment of fully convertible debentures (FCD):

A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited), a subsidiary company, issued fully convertible 150 debentures of INR 100.00 lacs each on October 25, 2011, which carry interest rate of 12 % p.a. up to July 31, 2013 and 12.50 % from August 1, 2013 payable quarterly. 130 debentures have been redeemed during the year. These debentures were convertible after 3 years from the date of issuance. On maturity i.e. October, 2014, the subsidiary company had reissued the debentures on the following conditions:

(i) FCDs shall mature and would be due for conversion into common equity shares at the end of 36 months from the date of reissuance.

(ii) These debentures are secured by way of pledge of 57 % of equity shares of the 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 holding company and if the holding 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 Company within the maturity period; or
iii) In the event of any default by the Company, holding 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.

Note 17.3 Details of security and terms of repayment for external commercial borrowings (‘ECB’)

ECB from bank in case of A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited), for various municipal solid waste (MSW) projects carrying interest rate of LIBOR + 300 bps aggregating to INR 14,692.91 lacs (March 31, 2016 : INR 15,031.53

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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lacs ; April 1, 2015 : INR 14,183.54 lacs) 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 - 20 quarterly installments.

Note 17.4: Term loans from banks:

1) Term loan from bank amounting to INR 8,580.00 lacs (March 31, 2016 INR 8,580.00 lacs, April 1, 2015 INR 8,800.00 lacs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme is repayable in 32 quarterly installments, first installment was due in March 2015. The above loan is secured against: (i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. (ii) Second pari-passu charge on fixed assets and current assets on EPC business.
2) Term loan from bank amounting to INR 8,378.75 lacs (March 31, 2016 - INR 9,233.79 lacs, April 1, 2015 INR 10,385.11 lacs) having an interest rate from 12.75% - 13.25% per annum during the year is repayable in 24 quarterly installments, first installment was due in June 2015. The above loan is secured against:(i) First charge on pari - passu basis: (a) 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; (b) 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). (ii) First charge: (a) on all the insurance contracts with respect to the projects together with any receivables thereunder; (b) on all the accounts (including but not limited to the project accounts) with respect to the projects (iii) An assignment of: (a) 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; (b) the rights and interest in the project site to the extent permissible by law; (c) all its rights and obligations under the assignment orders and memorandum of understandings and; (d) 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 INR 1,000.00 lacs) to the extent permissible by law (iv) Personal guarantee of Mr. Amit Mittal (Managing Director).
3) Term loans from banks amounting to INR 1712.91 lacs (March 31, 2016 INR 1,519.86 lacs, April 1,2015 INR 967.00 lacs) having interest rate of 10.15% - 10.75% per annum during the year are repayable in 28 quarterly installments, first installment was due in March 2016. The above loan is secured against: (i) First charge ranking pari passu on present and future fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (ii) Second charge ranking pari passu on present and future current assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (iii) Second charge ranking pari passu on both present and future current assets, as well as fixed assets of Company other than assets exclusively financed to other lenders.
4) Term loans from banks amounting to INR 1,402.66 lacs (March 31, 2016 INR 1,397.79 lacs, April 1, 2015 INR 131.00 lacs) having interest rate from 10.15% - 10.75% per annum during the year are repayable in 21 quarterly installments, first installment was due in March 2016.The above loan is secured against:(i) First charge ranking pari passu on both present and future current assets as well as fixed assets of the Company other than assets exclusively charged to other lenders. (ii) Second charge ranking pari passu on both present and future current assets of the power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
5) Term loans from banks amounting to INR 1,600.00 lacs (March 31, 2016 INR 1,600.00 lacs, April 1, 2015 Nil) having interest rate from 12.75% - 13.25% per annum during the year are repayable in 28 quarterly installments, first installment was due in March 2016.The above loan is secured against: (i) First pari passu charge on present and future fixed assets of the Power projects at Fazilka, Nakodar and Morinda. (ii) Second pari passu charge on present and future current assets of the Power projects at Fazilka, Nakodar and Morinda. (iii) Second pari passu charge on both present and future current assets as well as fixed assets of the company other than assets exclusively charged to other lenders. (iv) Personal Guarantee of Mr. Amit Mittal (Managing Director).
6) Term loan from bank in case of A2Z Green Waste Management Limited, for Kanpur, Patna and Muzaffarnagar municipal solid waste (MSW) projects aggregating to INR 437.29 lacs (March 31, 2016 : INR 437.29 lacs, April 1, 2015 : INR 437.29 lacs) carrying 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.
7) Term loan from bank in case of A2Z Green Waste Management Limited , for Kanpur power project aggregating to INR 2,850.00 lacs (March 31, 2016 : INR 3,110.00 lacs ; April 1, 2015 : INR 3,500.00 lacs) carrying weighted average interest rate of 13% - 14%, is secured by first charge over all present and 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. Repayable in 28 equal quarterly installments commencing from March 31, 2017.
8) Term loan from bank in case of A2Z Green Waste Management Limited , for power project at Kanpur aggregating to INR 3,428.84 lacs (March 31, 2016 : INR 3,428.84 lacs ; April 1, 2015 : 3,428.84 lacs) carrying 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. Repayable in 28 quarterly installments commencing from April 1, 2015.

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9) Term loan from bank in case of A2Z Green Waste Management Limited , for MSW Project at Indore aggregating to INR 1,276.06 lacs (March 31, 2016 : INR 1,301.06 lacs ; April 1, 2015 : INR 1,326.06 lacs) carrying 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. Repayable in 14 equal quarterly installments.

10) Term loan from bank in case of subsidiaries of A2Z Green Waste Management Limited, amounting to INR 5,689.26 lacs (March 31, 2016 : INR 5,876.21 lacs ; April 1, 2015 : INR 5,884.64 lacs) carrying interest rate of 11.25%- 13.25% per annum. The above loan 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.

11) Term loan outstanding of INR 3,695.56 lacs (March 31, 2016 : INR 3,793.33 lacs ; April 1, 2015 : INR 2,500.00 lacs), in case of A2Z Infraservices Limited, from Yes Bank Limited is secured by first pari-passu charge on all the Fixed assets of company (both present and future) and second pari-passu charge on current assets and also unconditional and irrevocable personal guarantee of Mr. Amit Mittal (Managing Director) of the Company. The loan is repayable in 48 equal monthly instalment after a moratorium of 12 months from the date of first disbursement. The loan carries an interest rate of 1.05% (“spread”) over and above 6 Months MCLR.

12) Term loan from Yes Bank amounting to INR 2,402.05 lacs (March 31, 2016 Nil, April 1, 2015 Nil), in case of Mansi Bijlee & Rice Mills Limited, is repayable in 4 structured Installments starting after a morotarium period of 14 Months from the date of disbursement. The loan carries an interest rate of 1.05% (“spread”) over and above 6 Months MCLR. The above loan is secured against: (i) Exclusive charge on all current and movable fixed assets (both present and future) of the Borrower to remain valid during entire tenor of Yes bank facilities. (ii) Exclusive charge over all cash flows (both present and future) of the Borrower to remain valid during entire tenor of Yes bank facilities. (iii) Unconditional & Irrevocable Personal Gurantee of Mr. Amit Mittal (Managing Director) of the Company to remain valid during the entire tenor of Yes bank facilities.

Note 17.5: Term loans from financial institution:

1) The loan amounting to INR 5,000.00 lacs (March 31, 2016 INR 5,000.00 lacs, April 1, 2015 INR 5,000.00 lacs) 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 was repayable in April 2015.

2) The loans amounting to Nil (March 31, 2016 - Nil, April 1, 2015 INR 143.10 lacs) is secured against hypothecation of equipments acquired out of loan. The interest rate is 11.50% - 13.00% per annum and the loans are repayable in 12 quarterly and 48 monthly installments, first installment .

3) Term loan amounting to INR 13,000.00 lacs (March 31, 2016 : INR Nil ; April 1, 2015 : INR Nil), in case of subsidiaries of A2Z Green Waste Management Limited carrying interest rate of 11.00% per annum.The above loan is secured against:(i) First parri-passu charge on all assets (movable and immovable) of kanpur project. (ii) First parri-passu charge on all the future cash flows including book-debts, receivables, commissions, revenues of whatsoever nature, intangibles, goodwill of Kanpur Project. (iii) First parri-passu hypothecation/ charge of all contracts including power purchase agreements, insurance (IFIN to be named as loss payee) and any other right/ title/ benefit/ clearances/ permits and interest of kanpur project. (iv) First parri-passu charge on all bank accounts of Earth Environment Management Service Private Limited (EEMSPL) including but not limited to escrow account(s) (and all sub-accounts) opened pursuant to the Kanpur Project transaction and all the amounts to the credit of such accounts and all the receivables of the Kanpur Project. (v) First parri-passu pledge of 51% shares of EEMSPL. The loan is repayable within 52 quarterly installments after a moratorium period of two years. First installment will be due in June 2019.

4) Term loan amounting to INR 43.91 lacs (March 31, 2016 : INR 45.36 lacs ; April 1, 2015 : INR 36.11 lacs), in case of A2Z Green Waste Management Limited , is secured by hypothecation of assets acquired out of term loan. Repayable in 45 monthly installments

Note 17.6 : Working Capital Term Loan : Working capital term loans from bank amounting to INR 4,597.25 lacs (March 31, 2016 INR 4784.66 lacs, April 1, 2015 INR 5,821.04 lacs) having an interest rate of 10.15% - 13% per annum as per CDR Scheme are repayable in 29 quarterly installments. First installment was due in March 2015.The above loan is secured against:(i) First pari passu charge on both present and future fixed assets as well as current assets of the Company or Borrower other than assets exclusively charged to other lenders. (ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

Note 17.7 (i) : Funded Interest Term Loan -1 (EPC) : Funded interest term loans from bank amounting to INR 8,367.28 lacs (March 31, 2016 INR 8,958.99 lacs, April 1, 2015 INR 9,897.70 lacs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 25 quarterly installments. First installment was due in March 2015.The above loan is secured against:(i) First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders. (ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

Note 17.7 (ii) : Funded Interest Term Loan -2 (EPC) : Funded interest term loans from bank amounting to INR 311.24 lacs (March 31, 2016 INR 311.24 lacs, April 1, 2015 Nil) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in single installment, which will due in March 2021.The above loan is secured against: (i) First charge pari passu on both present and future current assset as well as fixed assets of the EPC bussiness other than assets exclusively charged to lenders. (ii) Second charge pari passu on both current assets and fixed assets of the 3 biomass power plant projects situated at Fazlika, Nakodar and Morinda in the state of Punjab. (iii)Second charge pari passu on land property first charged to DBS and SCB given for term loan.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Note 17.8 Details of security and terms of repayment for vehicle and equipment loans

Vehicle and equipments loans amounting to INR 8.96 lacs (March 31, 2016 : INR 137.49 lacs ; April 1, 2015 : INR 168.67 lacs), in case of A2Z Green Waste Management Limited, is secured by the hypothecation of vehicles and equipments. Repayable in equal monthly installment as per the respective repayment schedules.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
***Note 18* : PROVISIONS**						
Provision for employee benefits						
Provision for gratuity (Refer Note 18.ii)	861.85	212.32	797.80	52.50	609.88	15.52
Provision for compensated leave absences	15.29	0.18	21.00	1.47	35.93	4.02
Others						
Provision for tax on proposed dividend	0.19	-	0.16	-	0.13	-
Provision for warranty (Refer Note 18.i)	137.72	150.41	159.29	142.05	112.97	208.30
Total	**1,015.05**	**362.91**	**978.25**	**196.02**	**758.91**	**227.84**

Movements in provisions:

i) Movement in provision for warranty during the financial year are as follows:

	Amount
As at April 1, 2015	**321.27**
Charged/ (credited) to profit /loss	
Additional provision recognized	164.06
Unused amount reversed	(117.76)
Unwinding of discount	20.36
Amount used during the year	(86.59)
As at March 31, 2016	**301.34**
Charged/ (credited) to profit /loss	
Additional provision recognized	44.94
Unused amount reversed	(69.86)
Unwinding of discount	15.28
Amount used during the year	(3.57)
As at March 31, 2017	**288.13**

A provision is recognised for expected warranty claims, based on past experience, for expected cost of meeting obligations of rectification/replacement. It is expected that most of these costs will be incurred in the next 3 years and all would have been incurred within 5 years after the reporting date. The Group accounts for the provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates / trends. These estimates are established using historical information on the nature and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

ii) Defined benefit plan and long term employment benefit

A General description:

Gratuity [Defined benefit plan]:

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. 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 (Birla Sun Life) in the form of a qualifying insurance policy.

