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the nation

A2Z INFRA ENGINEERING LTD.
18th Annual Report 2018-19

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annual report

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.

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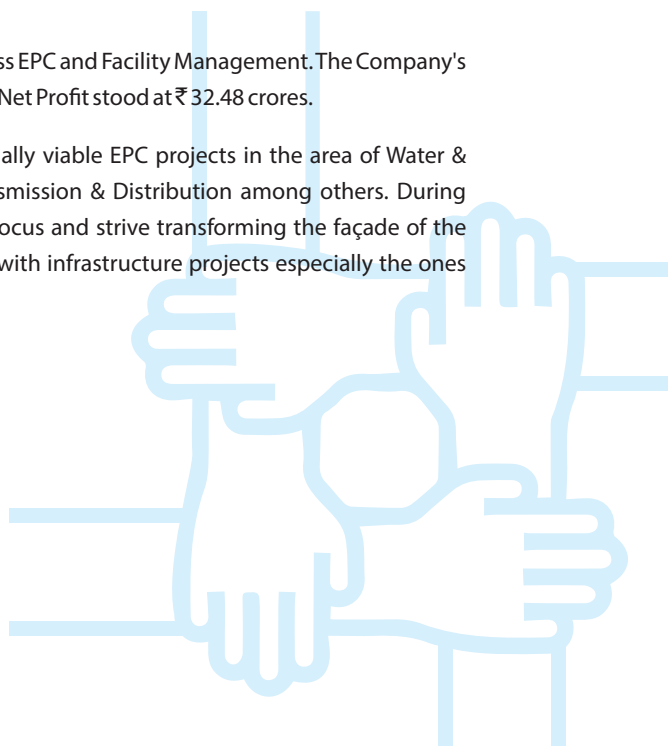
A Nation is made of its people and it is they who enrich and transform it, with path breaking developments to the infrastructure- the foundation of economic growth and development.

At A2Z Infra Engineering, we feel it is our responsibility during the current challenging times of economy, to play a role in nation-building and empower the nation through significant infrastructure projects; thereby also contributing to the employment generation. Such projects include EPC projects, Waste Management, Renewable Energy and Facility Management.

Over the years, A2Z Infra Engineering has built a diversified portfolio of infrastructure projects. We attribute our success to our skilled pool of people talent who have been striving for enhanced sustainability throughout our journey towards delivering excellence. Over the recent years, our success stories included Collection & Transportation of Solid Waste project in Delhi; providing manpower along with our E-Hiran green bicycles to leading food delivery platform; Facility Management projects for Indian Railways, Delhi Metro Rail, Indian Beaches and Delhi Airport. Despite the hard knocks in the infrastructure sector, A2Z Infra Engineering completed landmark infrastructure projects thus establishing itself as the fore-runner and highly sought after EPC player.

During FY19, we bagged four new orders across EPC and Facility Management. The Company's Revenue for FY19 stood at ₹ 524.01 crores and Net Profit stood at ₹ 32.48 crores.

The Company will selectively explore financially viable EPC projects in the area of Water & Sewage Pipelines, Telecom, and Power Transmission & Distribution among others. During FY19 and going forward, the Company will focus and strive transforming the façade of the nation and improving the lives of its people with infrastructure projects especially the ones with longer periods.



FY2018-19

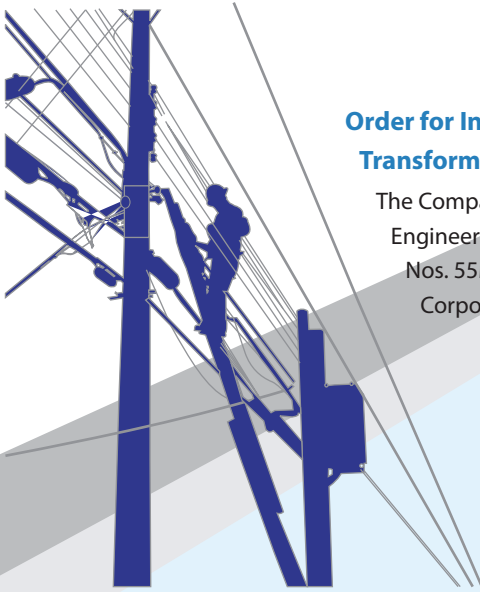
Strategic Developments & Focus on Execution

FY19 was a year where we responded to various challenges and opportunities with an open approach and vision for long-term sustenance. The year also marked progressive movement on the implementation of our strategic agenda. Some of the year's major highlights were as under:



Order for laying Optical Fibre Cable as part of Bharat Net (Phase 2) Network:

BSNL placed an order for a cumulative value of ₹ 225.26 crores for Survey, Procurement, Supply, Trenching, Laying, Installation, Testing, and Maintenance of Optical Fibre Cable, Accessories and GPON equipment for Bharat Net, Phase 2 Network in West Bengal.