Leave wages [Long term employment benefit]:

The employees of the Group are entitled to leave as per the leave policy of the Group. 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. Actuarial gains/losses should be recognized in Statement of Profit and Loss.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

A reconciliation of the Group's defined benefit obligation (DBO) and plan assets, i.e. the gratuity plan, to the amounts presented in the statement of financial position for each of the reporting periods is presented below:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets and liability (Balance sheet position)			
Present value of obligation	1,168.71	1,016.64	941.95
Fair value of plan assets	94.53	166.34	316.55
Net asset / (liability)	**1,074.17**	**850.30**	**625.40**

Expenses recognised during the year

	For the year ended March 31, 2017	For the year ended March 31, 2016
In income statement	323.30	337.86
In other comprehensive income	(57.44)	(111.11)
Total expenses recognized during the year	**265.86**	**226.75**

Defined benefit obligation

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

Changes in the present value of obligation

	For the year ended March 31, 2017	For the year ended March 31, 2016
Present value of obligation as at the beginning	**991.97**	**914.26**
Current service cost	258.84	289.72
Interest expense or cost	77.28	74.81
Re-measurement or actuarial (gain) / loss arising from:		
- change in demographic assumptions	16.42	6.56
- change in financial assumptions	62.27	16.37
- experience adjustments	(137.61)	(143.06)
Benefits paid	(100.47)	(142.02)
Present value of obligation as at the end	**1,168.71**	**1,016.64**

Bifurcation of net liability

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current liability (Short term)	861.85	797.80	609.88
Non-current liability (long term)	212.32	52.50	15.52
Net liability	**1,074.17**	**850.30**	**625.40**

Plan assets

The reconciliation of the balance of the assets held for the Group's defined benefit plan is presented below:

Changes in the fair value of plan assets

	For the year ended March 31, 2017	For the year ended March 31, 2016
Fair value of plan assets as at the beginning	**166.34**	**316.86**
Investment income	12.94	25.19
Employer's contribution	40.00	-
Benefits paid	(123.27)	(166.69)
Return on plan assets, excluding amount recognised in net interest expense	(1.48)	(9.00)
Fair value plan assets as at the end	**94.53**	**166.34**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Expenses recognised in the profit and loss statement

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current service cost	258.84	289.72
Net interest cost / (income) on the net defined benefit liability / (asset)	64.47	48.14
Expenses recognised in the statement of profit and loss	**323.31**	**337.86**

Other comprehensive income

	For the year ended March 31, 2017	For the year ended March 31, 2016
Actuarial (gains) / losses		
- change in demographic assumptions	16.42	6.56
- change in financial assumptions	62.25	16.40
- experience variance (i.e. Actual experience vs assumptions)	(139.43)	(141.24)
Return on plan assets, excluding amount recognised in net interest expense	3.32	7.17
Components of defined benefit costs recognised in other comprehensive income	**(57.44)**	**(111.11)**

Financial assumptions

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate (per annum)	7.05% - 7.40%	7.72% - 8.09%	7.94% - 9.25%
Salary growth rate (per annum)	5.00%	5.00%	5.00%

Demographic assumptions

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Mortality Rate (% of IALM 06-08)	100.00%	100.00%	100.00%
Withdrawal rates, based on service years: (per annum)			
4 and below years	10.00%	48.00%	48.00%
Above 4 years	10.00%	8.00%	8.00%

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

Sensitivity analysis

Significant actuarial assumptions for the detemination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	As at March 31, 2017	Aa at March 31, 2016
Defined benefit obligation (Base)	1,168.71	1,016.64

	As at March 31, 2017		As at March 31, 2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,307.07	1,012.79	1,102.77	862.34
(% change compared to base due to sensitivity)	14.06%	(11.61%)	13.53%	(11.22%)
Salary Growth Rate (- / + 1%)	1,010.47	1,307.35	865.41	1,097.18
(% change compared to base due to sensitivity	(11.82%)	14.09%	(10.9%)	12.96%
Attrition Rate (- / + 50%)	1,153.37	1,130.39	970.88	959.76
(% change compared to base due to sensitivity)	0.65%	(1.35%)	(0.04%)	(0.12%)
Mortality Rate (- / + 10%)	1,144.79	1,147.02	970.31	972.40
(% change compared to base due to sensitivity)	(0.10%)	0.10%	(0.10%)	0.10%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

The following payments are expected contributions to the defined benefit plan in future years:

	As at March 31, 2017	As at March 31, 2016
Within the next 12 months [next annual reporting year]	60.12	50.29
Between 2 and 5 years	255.26	228.55
Between 5 and 10 years	402.17	340.08
Beyond 10 years	3,049.81	2,435.58
Total expected payments	**3,767.36**	**3,054.50**

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2016: 8 years)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Note 19 : **OTHER LIABILITIES**						
Advance purchase consideration against sale of property, plant and equipment	36.20	-	22.18	-	22.18	-
Advances from customers	6,208.29	-	1,913.28	-	2,699.29	-
Billing in excess of contract revenue	1,357.77	-	1,041.24	-	1,566.66	-
Statutory dues payable	8,148.92	-	9,002.44	-	5,135.08	-
Others						
Subsidy	-	11,312.98	-	11,331.70	-	12,465.07
Lease equivalisation reserve	-	1,460.89	-	1,232.25	-	1,017.79
Total	**15,751.18**	**12,773.87**	**11,979.14**	**12,563.95**	**9,423.21**	**13,482.86**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 20 : **CURRENT BORROWINGS**			
Carried at amortised cost			
Secured borrowings from banks (Refer Note 20.1)			
Working capital loans	6,333.05	6,221.93	6,044.78
Cash credit facilities	62,844.55	58,278.65	53,340.71
Buyers credit facilities	-	-	115.51
Unsecured borrowings			
From banks	-	180.27	-
From others	6,281.48	5,404.95	4,744.18
Total	**75,459.08**	**70,085.80**	**64,245.18**

Note 20.1: Working capital loans from banks and other secured loans

1 a) The working capital loans and cash credit facilities from banks aggregating to INR 56,524.55 lacs (March 31, 2016 : INR 52,677.14 Lacs ; April 1, 2015 : INR 50,129.39 Lacs) 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.

i) Plot No. G-1030 A having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Balaji Pottery Private Limited;

ii) Plot No. G-1030 having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Hari Om Utensils Private Limited;

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

iii) Office space on 7th Floor of a B+G+7 storied commercial building on east side of LA-VIDA Mall at CK-3,4, 48, 49 Salt Lake City, Sector-II, Kolkata

iv) Mortgage of following properties :

(a) Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab;

(b) Land measuring about 5.309 Hectare situated at village Palsora, District Indore;

(c) Village Mandela Chhota, Tehsil Fatehpur, District Seekar, Rajasthan admeasuring about 6.065 Hectare;

(d) Land with Boundary wall, Gate No. 70, Vill Sherpur Madho urf Ghania Khera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 1.465 Hectare or 3.62 acre;

(e) Land with Boundary wall, at Gate No. 184, 188, 189, Vill Sherpur Madho urf Ghaniakhera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 2.391 Hectare or 5.91 acre.Further secured by Corporate Guarantees of Shree Hariom Utensils Private Limited and Shree Balaji Pottery Private Limited. The rate of interest vary from 10.15% - 13.25% per annum and these loans are repayable on demand.

1 b) Second charge on pari-passu basis over all rights, titles, interest, benefits, claims and demands in respect of projects and insurance contracts and over all movable and immoveable properties, accounts, plant and machinery, all other tangible moveable assets both present and future, project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature in respect of project.

2. The working capital loan from bank amounting to INR Nil (March 31, 2016: 286.88 lacs , April 1, 2015: 521.95 lacs), in case of Star Transformers Limited are secured against entire current assets, fixed assets & equatiable mortgage of factory land and building & personal guarantee of subsidiary compnay directors (Ashish Mittal & Indu Mittal).

3. The Cash credit facility of INR 1,324.98 lacs (March 31, 2016: 1,087.75 lacs, April 1, 2015: Nil), in case of A2Z Powercom Limited is secured against:

(i) Second charge on the following immovable properties owned by A2Z Infra Engineering Limited:

(a) Unit No. 701, 7th Floor, Medicity Support Area. Next to Medanta, Sector 38, Gurgaon, Haryana

(b) Unit No. 801, 8th Floor, Medicity Support Area. Next to Medanta, Sector 38, Gurgaon, Haryana

(ii) First pari-passu charge on current assets including cash flows, receivables from Sterlite Technologies Limited (STL), fixed deposits, stocks, work in progress etc.

(iii) Personal guarantee of Mr. Amit Mittal (Managing Director)

(iv) Corporate guarantee of the Company.

(v) Pledge of 1,144,790 shares (being 30% of holding) of A2Z Infraservices Limited held by the Company.

(vi) Second pari passu charge on entire movable fixed assets of A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited).

(vii) Second pari passu charge on entire movable fixed assets of Nanded and Ahmedabad projects of A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited).

(viii) Exclusive Charge on fixed assets of A2Z Powercom Limited.

4. Working capital facility from banks amounting to INR 4,033.82 lacs (March 31, 2016: INR 4,297.56 lacs, April 1, 2015: INR 4,002.92 lacs), in case of A2Z Infraservices Limited, are secured by first pari passu charge on the current assets of subsidiary company including book debts and other receivable and fixed assets of the subsidiary company and also by Corporate Guarantee of the Company and personal guarantee of Mr. Amit Mittal (Managing Director) and Ms. Dipali Mittal (Director) of the Company.

5. Cash credit facility from bank aggregating to INR 4,209.87 lacs (March 31, 2016 : INR 3,498.33 lacs ; April 1, 2015 : INR 2,651.90 lacs), in case of A2Z Green Waste Management Limited, carrying interest rate of BPR + 400 bps, is secured by (i) first charge on the movable assets of Kanpur, Ferozabad, Patna and Muzaffarnagar projects and entire current assets of the subsidiary company, both present and future; (ii) demand promissory note; (iii) irrevocable and unconditional corporate guarantee of the Company; and (iv) irrevocable and unconditional personal guarantee of Mr. Amit Mittal (Managing Director) and Ms. Dipali Mittal (Director) of the Company).

6. Cash Credit facility from bank aggregating to INR 661.93 lacs (March 31, 2016 : INR 572.93 lacs ; April 1, 2015 : 492.92 lacs), in case of A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited), carrying interest rate of BPR + 380 bps, is secured by exclusive charge over plant and machinery purchased out of the facility and fixed movable assets pertaining to Indore MSW plant. First charge over the receivables pertaining and exclusive charge over the current asset of the borrower pertaining to its Indore MSW plant and further secured by corporate guarantee of the Company.

7. Cash credit facility from bank aggregating to INR 1,660.90 lacs (March 31, 2016 : 1,431.28 lacs, Aprill 1, 2015 : INR 1,230.37 lacs), in case of subsidiaries of A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited), carrying interest rate of 12% - 14% per annum.The above cash credit is secured by:

(i) first charge on the entire movable and current assets of the comapny (both present and furture),

(ii) Escrow on the subsidy receivables from UPJN and tipping fee for MSW collection from Municipal Corporation

(iii) Corporate guarantee of the Company.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

8. Working capital demand loan from bank aggregating to INR 766.60 lacs (March 31, 2016 : INR 648.71 lacs ; April 1, 2015 : INR 471.56 lacs) in case of A2Z Green Waste Management Limited (formerly A2Z Infrastructure Limited), carrying interest rate of 14.80% - 15.15%, is secured by exclusive charge over plant and machinery purchased out of the facility and fixed movable assets pertaining to Kanpur & Muzfarnagar MSW plant. First charge over the receivables pertaining and exclusive charge over the current asset of the borrower pertaining to its Kanpur & Muzfarnagar MSW plant and further secured by corporate guarantee of the Company.
9. The unsecured borrowing from other is repayable on demand and having an interest rate of 10.75% - 24.00 % per annum.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
***Note 21* : TRADE PAYABLES**			
Total outstanding dues of micro and small enterprises (Refer Note 22.1)	22.98	20.67	21.25
Total outstanding dues of creditors other than micro and small enterprises	76,013.08	77,342.39	26,986.94
Total	**76,036.06**	**77,363.06**	**27,008.19**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
***Note 22* : OTHER FINANCIAL LIABILITIES**			
Current maturities of long term debt (Refer Note 17)	42,554.78	32,606.43	25,030.44
Interest accrued but not due on borrowings	176.53	682.35	206.11
Interest accrued and due on borrowings	21,879.17	13,275.06	7,681.95
Unpaid dividends [*]	0.82	0.82	0.82
Book overdrafts	0.06	205.11	94.62
Security deposits received	3,489.43	3,685.18	4,432.69
Payable against purchase of property, plant and equipment: dues of micro and small enterprises (Refer Note 22.1)	324.57	265.92	209.68
Payable against purchase of property, plant and equipment: dues of creditors other than micro and small enterprises	2,722.95	4,068.66	4,032.31
Payable to others	12.17	-	-
Total	**71,160.48**	**54,789.53**	**41,688.62**

[*] There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 22.1 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 Enterprises Development (MSMED) Act, 2006 is as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Details of dues to micro and small enterprises as per MSMED Act, 2006 the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- principal amount	112.54	112.54	115.60
- interest amount	60.95	58.73	48.09
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.	-	-	-

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
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	235.01	174.06	115.33
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	-	-	-

	For the year ended March 31, 2017	For the year ended March 31, 2016
Note 23 : **REVENUE FROM OPERATIONS**		
Sale/rendering of services		
Revenue from engineering services	60,191.73	96,546.39
Revenue from facility management services	26,823.13	29,392.86
Revenue from collection and transportation of municipal solid waste	4,480.36	4,602.65
Revenue from sale of power	154.39	94.85
Revenue from operation and maintenance services	1,016.60	382.38
Revenue from professional services	6.30	20.71
Revenue from data processing services	496.33	469.34
Sale of products		
Compost sale	200.72	141.79
Miscellaneous sale	0.62	-
Other operating revenues:		
Sale of traded goods	5,528.65	3,045.00
Bad debt recovered/liability written back	649.46	132.02
Duty drawback	1.05	31.24
Scrap sale	1.50	16.55
Total	**99,550.84**	**134,875.78**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Note 24 : **OTHER INCOME**		
Interest income:		
on fixed deposits	215.26	245.67
on income tax refund	119.45	38.40
on others	742.67	1,237.83
Other non-operating income		
Profit on sale of property, plant and equipment	-	526.68
Rental income	62.67	-
Foreign exchange fluctuation (net)	314.78	-
Subsidy amortised	1,125.75	1,133.37
Liabilities written back	815.19	-
Miscellaneous	377.28	327.93
Total	**3,773.05**	**3,509.88**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 25* : COST OF MATERIALS CONSUMED**		
Opening inventory - project	1,888.68	1,212.00
Opening inventory - raw material	374.32	276.20
Add: Raw material purchased	15,369.76	2,267.19
Add: Material purchased for execution of projects	25.69	48,020.81
Less: Recovery from contractors	255.16	451.23
Less: Theft / damage of material [*]	-	19.25
Less: Project inventory held for sale	18.05	-
Less: Raw material held for sale	12.66	-
Less: Closing inventory - raw material	188.27	374.32
Less: Closing inventory - project	827.61	1,888.68
Material consumed	**16,356.70**	**49,042.72**
Freight and cartage	289.07	1,425.56
Sub contractor / erection expenses	32,835.83	31,654.96
Electricity expenses	64.32	73.95
Labour charges	304.51	471.52
Fabrication expenses	10.44	10.54
Site expenditure	1,031.22	525.85
Deduction and demurrage	589.95	224.46
Technical consultancy for projects	2,325.74	1,138.11
Power plant running expenses	115.68	-
MSW collection charges / fuel charges	970.47	1,325.02
Consumables / stores and spares	33.26	29.10
Other direct cost	1,413.34	1,498.89
Total	**56,340.53**	**87,420.68**

[*] During the year, the Group has incurred a loss of INR Nil (March 31, 2016 : INR 19.25 lacs) due to theft of material at various project sites against which the Group has filed an insurance claim with the insurance company. The Group has received an amount of INR 11.37 lacs (March 31, 2016 : INR 7.15 Lacs) as insurance claim from the insurance company during the year.

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 26* : PURCHASE OF STOCK-IN-TRADE**		
Purchases of stock-in-trade [*]	4,996.99	2,512.63
Total	**4,996.99**	**2,512.63**
[*] Details of purchases of stock-in-trade under broad heads:		
Cables / GI Wire / GSS Wire	3,045.77	2,512.63
Steel / Galvanised Steel / M S Angle / M S Channel / TMT Bars	1,951.22	-
Total	**4,996.99**	**2,512.63**

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 27* : CHANGES IN INVENTORIES**		
Opening inventory of work in progress	20.08	113.90
Opening inventory of finished goods	4,031.62	3,969.00
Opening inventory of traded goods	-	7.38
Less: Finish goods held for sale	3,148.34	-
Less: Closing inventory of work in progress	8.72	20.08
Less: Closing inventory of finished goods	1,040.32	4,031.62
Less: Closing inventory of traded goods	-	-
Decrease in inventory	**(145.68)**	**38.58**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
Note 28 : **EMPLOYEES BENEFIS EXPENSES**		
Salaries and bonus including directors' remuneration	22,451.75	23,052.01
Contribution to provident and other funds (Refer Note 28.1)	2,229.13	2,182.20
Gratuity	323.30	337.86
Compensated absences benefits	(6.99)	(17.32)
Share-based payments	169.84	285.85
Staff welfare expenses	113.42	141.70
Total	**25,280.45**	**25,982.30**

Note 28.1 : Defined contribution plan

The Group has certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basis salary as per regulations. The contribution are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards the defined contribution plan is INR 2,229.13 lacs (March 31, 2016 : INR 2,182.20 lacs)

Note 28.2 : Share-based employee remuneration

(a) A2Z Stock Option Plan 2010

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 company 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.

(b) A2Z Employees Stock Option Plan, 2013 Tranche I

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 INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 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.

(c) A2Z Employees Stock Option Plan, 2013- Tranche II

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on July 3, 2014 has granted 1,905,000 stock options convertible into equivalent number of equity shares of INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 19.95 each which is BSE closing market price on July 02, 2014 (i.e previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of four years since then.

(d) A2Z Employees Stock Option Plan, 2014

The members of the Company vide special resolution at the Annual General Meeting held on September 27, 2014 had approved the A2Z Employees Stock Option Plan, 2014. The ESOP Compensation Committee in its meeting held on July 6, 2015 has granted 4,500,000 stock options convertible into equivalent number of equity shares of INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 15.50 each which is NSE closing market price on July 03, 2015 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	ESOP 2010 plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013-I Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013-II Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2014 Plan (Number of shares)	Programme weighted average exercise price per share
Outstanding as at April 1, 2015	**344,250**	**314.13**	**1,570,000**	**10.35**	**1,745,000**	**19.95**	**-**	**-**
Granted	-		-		-		4,500,000	15.50
Lapsed/Forfeited	67,500	314.13	80,000	10.35	210,000	19.95	-	
Exercised	-		1,470,000	10.35	355,500	19.95	-	
Outstanding as at March 31, 2016	**276,750**	**314.13**	**20,000**	**10.35**	**1,179,500**	**19.95**	**4,500,000**	**15.50**
Granted	-							
Lapsed/Forfeited	100,850	314.13			189,000	19.95	340,000	15.50
Exercised	-		9,995	10.35	385,500	19.95	1,215,000	15.50
Outstanding as at March 31, 2017	**175,900**	**314.13**	**10,005**	**10.35**	**605,000**	**19.95**	**2,945,000**	**15.50**
Exercisable at April 1, 2015	279,000	**314.13**	1,570,000	10.35	-	-	-	-
Exercisable at March 31, 2016	276,750	314.13	20,000	10.35	105,000	19.95	-	-
Exercisable at March 31, 2017	**175,900**	**314.13**	**10,005**	**10.35**	**141,000**	**19.95**	**75,000**	**15.50**

The following table lists the inputs to the models used for the plans as at March 31, 2017:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48
Volatility	34.93%	65.19%	67.05%	65.50%
Option life	10 years	6 years	8 years	8 years
Dividend yield	2.25%	0%	0%	0%
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 10.48
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023
Weighted average remaining contractual life (In Years)	1.17	2.85	4.36	5.37
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

The following table lists the inputs to the models used for the plans as at March 31, 2016:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48
Volatility	34.93%	65.19%	67.05%	65.50%
Option life	10 years	6 years	8 years	8 years
Dividend yield	2.25%	0%	0%	0%
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 10.48
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023
Weighted average remaining contractual life (In Years)	2.17	3.85	5.36	6.37
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

The following table lists the inputs to the models used for the plans as at April 1, 2015:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52
Volatility	34.93%	65.19%	67.05%
Option life	10 years	6 years	8 years
Dividend yield	2.25%	0%	0%
Risk-free investment rate	7.45%	8.90%	8.64%
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022
Weighted average remaining contractual life (In Years)	3.17	4.85	6.36
Model used	Black-Scholes	Black-Scholes	Black-Scholes