Order for Installation of 02 Nos. 55MVA, 220/33KV Power Transformers:

The Company won a project worth ₹12.43 crores for design, Engineering, Supply, Erection, Testing, and Commissioning of 02 Nos. 55MVA, 220/33KV Power Transformers from Damodar Valley Corporation in West Bengal.

Order for Installation of 11/0.4 Distribution System in Nepal:

The Company bagged an order worth ₹ 94.87 crores by Nepal Electricity Authority for Design, Supply, Installation/Erection, Testing and Commissioning of 11/0.4 Distribution System in Nepal.



Order for Cleaning & Watering of trains by Indian Railways

During FY19, Indian Railways awarded an order for Mechanized Cleaning and Watering of Trains and Depot premises at the Central Railways' Pune Division besides on-board house-keeping and linen distribution on trains for a period of four years. The order value stood at ₹67.80 crores.



Debt Reduction:

During the year under review, A2Z Group was able to reduce its overall debt by ₹ 866.98 crores as at the end of FY19 and the Company's vision for growth, trust of lenders and capabilities stood well recognized. This debt reduction is part of the Company's strategic intent to reduce the debt in phased manner and have a leaner and cleaner balance sheet to pave way for future growth.

Focusing on future opportunities:

The Company's focal point will be businesses and projects which require skilled manpower, especially in the Company's already strong forte of cleaning, maintenance, and house-keeping. In its' EPC business, the Company will go for selective projects which are financially viable in the areas of Water/Sewage Pipelines, Power Transmission & Distribution, Telecom, etc. which are likely to have greater opportunities given the present Government's thrust on infrastructure development.





Message from the Chairman

Dear Shareholders,

Your Company is a known name in the Infrastructure Services space offering Engineering, Procurement & Construction (EPC) services to Power, Telecom, Water & Sanitation and other city Infrastructure projects Facility Management Services to the Corporate, Government and Individuals; Municipal Solid Waste Management to urban local bodies and is also generating power through waste-to-energy projects. It has established itself as a quality service provider in these businesses. In this financial report you will observe that we are now nearing the end of that distressed phase which has been challenging time for all infrastructure companies including us. While the external environment continues to pose problems at the macro level, we believe the scenario for our industry remains positive. I have shared some more of my thoughts on these conditions below, and spoken about the direction that we intend to take going forward.

After the expansion seen in 2016 and 2017 in global economy, the world is started facing growth challenges in the second half of 2018. These challenges resulted in an arrest of the economic momentum for both the major groupings, i.e. advanced economies and emerging economies. The concern areas for the world economy in 2019 and 2020 will be the trade spats between USA and China, tightening liquidity, falling business and consumer confidence, and structural issues in a few major economies. These are expected result in a fall of global GDP growth from 3% in 2018 to 2.6% in 2019 and pick-up marginally in 2020 to 2.7%.

Indian economy also has been facing similar growth challenges. The adverse global trade has impacted the exports, and the consumer demand in the domestic market has been badly affected due to the rural economy facing distress. On top of this, sudden

“Many of our innovative products are starting to make an impact, adding to our contribution to the country and society that we do through our core service offerings.”

volatility in the energy and FOREX markets in the second half and the start of liquidity crisis after default by major player in financial segments, further exacerbated the situation. As a consequence of all these developments, the economy grew only by 6.8% in FY2018-19 vs. 7.2% in the previous year and is with continued financial stress and slowing global economy, the growth is likely to inch-up only by 10 basis points to 6.9% in FY2019-20.