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 29* : FINANCE COSTS**		
Interest expense [*]	19,367.19	19,012.67
Other borrowing costs		
Bank commission & charges	686.13	830.50
Total	**20,053.32**	**19,843.17**
[*] The break up of interest expense into major heads is given below:		
On term loans	4,694.46	4,651.58
On other bank loans	7,260.13	7,380.73
On working capital	607.19	-
On service tax	200.73	179.08
On others	6,604.68	6,801.28
Total	**19,367.19**	**19,012.67**

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 30* : DEPRECIATION AND AMORTISATION EXPENSES**		
Depreciation of property, plant and equipment (Refer Note 3)	4,240.17	4,468.52
Amortisation of intangible assets (Refer Note 4)	67.74	109.86
Total	**4,307.91**	**4,578.38**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 31* : OTHER EXPENSES**		
Electricity	90.75	136.66
Rent (Refer Note 31.1)	636.09	1,530.63
Rates and taxes	114.94	240.35
Frieght outward expenses	54.56	32.83
Insurance	203.98	274.62
Repair and maintenance		
- Building	0.30	3.82
- Plant & machinery	68.23	11.10
- Vehicles	147.74	0.71
- Others	493.57	821.52
Brokerage	2.73	2.84
Traveling expenses	1,247.98	703.50
Communication expenses	106.18	140.05
Printing and stationery	82.55	82.56
Legal and Professional	956.27	654.72
Director sitting fees	21.07	12.75
Payments to auditors (Refer note 31.2)	101.27	92.24
Foreign exchange fluctuation (net)	-	854.21
Loss on sale of Property, plant and equipment	117.12	-
Impairment loss on current investment	231.29	-
Provision for contract revenue in excess of billing	93.79	1,350.82
Provision for doubtful advances	-	419.17
Provision for bad and doubtful debts	1,701.63	1,635.59
Tender expenses	20.25	14.75
Fees and subscription / inspection charges	39.82	77.87
Business promotion expenses	60.19	121.11
Watch and ward expenses	44.13	-
Warranty expense (Refer note 18.1)	-	44.45
Bad debts written off	43.52	597.56
Advances/ earnest money deposit written off	109.59	62.94
Capital work in progress written off	-	107.50
Liquidated damages	67.73	62.09
Inspection charges	1.01	0.59
Theft of material	-	10.23
Miscellaneous expenses	122.34	528.15
Total	**6,980.62**	**10,627.93**

Note 31.1 The Group has entered into various short-term cancellable lease agreements at a notice period up to three months for leased premises and equipment. Gross rental expenses aggregate to INR 636.09 Lacs (March 31, 2016 : INR 1,530.63 Lacs).

Note 31.2 Details of payments to auditors

	For the year ended March 31, 2017	For the year ended March 31, 2016
As auditor		
Statutory audit fee	35.73	40.28
Tax audit fee	1.27	1.10
Audit fee for consolidated financial statements	5.00	10.73
Limited review fee	30.00	30.00
Certification fee	1.10	5.55
Other matter	23.48	-
Reimbursement of expenses	4.69	4.58
Total	**101.27**	**92.24**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 32* : TAX EXPENSE**		
Current tax expense	237.67	794.54
Reversal of tax expense relating to prior years	(3.78)	(343.06)
Deferred tax expense:	5,968.30	108.91
Tax expense	**6,202.19**	**560.39**

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
Loss before tax	(24,367.83)	(12,618.01)
Corporate tax rate as per income tax act, 1961	34.61%	34.61%
Tax on accounting profit	**(8,433.22)**	**(4,366.84)**
i) Tax effect of carry forward losses set off against current year income	(20.87)	(28.69)
ii) Tax effect on non deductible expenses/non taxable income	210.32	839.52
iii) Tax efferct on impairement losse	2,035.37	-
iv) Tax effect on deferred tax assets reversed during the year	6,814.78	888.78
v) Tax effect on lossess of current year on which no deferred tax is created	5,274.41	2,880.38
vi) Tax effect on other adjustment	321.39	347.24
Tax expense	**6,202.19**	**560.39**

Note 33 : EARNINGS PER SHARE (EPS)

Both the basic and diluted earnings per share have been calculated using the loss attributable to equity holders of the parent as the numerator, i.e. no adjustments to loss were necessary in year ended March 31, 2017 or March 31, 2016.

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

	As at March 31, 2017	As at March 31, 2016
Weighted average number of shares used in basic and diluted earnings per share	129,509,513	113,952,726
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	**129,509,513**	**113,952,726**

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

Loss attributable to equity holders of the parent	INR in lacs	(26,552.83)	(11,665.08)
Weighted average number of equity shares outstanding during the year	Numbers	129,509,513	113,952,726
Nominal value of equity share	INR	10.00	10.00
Basic EPS	INR	(20.50)	(10.24)
Diluted EPS	INR	(20.50)	(10.24)

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Note 34 : INTEREST IN JOINT VENTURES

The Group's interest and share in joint ventures in the jointly controlled operations as at March 31, 2017 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 34(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 34(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 34(a).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 34(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 34(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 34(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 34(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 34(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 34(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 34(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 34(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 34(a).1 below	*

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation
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 34(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 34(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 34(a).1 below	*
One of the subsidiaries, A2Z Green Waste Management Limited (Formerly A2Z Infrastructure Limited) had entered into following Joint Venture Agreements:					
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 34(a).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 34(a).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 34(a).1 below	*

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

Note 34(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 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 34(a).2: The Company holds 60% interest in an Association of Person (AOP), formed between A2Z Infra Engineering Limited and Satya Builders, a jointly controlled entity which is involved in waste water projects at Alwar and Chittorgarh, Rajasthan.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017
(Unless otherwise stated, all amounts are in INR Lacs)

Note 35 : RELATED PARTY TRANSACTIONS

Disclosure of related parties/related party transactions pursuant to Ind AS 24 “Related Party Transactions”.

A Name of the related parties and nature of the related party relationship:

1 Joint venture (unincorporated)

a) UB Engineering Limited
b) Southern Petrochemicals Industries Corporation Limited (SPIC – SMO)
c) Cobra Instalaciones Y Servicios, S.A
d) Karamtara Engineering Private Limited
e) Richardson & Cruddas (1972) Limited
f) Maccaferri Environment Solutions Private Limited
g) Satya Builders
h) Linkwell Telesystems Private Limited
i) Bhumika Transport
j) Eco Save Systems Private Limited

2 Key management personnel (‘KMP’)

a) Mr. Amit Mittal (Managing director)
b) Mrs. Dipali Mittal (Whole time director)
c) Mr. Surender Kumar Tuteja (Non- executive independent director)
d) Mr. Suresh Prasad Yadav (Non- executive independent director)
e) Dr. Ashok Kumar (Non- executive independent director)
f) Mr. Rajesh Jain (Chief Executive Officer and Whole time director)
g) Mr. Gaurav Jain (Chief Financial Officer, till September 22, 2015) (Non- executive non-independent director from September 23, 2015)
h) Dr. Ashok Kumar Saini (Whole Time Director)
i) Mr. Ratan Kishore Bajaj (Additional director)(till July 06, 2015)
j) Mr. Lalit Mohan Gulati (Chief Financial Officer) (till September 10, 2016)
k) Mr. Atul Kumar Agarwal (Company Secretary)
l) Dr. G.R. Nagendran (Chief Financial Officer) (with effect from September 11, 2016)

3 Relative of key management personnel

a) Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)
b) Mr. Rajendra Kumar Mittal (Father of Mr. Amit Mittal)

4 Enterprise in control of relatives of key management personnel

a) Mestric Consultants Private Limited
b) JIT Logistics Private Limited
c) Devdhar Trading and Consultants Private Limited

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

B. Transactions with related parties during the year.

The following transactions were carried out with the related parties in the ordinary course of business:

Particulars	For the year ended March 31, 2017			For the year ended March 31, 2016		
	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	-	-	-	9.24	-	-
Rent expense / equipment hiring charges						
- Dipali Mittal	-	-	10.14	-	-	14.34
- Sudha Mittal	-	-	5.28	-	-	5.28
Fund transfered (includes expenses incurred) on behalf of others						
- Maccaferri Environment Solutions Private Limited	117.35	-	-	10.00	-	-
Fund received / includes expenses incurred on behalf of company						
- UB Engineering Limited	218.63	-	-	-	-	-
- SPIC-SMO	28.47	-	-	-	-	-
Provision for doubtful debts expense						
- UB Engineering Limited	(0.59)	-	-	2,847.69	-	-
- SPIC-SMO	(14.54)	-	-	1,150.77	-	-
Loan / advances given						
- Devdhar Trading and Consultants Private Limited	-	-	-	-	13.00	-
Loan / advances refunded						
- Amit Mittal	-	-	52.05	-	-	10.00
Remuneration						
- Dipali Mittal	-	-	19.08	-	-	19.08
- Rajesh Jain	-	-	68.35	-	-	87.02
- Ashok Saini	-	-	34.16	-	-	37.31
- Amit Mittal	-	-	36.00	-	-	-
- Surender Kumar Tuteja	-	-	5.35	-	-	2.80
- Ashok Kumar	-	-	6.10	-	-	2.40
- Suresh Prasad Yadav	-	-	4.75	-	-	2.20
- Gaurav Jain	-	-	2.25	-	-	0.50
- Ratan Kishore Bajaj	-	-	-	-	-	0.20
Interest income on loan given						
- Devdhar Trading and Consultants Private Limited	-	1.82	-	-	0.31	-

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2017			Balance outstanding as at March 31, 2016			Balance outstanding as at April 01, 2015		
	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	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Share application money pending allotment									
- Mestric consultants private limited	-	-	-	-	-	-	-	2,220.00	-
Trade receivable / advances recoverable									
- UB Engineering Limited	8,268.39	-	-	8,489.08	-	-	8,887.93	-	-
- SPIC-SMO	2,448.60	-	-	2,477.70	-	-	2,551.70	-	-
- Karamtara Engineering Private Limited	385.28	-	-	62.18	-	-	62.18	-	-
- Devdhar Trading and Consultants Private Limited	-	13.00	-	-	13.00	-	-	-	-
- Satya Builders	51.44	-	-	51.44	-	-	51.44	-	-
- Amit Mittal	-	-	127.43	-	-	179.48	-	-	182.78
Provision for doubtful debts									
- UB Engineering Limited	2,945.63	-	-	2,946.22	-	-	2,801.48	-	-
- SPIC-SMO	1,136.22	-	-	1,150.77	-	-	1,005.54	-	-
Remuneration payable									
- Dipali Mittal	-	-	8.69	-	-	13.62	-	-	13.62
- Rajesh Jain	-	-	2.51	-	-	3.00	-	-	-
- Ashok Saini	-	-	2.51	-	-	2.01	-	-	-
- Amit Mittal	-	-	2.50	-	-	-	-	-	-
- Surender Kumar Tuteja	-	-	3.02	-	-	1.26	-	-	1.62
- Ashok Kumar	-	-	3.47	-	-	1.62	-	-	1.08
- Suresh Prasad Yadav	-	-	2.03	-	-	1.53	-	-	1.12
- Gaurav Jain	-	-	0.90	-	-	0.36	-	-	-
- Ratan Kishore Bajaj	-	-	-	-	-	-	-	-	0.27
Short term loans and advances									
- Bhumika Transport	20.00	-	-	20.00	-	-	20.00	-	-
Other current assets (interest accrued)									
- Devdhar Trading and Consultants Private Limited	-	-	-	-	0.28	-	-	-	-
Trade payable									
- Linkwell Telesystems Private Limited	0.02	-	-	0.02	-	-	0.02	-	-
- Eco Save Systems (P) Limited	9.85	-	-	9.85	-	-	9.85	-	-
- Maccaferri Environment Solutions Private Limited	12.33	-	-	129.68	-	-	139.68	-	-
- Richardson & Cruddas (1972) Ltd.	14.61	-	-	14.61	-	-	14.61	-	-
- Cobra Instalaciones Y Servicios, S.A	4.85	-	-	4.85	-	-	4.85	-	-
- Dipali Mittal	-	-	1.58	-	-	-	-	-	-
- Manoj Gupta	-	-	0.33	-	-	-	-	-	-
- Sudha Mittal	-	-	1.98	-	-	-	-	-	-
- Bhumika Transport	2.88	-	-	2.88	-	-	2.88	-	-

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Note 35.1: In the opinion of the management, the transactions reported herein are on arms' length basis.

Note 35.2: Details relating to persons referred to as key managerial personnel above:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Short term employee benefits	90.00	54.00
Defined contribution plan	1.08	1.08
Share-based payment transactions	66.51	88.33
Sitting fees	18.45	8.10
Total compensation paid to key management personnel	**176.04**	**151.51**

Note 35.3: Due to unexpected change in the profitability of the Company during the financial year 2012-13 and 2013-14, the managerial remuneration paid to the Managing Director exceeded the limits in terms of the provision of Section 198, 309, 310 read with schedule XIII of the erstwhile Companies Act, 1956. Subsequent to the approval by shareholders in the 13th Annual General Meeting of the Company duly held on September 27, 2014, the Company had made an application for the approval from the Central Government for the waiver of excess remuneration so paid. During the previous year, the Central Government has rejected the Company's application for the waiver of the excess remuneration so paid amounting to INR 189.48 lacs which is being held in trust by the Managing Director. Out of the entire excess remuneration paid INR 62.05 lacs has been received/adjusted from the Managing Director and the balance outstanding as at March 31, 2017 is INR 127.43 lacs.

Note 36 : FAIR VALUE MEASUREMENT

(i) Fair value measurement of financial instruments

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

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

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

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

(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

As on March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through profit and loss				
Investment in equity instruments	-	-	-	-

As at March 31, 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through profit and loss				
Investment in equity instruments	-	-	2.28	2.28
Investment in preference shares	-	-	229.00	229.00
Total financial assets	-	-	**231.28**	**231.28**

As at April 1, 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through profit and loss				
Investment in equity instruments	-	-	2.28	2.28
Investment in preference shares	-	-	229.00	229.00
Total financial assets	-	-	**231.28**	**231.28**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

(iii) Fair value of instruments measured at amortised cost

The carrying values of financial instruments measured at amortised cost is considered to be a reasonable approximation of their fair values.

(iv) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

Fair value of investment in equity instruments is measured by reference to the transaction price at which the investment was made. Considering that the equity instrument are unquoted and fair values are not readily available, the original cost is considered to be a reasonable estimate of fair value in case the Group is not aware of any events/circumstances that would result in a significant change in value of the investment. As at March 31, 2017, the Group does not expect to recover anything from its investments in equity instruments, and hence the fair value is considered to be nil.

Note 37 : FINANCIAL RISK MANAGEMENT

(i) Financial instruments by category

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

	As at March 31, 2017		
	FVPL	FVOCI	Amortised cost
Financial assets			
Trade receivables	-	-	133,305.51
Loans	-	-	1,875.28
Cash and cash equivalents	-	-	6,186.52
Other bank balances	-	-	1,316.75
Other financial assets	-	-	41,699.45
Total	**-**	**-**	**184,383.51**
Financial liabilities			
Borrowings	-	-	186,554.95
Trade payables	-	-	76,036.06
Other financial liability	-	-	6,550.00
Total	**-**	**-**	**269,141.01**

	As at March 31, 2016		
	FVPL	FVOCI	Amortised cost
Financial assets			
Investments			
Equity instruments	2.28	-	-
Preference shares	-	-	229.00
Trade receivables	-	-	114,429.56
Loans	-	-	1,717.24
Cash and cash equivalents	-	-	1,124.43
Other bank balances	-	-	982.29
Other financial assets	-	-	62,668.89
Total	**2.28**	**-**	**181,151.41**
Financial liabilities			
Borrowings	-	-	172,974.01
Trade payables	-	-	77,363.06
Other financial liability	-	-	8,225.69
Total	**-**	**-**	**258,562.76**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	As at April 1, 2015		
	FVPL	FVOCI	Amortised cost
Financial assets			
Investments			
Equity instruments	2.28	-	-
Preference shares	-	-	229.00
Trade receivables	-	-	78,067.34
Loans	-	-	1,118.77
Cash and cash equivalents	-	-	479.46
Other bank balances	-	-	1,092.37
Other financial assets	-	-	41,079.20
Total	**2.28**	**-**	**122,066.14**
Financial liabilities			
Borrowings	-	-	158,906.13
Trade payables	-	-	27,008.19
Other financial liability	-	-	8,770.12
Total	**-**	**-**	**194,684.44**

(ii) Risk management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Analysis of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting	Risk limits
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Risk limits
Market risk - security price	Investments in equity securities	Sensitivity analysis	Risk limits

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

A. Credit risk

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

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

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

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not more than 30 days	34,505.44	19,432.82	39,515.52
More than 30 days but not more than 60 days	5,774.45	12,592.40	33,508.00
More than 60 days but not more than 90 days	1,858.73	4,272.11	7,476.47
More than 90 days	105,945.27	91,872.63	9,679.93
	148,083.89	**128,169.96**	**90,179.92**

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good. The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables. The Group follows a single loss rate approach and estimates expected credit loss on trade receivables to be 3%. Further, specific provision is made for any individual debtors which are considered to be doubtful and non-recoverable in part or in full. The reconciliation of expected credit losses on trade receivables is given below.

	Amount
As at April 1, 2015	**(12,112.58)**
Changes in provision	(1,627.83)
As at March 31, 2016	**(13,740.41)**
Changes in provision	(1,037.98)
As at March 31, 2017	**(14,778.39)**

The credit risk for other financial assets is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings. However, specific provision is made in case a particular receivable is considered to be non-recoverable.

B. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

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

As at March 31, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	148,142.16	9,144.54	9,074.85	22,174.54	**188,536.09**
Trade payables	76,036.06	-	-	-	**76,036.06**
Other financial liabilities	6,550.00	-	-	-	**6,550.00**
Total	**230,728.22**	**9,144.54**	**9,074.85**	**22,174.54**	**271,122.15**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

As at March 31, 2016	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	123,534.24	26,818.14	8,725.17	29,785.79	**188,863.33**
Trade payables	77,363.06	-	-	-	**77,363.06**
Other financial liabilities	8,225.69	-	-	-	**8,225.69**
Total	**209,122.99**	**26,818.14**	**8,725.17**	**29,785.79**	**274,452.08**

As at April 1, 2015	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings	105,177.12	9,817.83	25,659.62	34,268.61	**174,923.19**
Trade payables	27,008.19	-	-	-	**27,008.19**
Other financial liabilities	8,770.12	-	-	-	**8,770.12**
Total	**140,955.43**	**9,817.83**	**25,659.62**	**34,268.61**	**210,701.50**

C. Market risk

(a) Interest rate risk

(i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2017, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Variable rate borrowing	164,499.25	159,016.60	151,018.07
Total	**164,499.25**	**159,016.60**	**151,018.07**

Sensitivity

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

	As at March 31, 2017	As at March 31, 2016
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	(1,075.66)	(1,039.81)
Interest rates – decrease by 100 basis points (100 bps)	1,075.66	1,039.81

** Holding all other variables constant*

(b) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Ugandan Shillings and Zambian Kwacha. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Unhedged foreign currency exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

	As at March 31, 2017			
	Currency	**Amount in foreign currency**	**Exchange rate**	**Amount**
Trade receivables	USD	6.61	64.75	427.98
	Uganda Shillings	276.17	0.02	4.89
	Zambian Kwacha	15.47	6.71	103.85
Cash and cash equivalents	USD	2.41	64.75	155.79
	Uganda Shillings	8,910.92	0.02	157.72
	Zambian kwacha	1.38	6.71	9.27
Other financial assets	USD	21.91	64.75	1,418.53
	Uganda Shillings	13,781.81	0.02	243.94
Trade payables	USD	10.31	64.75	667.63
	Uganda Shillings	3,364.95	0.02	59.56
	Zambian Kwacha	4.43	6.71	29.73
Other financial liabilities	USD	18.75	64.75	1,214.17
	Uganda Shillings	68.11	0.02	1.21
Borrowings	USD	260.82	64.75	16,887.26

	As at March 31, 2016			
	Currency	**Amount in foreign currency**	**Exchange rate**	**Amount in INR**
Trade receivables	USD	5.88	66.14	388.90
	Uganda Shillings	5,886.65	0.02	117.73
	Zambian Kwacha	15.48	5.85	90.56
Cash and cash equivalents	USD	1.25	66.14	82.68
	Uganda Shillings	1,379.52	0.02	27.59
	Zambian Kwacha	1.20	5.85	7.02
Other financial assets	USD	11.04	66.14	730.02
	Uganda Shillings	3,170.61	0.02	61.51
	Zambian Kwacha	2.61	5.85	15.27
Trade payables	USD	0.31	66.14	20.38
	Uganda Shillings	5,842.04	0.02	116.84
	Zambian Kwacha	3.75	5.85	21.94
Other financial liabilities	USD	2.82	66.14	186.52
	Uganda Shillings	131.25	0.02	2.63
Borrowings	USD	249.18	66.14	19,842.84

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	As at April 1, 2015			
	Currency	**Amount in foreign currency**	**Exchange rate**	**Amount in INR**
Trade receivables	USD	13.54	62.53	846.63
	Uganda Shillings	11,903.91	0.02	247.13
	Zambian Kwacha	17.91	8.20	146.83
Cash and cash equivalents	USD	0.29	62.53	18.12
	Uganda Shillings	37.86	0.02	0.79
	Zambian Kwacha	6.87	8.20	56.32
Other financial assets	USD	4.75	62.53	296.84
	Uganda Shillings	2,961.35	0.02	61.48
	Zambian Kwacha	3.62	8.20	29.71
Trade payables	USD	0.33	62.53	20.78
	Uganda Shillings	3,880.37	0.02	80.56
	Zambian Kwacha	10.38	8.20	85.08
Other financial liabilities	USD	10.05	62.53	628.25
	Uganda Shillings	9,601.14	0.02	199.32
Borrowings	USD	240.75	62.53	15,054.10

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	As at March 31, 2017	**As at March 31, 2016**
USD sensitivity		
INR/USD- increase by 5%	(548.21)	(616.26)
INR/USD- decrease by 5%	548.21	616.26
UGX sensitivity		
INR/UGX- increase by 5%	11.31	2.86
INR/UGX- decrease by 5%	(11.31)	(2.86)
ZMW sensitivity		
INR/ZMW- increase by 5%	2.73	2.97
INR/ZMW- decrease by 5%	(2.73)	(2.97)

** Holding all other variables constant*

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Note 38 : CAPITAL MANAGEMENT POLICIES AND PROCEDURES

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group' s capital management objectives are:

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings	186,554.95	172,974.01	158,906.13
Trade payables	76,036.06	77,363.06	27,008.19
Less: cash and cash equivalents	(6,186.52)	(1,124.43)	(479.46)
Net debt	**256,404.49**	**249,212.64**	**185,434.86**
Equity	35,868.08	49,093.04	55,359.37
Capital and net debt	**292,272.57**	**298,305.68**	**240,794.23**
Gearing ratio	**87.73%**	**83.54%**	**77.01%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and April 1, 2015.

Note 39 : FIRST TIME ADOPTION OF IND AS

First time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 & 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Group's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Ind AS optional exemptions

1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in equity investments.

3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts / arrangements.

4 Business combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Group has applied same exemption for investment in associates and joint ventures.

B Ind AS mandatory exemptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017
(Unless otherwise stated, all amounts are in INR Lacs)

Note 40 : RECONCILIATION WITH INDIAN GAAP [IGAAP]

				As at March 31, 2016	As at April 1, 2015
A	**Reconciliation of equity:**				
	1	**Equity as per IGAAP**		**50,241.39**	**59,853.52**
	2	**Add/ [less]: adjustments:**			
		a	Impact of straightlining of lease incentive expense over the lease term	(1,232.25)	(1,017.79)
		b	Impact of discounting on long term provision for warranty	150.29	124.57
		c	Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost	-	(465.59)
		d	Impact of recognising employee share based options at fair value of the option	31.07	497.73
		e	Effect of expected credit loss	(1,852.65)	(2,553.73)
		f	Reversal for prior period item	-	60.77
		Total		**(2,903.54)**	**(3,354.04)**
	3	**Equity as per Ind AS**		**47,337.85**	**56,499.48**

				For the year ended March 31, 2016
B	**Reconciliation of net loss for the year ended March 31, 2016:**			
	1	**Profit / (Loss) after tax as per Indian GAAP**		**(13,296.49)**
	2	**Adjustments**		
		a	Impact of discounting on long term provision for warranty	25.71
		b	Reclassification of net actuarial gain on employee defined benefit obligations to other comprehensive Income	(111.11)
		c	Impact of recognising employee share based options at fair value of the option	(253.15)
		d	Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost	0.22
		e	Reversal for prior period item	(60.77)
		f	Impact of straightlining of lease incentive expense over the lease term	(214.46)
		g	Effect of expected credit loss	701.07
		h	Deferred tax impact of Ind AS adjustment	30.58
	3	**Loss after tax as per Ind AS**		**(13,178.40)**
		Other comprehensive income (net of tax)		80.53
	4	**Total Comprehensive income after tax as per Ind AS**		**(13,097.87)**

Impact of discounting on long term provision for warranty

- Under IGAAP, any expenses incurred with respect to such warranties are deducted from the provision for warranty, when incurred. Provisions are not discounted. Entire provisions are classified as long term. Under Ind AS, whenever any expense is incurred it is booked in Statement of Profit and Lose on actual basis and provision for warranty are amortised over the period of the warranty. Provisions are discounted and classified as Long term as well as Short term provisions.

Impact of operating lease

- Under IGAAP, the assets used in Processing & Disposal of Solid waste are depreciated over the life of the asset on a straight line basis as per lives provided in Schedule II of Companies Act, 2013. At the end of the contract, these assets are transferred to the respective municipal corporation for no consideration. Hence, any carrying amount at the time of transfer of assets is recognised as loss on tranfer of assets. Lease rentals are recognised at the nominal price as per contract. Under Ind AS, such transfer of assets is considered to be a lease incentive and therefore recognised as an expense over the period of the lease.

Reclassification of net actuarial gain on employee defined benefit obligations to other comprehensive Income

- Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the ‘previous GAAP, these remeasurements were forming part of the profit or loss.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Impact of recognising employee share based options at fair value of the option

- Under IGAAP, the employee compensation cost is calculated using the intrinsic value of the stock options measured as the difference between the face value of the underlying equity shares at the grant date and the exercise price.The intrinsic value is considered to be nil, and accordingly there was no accounting implication for stock options given to employees. Under Ind AS, employee compensation cost is calculated using fair value method. The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model. Since, the fair value is greater than zero, the employee compensation cost is booked from the date of option granted over the vesting period. Graded vesting method is required for amortization of cost over vesting period.

Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost

- **Borrowings:**
  Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of ‘borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.
- **Issue of preference shares**
  Under IGAAP, preference shares are classified as equity and issue costs charged to income statement in the year of issue. No interest is recognised. Under Ind AS, redeemable preference shares is be carried at amortized cost using effective interest method.
- **Investment in preference Shares**
  Under IGAAP, investment in preference shares of subsidiary companies are shown in books under Non-current investments at cost. Under Ind AS, investment in redeemable preference shares is carried at amortized cost using effective interest method.
- **Fully Convertible Debentures**
  Under IGAAP, Fully Convertible Debentures are classified under Long-term borrowings. Under Ind AS, as the Group has to pay a fixed amount of interest on these debentures and on maturity it will become due for conversion into equity shares. This is considered as a compound instrument (Debt + Equity). Hence, fair value of interest is recognized as liability and difference between total face value of FCDs and fair value of interest should be recognized as equity in the books of accounts.
- **Others : Deposits**
  Under IGAAP, the deposits payments have been included in the Assets under Loans & Advances at the amounts orginally paid. Under Ind AS, the Security deposits (non current) are shown in the books at present value on transition date and the excess portion over the security amount is to be booked as prepaid expense.

Others:

Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ include remeasurements of defined benefit plans corresponding tax impact thereon. The concept of other comprehensive income did non exist under previous GAAP

Statement of cash flows:

The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 41 : DISCLOSURE PURSUANT TO IND AS-105 “NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS”

(a) The group has following group of assets recognised as held for sale as at March 31, 2017.

Assets / Group of assets	Reportable segment
500 TPD of processing and disposal unit	Municipal solid waste management
1500 TPD of processing and disposal unit	Municipal solid waste management

(b) In the current year, the group has entered into a fremework agreement with one of the lenders (the “Lender”) for settlement of its various debt obligations. The terms of the settlement would include transfer of two waste management projects located at Kanpur and Indore to the Lenders and is subject to execution of definitive agreements and necessary approvals from its stakeholders. The aforementioned group of assets to be transferred to the buyer on the execution of the “Business Transfer Agreement” with the lender. Consequently, assets allocable to two projects were classified as a disposal group. The proposed sale are expected to be completed within one year from the reporting date.

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

(c) The details of group of disposable assets classified as held for sale are as under:

	As at March 31, 2017
Non-current assets	
Property, plant and equipment	10,933.97
Capital work in progress	14,642.79
	25,576.76
Current assets	
Inventories	3,179.05
Trade receivables	456.01
	3,635.06
Total	**29,211.82**

Note 42 : SEGMENT REPORTING

Segmental information

Business segments:

The Company's steering committee, which consists of the chief executive officer, the chief financial officer, directors, examines the Company's performance from a product perspective and has identified the following reportable segments of the business:

(i) Engineering Service (ES)

(ii) Facility Management Services (FMS)

(iii) Municipal Solid Waste Management (MSW)

(iv) Power Generation Projects ('PGP')

(v) Others represents trading of goods, renting of equipments, manufacturing of electrical equipment and operation and maintenance services, etc.

The steering committee primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation to assess the performance of operating segments. However steering committtee also receives the information about segment revenue and segment assets on monthly basis.

	For the year ended March 31, 2017						
	Engineering services	Facility management services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Revenue							
Segment revenue	59,791.57	26,823.13	4,681.08	154.39	8,100.67	-	**99,550.84**
Other income	1,569.92	-	1,125.75	-	-	-	**2,695.67**
Intersegment revenue	65.72	112.48	-	-	1,343.61	1,521.81	**-**
Total segment revenue	**61,427.21**	**26,935.61**	**5,806.83**	**154.39**	**9,444.28**	**1,521.81**	**102,246.51**
Cost							
Segment cost	(55,057.78)	(26,497.38)	(7,862.40)	(1,243.63)	(7,803.57)	(703.94)	**(97,760.82)**
Total segment cost	**(55,057.78)**	**(26,497.38)**	**(7,862.40)**	**(1,243.63)**	**(7,803.57)**	**(703.94)**	**(97,760.82)**
Segment operating profit / (loss)	**6,369.43**	**438.23**	**(2,055.57)**	**(1,089.24)**	**1,640.71**	**817.87**	**4,485.69**
Finance income							1,077.38
Finance costs							(20,053.32)
Exceptional Item							(9,877.58)
Loss before tax							**(24,367.83)**
Tax expense							
Current tax							237.67
Deferred tax							5,968.30
Tax expense relating to prior years							(3.78)
Loss after tax							**(30,570.02)**
Reclassification of net actuarial gain on employee defined benefit obligations							**57.44**
Total comprehensive income for the year (comprising loss and other comprehensive income)							**(30,512.58)**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	As at March 31, 2017						
	Engineering services	Facility management services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Assets							
Segment assets	179,116.52	12,494.27	59,368.93	50,481.07	5,037.19	-	**306,497.98**
Unallocable corporate assets	-	-	-	-	-	-	**13,901.59**
Total assets	**179,116.52**	**12,494.27**	**59,368.93**	**50,481.07**	**5,037.19**	**-**	**320,399.57**
Liabilities							
Segment liabilities	84,865.49	6,368.41	24,628.07	903.68	2,207.23	-	**118,972.88**
Unallocable corporate liabilities	-	-	-	-	-	-	**180,071.14**
Total liabilities	**84,865.49**	**6,368.41**	**24,628.07**	**903.68**	**2,207.23**	**-**	**299,044.02**
Capital expenditure	130.17	332.86	320.43	252.27	587.00	-	**1,622.73**
Depreciation	550.06	157.27	2,606.75	959.64	34.19	-	**4,307.91**
Impairment loss	-	-	-	6,839.46	-	-	**6,839.46**
Other non-cash expenditure							**12,284.37**

	For the year ended March 31, 2016						
	Engineering services	Facility management services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Revenue							
Segment revenue	97,464.32	29,392.86	4,744.44	94.85	3,179.31	-	**134,875.78**
Other income	327.93	-	1,133.37	-	526.68	-	**1,987.98**
Intersegment revenue	97.52	172.81	14.20	-	230.06	514.59	**-**
Total segment revenue	**97,889.77**	**29,565.67**	**5,892.01**	**94.85**	**3,936.05**	**514.59**	**136,863.76**
Cost							
Segment cost	(89,763.58)	(27,740.98)	(8,584.76)	(1,179.48)	(5,540.68)	(1,628.24)	**(131,181.24)**
Total segment cost	**(89,763.58)**	**(27,740.98)**	**(8,584.76)**	**(1,179.48)**	**(5,540.68)**	**(1,628.24)**	**(131,181.24)**
Segment operating profit / (loss)	**8,126.19**	**1,824.69**	**(2,692.75)**	**(1,084.63)**	**(1,604.63)**	**(1,113.65)**	**5,682.52**
Finance income							1,521.90
Finance costs							(19,843.17)
Other unallocable income net off unallocable expenditure							20.74
Loss before tax							**(12,618.01)**
Tax expense							
Current tax							794.54
Deferred tax							(343.06)
Tax expense relating to prior years							108.91
Loss after tax							**(13,178.40)**
Reclassification of net actuarial gain on employee defined benefit obligations							80.53
Total comprehensive income for the year (comprising loss and other comprehensive income)							**(13,097.87)**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	As at March 31, 2016						
	Engineering services	Facility management services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Asset							
Segment assets	172,615.47	12,404.93	61,306.28	58,398.06	6,125.65	-	**310,850.39**
Unallocable corporate assets	-	-	-	-	-	-	**20,767.58**
Total assets	**172,615.47**	**12,404.93**	**61,306.28**	**58,398.06**	**6,125.65**	**-**	**331,617.97**
Liabilities							
Segment liabilities	92,364.53	5,899.59	24,479.33	2,059.33	1,317.55	-	**126,120.33**
Unallocable corporate liabilities						-	**158,159.79**
Total liabilities	**92,364.53**	**5,899.59**	**24,479.33**	**2,059.33**	**1,317.55**	**-**	**284,280.12**
Capital expenditure	41.98	241.21	17.08	331.48	-	-	**631.75**
Depreciation	757.37	160.38	2,659.27	963.22	38.14	-	**4,578.38**
Other non-cash expenditure							**4,463.04**

	As at April 1, 2015						
	Engineering services	Facility management services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Assest							
Segment assets	114,786.83	13,562.75	61,616.00	59,672.86	7,145.92	-	**256,784.36**
Unallocable corporate assets	**-**	**-**	-	-	-	-	**18,292.38**
Total	**114,786.83**	**13,562.75**	**61,616.00**	**59,672.86**	**7,145.92**	**-**	**275,076.74**
Liabilities							
Segment liabilities	41,660.01	4,299.38	23,136.42	1,886.99	2,219.32	-	**73,202.12**
Unallocable corporate liabilities	-	-	-	-	-	-	**145,375.14**
Total	**41,660.01**	**4,299.38**	**23,136.42**	**1,886.99**	**2,219.32**	**-**	**218,577.26**

Unallocated operating income and expense mainly consist of post-employment benefits expenses. The unallocable assets include recoverables from Government authorities.

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

The revenue from a customer (having more than 10% of total revenue) during the year is INR 50,645.98 lacs (March 31, 2016 INR 80,657.31 lacs) arising from revenue from engineering services.

Note 43 : DISCLOSURE PURSUANT TO IND AS -11 “CONSTRUCTION CONTRACTS”

Revenue of INR 60,191.73 lacs (March 31, 2016: INR 96,630.14 lacs ; April 1, 2015 : INR 22,832.80 lacs) relating to construction contracts has been included in revenue for the current reporting period. The amounts recognised in the balance sheet relate to construction contracts in progress at the end of the reporting period. The amounts are calculated as the net amounts of costs incurred plus recognised profits, less recognised losses and progress billings. The carrying amounts of assets and liabilities are analysed as follows:

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Contract revenue recognized as revenue in the year	60,191.73	96,630.14	22,832.80
Aggregate amount of costs incurred and recognised profits and losses for all contracts in progress	295,744.26	363,392.21	308,312.33
Amount of advance received on contract under progress and outstanding at year end	4,657.52	1,842.98	2,627.67
Amount of retentions on contract under progress	65,442.70	52,147.22	35,983.51
Due from customers for construction contract work, recognised in trade and other receivables	36,144.97	54,266.56	33,743.28
Due to customers for construction contract work, recognised in other liabilities	1,357.77	1,035.45	1,566.66

Note 43.1 : Advances from customers for construction contracts related to work not yet performed have been recognised in other liabilities and amount to INR 4,657.52 Lacs (March 31, 2016: INR 1,842.98 Lacs ; April 1,2015: INR 2,627.67 Lacs). Retentions on construction contracts amount to INR 65,442.70 Lacs (March 31, 2016 : INR 52,147.22 Lacs ; April 1, 2015 : INR 35,983.51 Lacs) and are included within other financial assets. Retentions will be received upon acceptance by the customer of the work performed.

Note 43.2 : The Group has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under the law / accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts. The Group does not have any derivative contracts at the end of the year.

Note 44 : NOTE ON SPECIFIED BANK NOTE

During the year, the Group had specified bank notes or other denomination as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017, on the details of specified bank notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs	Other denomination notes	Total
Closing balance as on November 08, 2016	69.57	6.28	75.85
Add- Permitted receipts	-	26.24	26.24
Less- Permitted payments	-	(25.43)	(25.43)
Less- Deposited in banks	(69.57)	(0.21)	(69.78)
Closing balance as on December 30, 2016	**-**	**6.88**	**6.88**

Note 45 : CONTINGENT LIABILITIES AND COMMITMENTS

a) The details of contingent liabilities are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Right to recompense (CDR Scheme)	7,974.54	10,559.96	7,608.00
Open letters of credit	-	379.14	948.86
Litigations under workmen compensation act*	29.08	17.46	17.46
Litigations with contractors and others*	174.24	34.69	36.01
Sales tax demand under dispute*	8,993.72	7,349.99	5,563.92
Income Tax demand under dispute**	2,608.67	2,608.67	1,943.54
	19,780.25	**20,949.91**	**16,117.79**

*Based on discussions with the solicitors / favorable decisions in similar cases / legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

** The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the Assessment Orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

INR 1,992.17 lacs. The Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority has granted partial relief to the Company. The Company and the income tax authorities have further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the Orders for these assessment years.

Based on their assessment and upon consideration of advice from the independent legal counsel, the management believes that the Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending final decision on these matters no adjustments have been made in the financial statements.

In case of A2Z Infraservices Limited and A2Z Powercom Limited, The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 of the Income Tax Act, 1961. During financial year 2014-15 , assessment officer had raised a demand notice on the basis of block assessment done for the financial year 2008-09 to 2012-13. The Company had filed an appeal with Commissioner of income tax (CIT) (Appeals) against the demand notice and based on the opinion of tax advisers, management believe that no provision is required to be made in the financial statements.

b) Commitments outstanding:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Estimated amount of contracts to be executed and not provided for:			
Capital Commitments	4,246.39	3,183.42	3,241.19
Other Commitments	13,638.65	36,865.02	74,229.00
	17,885.04	**40,048.44**	**77,470.19**

	For the year ended March 31, 2017	For the year ended March 31, 2016
***Note 46* : EXCEPTIONAL ITEMS**		
Bank guarantee written off	3,038.12	-
Impairment loss (Refer Note 3.1)	6,839.46	-
Total	**9,877.58**	**-**

Note 47 : GROUP INFORMATION

Consolidated financial statements as at March 31, 2017 comprise the financial statements of A2Z Infra Engineering (the “Company’) and its subsidiaries, which are as under:

Sl No.	Name	Principal activities	NIC Code	Country of incorporation	Status of Financial Statements at March 31, 2017	Proportion of equity Interest as at March 31, 2017	Proportion of equity Interest as at March 31, 2016	Proportion of equity Interest as at April 1, 2015
A	**Indian subsidiaries:**							
1	A2Z Infraservices Limited	Combined facilities support activities	81100	India	Audited	93.83%	93.83%	93.83%
2	A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)*	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
3	A2Z Powercom Limited	Engineering Services	42202	India	Audited	100.00%	100.00%	100.00%
4	A2Z Powertech Limited	Manufacture, Fabricate, develop, and assemble electronic equipments of all description	26109	India	Audited	100.00%	95.00%	95.00%
5	Mansi Bijlee & Rice Mills Limited	Electric Power Generation, transmission and distribution	35106	India	Audited	100.00%	100.00%	100.00%
6	Magic Genie Services Limited (formerly A2z Water Solutions Limited)	Facility Management Services Provider	36000	India	Audited	75.00%	75.00%	100.00%
7	Chavan Rishi International Limited	Leasing Services	68100	India	Audited	100.00%	100.00%	100.00%
8	Selligence Technologies Services Private Limited	Technological Solution Services	62020	India	Audited	80.00%	80.00%	80.00%
9	Star Transformers Limited^	Manufacture, Assemble, Buy, sell and Supply of Transformers	27102	India	Audited	49.00%	49.00%	49.00%

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Sl No.	Name	Principal activities	NIC Code	Country of incorporation	Status of Financial Statements at March 31, 2017	Proportion of equity Interest as at March 31, 2017	Proportion of equity Interest as at March 31, 2016	Proportion of equity Interest as at April 1, 2015
10	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Water Waste Management	38110/38210	India	Audited	60.00%	60.00%	60.00%
11	A2Z Waste Managment (Nainital) Private Limited**	Waste management processing facility	38110/38210	India	Audited	60.45%	66.69%	71.91%
Step down subsidiaries								
Subsidiaries of A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)								
1	A2Z Waste Management (Aligarh) Limited	Waste management processing facility	38110/38210	India	Audited	38.31%	57.49%	73.58%
2	A2Z Waste Management (Moradabad) Limited	Waste management processing facility	38110/38210	India	Audited	38.31%	57.49%	73.58%
3	A2Z Waste Management (Merrut) Limited	Waste management processing facility	38110/38210	India	Audited	38.31%	57.49%	73.58%
4	A2Z Waste Management (Varanasi) Limited	Waste management processing facility	38110/38210	India	Audited	38.31%	57.49%	73.58%
5	A2Z Waste Managment (Jaunpur) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
6	A2Z Waste Managment (Badaun) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
7	A2Z Waste Managment (Sambhal) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
8	A2Z Waste Managment (Mirzapur) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
9	A2Z Waste Managment (Balia) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
10	A2Z Waste Managment (Fatehpur) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
11	A2Z Waste Managment (Ranchi) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
12	A2Z Waste Managment (Ludhiana) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
13	A2Z Waste Managment (Dhanbad) Private Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
14	Shree Balaji Pottery Private Limited	Pottery Work of all kind	77291/23931	India	Audited	47.89%	71.87%	91.98%
15	Shree Hari Om Utensils Private Limited	Casting of Metals	243	India	Audited	47.89%	71.87%	91.98%
16	A2Z Waste Managment (Jaipur) Limited #	Waste management processing facility	38110/38210	India	Audited	58.31%	77.49%	93.58%
17	A2Z Mayo SNT Waste Management (Nanded) Private Limited	Waste management processing facility	38110/38210	India	Audited	28.73%	43.12%	55.19%
18	A2Z Waste Managment (Ahmedabad) Limited	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
19	Earth Environment Management Services Pvt Ltd	Waste management processing facility	38110/38210	India	Audited	47.89%	71.87%	91.98%
'Subsidiaries of Magic Genie Services Limited (formerly known as A2Z Water Solutions Limited)								
1	Magic Genie Smartech Solutions Limited (Incorporated on June 24, 2016)	Installation of Sanitation Equipment	43221	India	Audited	100.00%	-	-

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

Sl No.	Name	Principal activities	NIC Code	Country of incorporation	Status of Financial Statements at March 31, 2017	Proportion of equity Interest as at March 31, 2017	Proportion of equity Interest as at March 31, 2016	Proportion of equity Interest as at April 1, 2015
Subsidiaries of A2Z Waste Management (Ludhiana) Limited								
1	Ecogreen Envirotech Solutions Limited (Formerly Known as A2Z Waste Management (Loni) Limited)	Waste management processing facility	38110/38210	India	Audited	45.98%	71.87%	91.98%
B	**Foreign subsidiaries:**							
1	A2Z Maintenance & Engineering Services (Uganda) Private Limited	Engineering Services	-	Uganda	Audited	-	-	100%
2	A2Z Singapore Waste Management Holdings Private Limited	Waste Management	-	Singapore	Audited	-	-	100%

*With respect to A2Z Green Waste Management Limited ("AGWML"), although the Company owns less than one-half of the voting power, it is able to control the company by virtue of an agreement with another investor of A2Z Green Waste Management Limited i.e. Devdhar Trading and Consultants Private Limited ("Devdhar"), which provides that Devdhar shall continue to support the Company to have the control over the management of AGWML and shall continue to follow the instructions given by the Company in this regard. Accordingly, the Company, together with Devdhar controls AGWML

^ Star Transformers Limited has been considered as a subsidiary company on the basis of shareholder agreement that gives the Company control over the board of directors.

** Including shares held by A2Z Green Waste Management Limited as at March 31, 2017 26% (Shares held as at March 31, 2016 26%, shares held as at April 1, 2015 26%).

Includes shares 20% shareholding as at March 31, 2017 (20% shareholding as at March 31, 2016, 20% shareholding as at April 1, 2015) held by the Company.

Note 48 :

Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to division II of Schedule III to the Companies Act, 2013:

		Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated net assets	Amount	% of Consolidated profit /(Loss)	Amount	% of Consolidated Profit /(Loss)	Amount	% of Consolidated Profit / (Loss)	Amount
Parent:									
	A2Z Infra Engineering Limited	283.16%	60,470.48	(45.53%)	(13,918.99)	51.50%	29.58	(45.52%)	(13,889.41)
Subsidiaries:									
Indian:									
1	A2Z Infraservices Limited	29.10%	6,214.03	1.47%	448.05	22.34%	12.83	1.51%	460.88
2	A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited)	(53.25%)	(11,372.89)	(15.07%)	(4,608.17)	24.43%	14.03	(15.06%)	(4,594.14)
3	A2Z Powercom Limited	1.00%	213.62	0.10%	30.04	5.55%	3.19	0.11%	33.23
4	A2Z Powertech Limited	0.00%	0.14	(0.09%)	(28.58)	-	-	(0.09%)	(28.58)
5	Mansi Bijlee & Rice Mills Limited	(0.98%)	(208.53)	(0.25%)	(76.84)	-	-	(0.25%)	(76.84)
6	Magic Genie Services Limited (formerly A2Z Water Solutions Limited)	(0.13%)	(27.38)	(0.21%)	(64.59)	-	-	(0.21%)	(64.59)
7	Chavan Rishi International Limited	1.04%	221.64	(0.15%)	(46.51)	-	-	(0.15%)	(46.51)
8	Selligence Technologies Services Private Limited	0.57%	121.70	0.01%	3.55	-	-	0.01%	3.55
9	Star Transformers Limited	10.49%	2,240.99	0.51%	155.14	2.18%	1.25	0.51%	156.39
10	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	(4.50%)	(961.33)	(0.81%)	(246.31)	-	-	(0.81%)	(246.31)
11	A2Z Waste Management (Nainital) Private Limited	(0.02%)	(4.81)	(0.01%)	(2.23)	-	-	(0.01%)	(2.23)
12	A2Z Waste Management (Aligarh) Limited	(4.57%)	(975.03)	(1.83%)	(423.38)	(6.02%)	(3.46)	(1.40%)	(426.84)
13	A2Z Waste Management(Moradabad) Limited	(9.80%)	(2,093.68)	(2.06%)	(631.15)	0.16%	0.09	(2.07%)	(631.06)

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

		Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated net assets	Amount	% of Consolidated profit /(Loss)	Amount	% of Consolidated Profit /(Loss)	Amount	% of Consolidated Profit / (Loss)	Amount
14	A2Z Waste Management (Merrut) Limited	(6.33%)	(1,351.13)	(0.96%)	(294.77)	0.05%	0.03	(0.97%)	(294.74)
15	A2Z Waste Management (Varanasi) Limited	(8.96%)	(1,914.46)	(3.47%)	(1,062.24)	(0.02%)	(0.01)	(3.48%)	(1,062.25)
16	A2Z Waste Management (Jaunpur) Limited	0.17%	36.81	(0.05%)	(13.93)	-	-	(0.05%)	(13.93)
17	A2Z Waste Management (Badaun) Limited	(0.05%)	(10.37)	(0.11%)	(33.54)	-	-	(0.11%)	(33.54)
18	A2Z Waste Management (Sambhal) Limited	(0.14%)	(30.42)	(0.07%)	(21.71)	-	-	(0.07%)	(21.71)
19	A2Z Waste Management (Mirzapur) Limited	(0.42%)	(88.67)	(0.21%)	(64.34)	-	-	(0.21%)	(64.34)
20	Ecogreen Envirotech Solutions Limited (Formerly Known as A2Z Waste Management (Loni) Limited)	0.45%	96.42	(0.03%)	(8.38)	-	-	(0.03%)	(8.38)
21	A2Z Waste Management (Balia) Limited	0.25%	53.29	(0.08%)	(25.70)	-	-	(0.08%)	(25.70)
22	A2Z Waste Management (Fatehpur) Limited	(1.98%)	(423.43)	(0.44%)	(135.74)	-	-	(0.44%)	(135.74)
23	A2Z Waste Management (Ranchi) Limited	(3.68%)	(785.78)	(0.17%)	(50.64)	0.05%	0.03	(0.17%)	(50.61)
24	A2Z Waste Management (Ludhiana) Limited	5.64%	1,203.87	(0.56%)	(170.46)	(0.21%)	(0.12)	(0.56%)	(170.58)
25	A2Z Waste Management (Dhanbad) Private Limited	(0.18%)	(37.81)	(0.01%)	(2.75)	-	-	(0.01%)	(2.75)
26	Shree Balaji Pottery Private Limited	(0.09%)	(18.75)	(0.01%)	(3.92)	-	-	(0.01%)	(3.92)
27	Shree Hari Om Utensils Private Limited	(0.09%)	(18.28)	(0.01%)	(3.90)	-	-	(0.01%)	(3.90)
28	A2Z Waste Management (Jaipur) Limited	(3.09%)	(659.48)	(0.38%)	(116.81)	-	-	(0.38%)	(116.81)
29	A2Z Mayo SNT Waste Management (Nanded) Private Limited	0.00%	(0.08)	(0.01%)	(2.34)	-	-	(0.01%)	(2.34)
30	A2Z Waste Management (Ahmedabad) Limited	0.01%	2.01	0.00%	(0.78)	-	-	0.00%	(0.78)
31	Earth Environment Management Services Pvt Ltd	(5.81%)	(1,240.44)	(0.75%)	(229.59)	-	-	(0.75%)	(229.59)
32	Magic Genie Smartech Solutions Limited (Incorporated on June 24, 2016)	0.02%	4.49	0.00%	(0.51)	-	-	0.00%	(0.51)
	Total eliminations/ consolidation adjustments	**(127.84%)**	**(27,301.19)**	**(29.17%)**	**(8,918.00)**	**-**	**-**	**(29.23%)**	**(8,918.00)**
	Total	**100.00%**	**21,355.55**	**(100.00%)**	**(30,570.02)**	**100.00%**	**57.44**	**(100.00%)**	**(30,512.58)**

Note 49 : DISCLOSURE OF SUBSIDIARY HAVING MATERIAL NON-CONTROLLING INTEREST

Name of subsidiary: A2Z Green Waste Management Limited

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i)	**Summarised balance sheet**			
	Current assets	42,921.68	17,132.47	16,601.47
	Current liabilities	65,881.54	59,740.00	45,146.78
	Net current assets	**(22,959.86)**	**(42,607.53)**	**(28,545.31)**
	Non-current assets	33,913.42	62,699.08	64,490.23
	Non-current liabilities	35,049.95	28,618.99	35,504.93
	Net non-current assets	**(1,136.53)**	**34,080.09**	**28,985.30**
	Net assets	**(24,096.39)**	**(8,527.44)**	**439.99**
	Accumulated non-controlling interest	**(12,670.89)**	**(2,905.80)**	**-**

Summary of Significant accounting policies and notes forming part of the Consolidated financial statements for the year ended March 31, 2017

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
ii) Summarised statement of profit and loss		
Loss for the year	(7,905.52)	(9,030.66)
Other comprehensive income for the year	10.59	39.57
Total comprehensive income	**(7,894.93)**	**(8,991.09)**
Loss allocated to non-controlling interest	**(3,981.68)**	**(1,506.34)**

	For the year ended March 31, 2017	For the year ended March 31, 2016
iii) Summarised statement of cash flow		
Cash flow from operating activities	(3,145.60)	1,609.04
Cash flow from investing activities	(3,199.34)	164.26
Cash flow from financing activities	6,957.72	(1,775.75)
Net increase/(decrease) in cash and cash equivalents	**612.78**	**(2.45)**

Transactions with non-controlling interests

Details of acquisition and disposals during the period with numbers

1 During the year ended March 31, 2016, the stake of NCI in A2Z Green Waste Management Limited increased from 8.02% to 28.13% on account of pledged shares held by the Parent Company in A2Z Green Waste Management Limited which were invoked by a lender. The shares were invoked against interest accrued to the lender of INR 940.15 lacs , and the accordingly the decrease in carrying value of NCI was INR 2,905.80 lacs, which was debited to retained earnings.

2 During the year ended March 31, 2017, the stake of NCI in A2Z Green Waste Management Limited increased from 28.13% to 52.12% on account of pledged shares held by the Parent Company in A2Z Green Waste Management Limited which were invoked by a lender. The shares were invoked against interest accrued to the lender of INR 940.07 lacs , and the accordingly the decrease in carrying value of NCI was INR 11,634.56 lacs, which was debited to retained earnings.

Note 50 :

The following subsidiary companies, A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Varanasi) Limited, A2Z Waste Management (Aligarh) Limited, A2Z Waste Management (Fatehpur) Limited, A2Z Waste Management (Moradabad) Limited and A2Z Waste Management (Ranchi) Limited have incurred net loss for the year ended March 31, 2017 of INR 116.81 lacs, INR 1,062.25 lacs, INR 426.85 lacs, Rs 135.74 lacs, INR 631.06 lacs and INR 50.61 lacs respectively and as at March 31, 2017 their accumulated losses amounted to INR 664.48 lacs, INR 1,919.46 lacs, INR 980.03 lacs, INR 428.43 lacs, INR 2,098.68 lacs, and INR 790.78 lacs respectively resulting in complete erosion of their net worth and are presently facing liquidity problems on account of non-realization of trade receivables. Management is in the process of exploring various options to revive their business and has initiated arbitration proceedings against the respective municipal authorities for realization of the outstanding receivables. Based on independent legal advice, the management believes that amount recoverable from such arbitration proceedings shall be in excess of the aforementioned accumulated losses and shall result in the requisite cash inflow which shall resolve the liquidity issues being presently faced by the Company and support the management plan of revival of business. Hence, the financial statements of the aforementioned subsidiaries have been prepared on the assumption of going concern and no adjustment is necessary to be made in the consolidated financial atatements.

Note 51 : POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the March 31, 2017 reporting date and the date of authorisation May 30, 2017.

Note 52 : AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended March 31, 2017 (including comparatives) were approved by the board of directors on May 30, 2017.

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Neeraj Sharma**
Partner

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

Sd/-
Rajesh Jain
Whole Time Director & CEO
(DIN 07015027)

Sd/-
G R Nagendran
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary

Place : Gurugram
Date : May 30, 2017

Notes

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