There are however some developments in the broader economy and related to the Indian government's investment plans that are highly positive for the Company. The announcements of investing Rs. 100 Lakh crores in five years for the infrastructure sector and Jal Jeevan Mission to provide drinking water to all households are expected to create attractive business opportunities for infrastructure services companies like ours. After providing electricity connectivity to all the households in the country, the Government is expanding the target to make 24x7 power available to them. After providing the basic infrastructure, government is focusing on reduction of AT&C losses in Power sector, which will further require significant capital expenses and new technologies like Smart Metering, SCADA and O&M for long term. Being in this space as experienced player we look it as good business opportunity. The positive responses to the Swachh Bharat Abhiyan have enabled the government to extend the focus of the scheme from ending Open Defecation to provision of total sanitation services to all citizens and improve the urban sanitation practices. The announcement to ban single-use plastics is a step with dual purpose of reducing environmental impact and also load on the waste management industry. The ever-growing Involvement and responsiveness of citizens to these initiatives has established a new found cleanliness conscious among them and shows the growing demand for quality and clean physical spaces. This also translates into greater demand for professional housekeeping services by various segments of society who were hitherto not interested in them. Hence, new opportunity segments such as Facility Management Services for Railway Coaches, Beaches, Residential Complexes, etc. are becoming

available to a Company like ours. With the economy growing at a reasonable pace, the demand for our services is likely to increase at a greater velocity.

Over the last few years, we have made several adjustments to our strategic focus. Diversification in customer segments, markets, and offerings has been a key focus to ensure we spread our risks. Our high exposure to the EPC business under the ES SBU is what affected our performance over the years. We have achieved many successes in this direction, especially with international expansion where we have now bagged projects in Tanzania and Nepal. Resolution of the legacy issues in this business meant that our management bandwidth was stretched and unable to do justice to the potential growth in the FMS and MSW space. I have shared above the kind of opportunities that are becoming available to us, and with the problems in the EPC sector behind us, we are now confident of exploiting them to the fullest. Our financial position has also significantly improved with our success in achieving reduction of loans, but we will need some more time and effort on this front reach a position of comfort. We will therefore continue our endeavors in this area.

Many of our innovative products are starting to make an impact, adding to our contribution to the country and society that we do through our core service offerings. Your Company is also a major job creator which has thousands of people employed with it in various capacities. We aspire to continue to make a difference to the stakeholders around us and do so profitably. This is going to be our continued focus. And I would like to thank you all for your backing to help us do so.

Best regards,

Surender Kumar Tuteja
Chairman





Message from the Managing Director

Dear Shareholders,

The financial year 2018-19 will be regarded as an important milestone in the journey of your Company. The silent resolve of the management and all the difficult but deliberate steps taken by us, have finally led us to a fiscal where we have reported profits at the operating and net level after many years. We are pleased with the results that have shown that our approach is working, but are conscious of the need to pursue it with greater vigor to achieve the true growth and profitability potential for our businesses.

During the difficult years, we had started taking some reformist steps to recover from the financial stress brought about by the Engineering Services (ES) SBU and consequent increase in leverage, and bring the Company back into profits. Operationally, the major steps were to initially focus on completing the old EPC projects to ensure we do not have any blots on our stellar track record of project delivery and negative impacts of delays and cost overruns; to take up new EPC projects only if they offered a positive and predictable cash flow and profitability; to diversify from Power and Telecom EPC projects into other EPC opportunities such as Water & Sanitation, Metro, Gas Distribution, and others; to diversify customer segments to target more B2B and also B2C segments through new products; to focus

“ We believe that the hardest phase is behind us and with some extra effort in the coming years we would have put the issues of the past completely behind us ”

on the emerging municipal solid waste management space in light of government spends and focus on cleanliness and sanitation; and to enter into international markets in South Asia, Middle East, and Africa to tap larger opportunity set and diversify country risk. All these measures were taken in addition to the high importance we attached to rationalizing costs. Collectively, they helped us achieve the initial success we see in the financials with regards to the operational profits and revenue growth in the ES and MSW segments.

The Company's efforts to rationalize the level of debt also gathered steam during the year under review. The total debt, both short-term and long-term, were reduced from ₹ 735.89 crore at the end of FY2017-18 to ₹ 341.67 crore by the end of FY2018-19. This translates into a reduction of ₹ 394.22 crore. This also meant that the total finance cost decreased by nearly 55%. The reduction in finance cost and loans is expected to continue in order to improve the quality of Company's balance sheet and its ability to fund new projects.

Summarizing our financial results, one of the most important highlight is that Company's standalone operating revenues jumped from ₹ 358 crore in FY2017-18 to ₹ 507 crore in FY2018-19, growth of 41.6%. In this year the Company has performed very well and the management is determined to keep the same pace for future years. We hope to continue to show such improvement in our financial performance in the coming years.

Some of the key highlights in our operational successes during the financial year are a marker of the direction in which your Company is going forward. The Company successfully bid for an end-to-end EPC project to set up 11/0.4 kV distribution system for the Nepal Electricity Authority, a Government of Nepal Undertaking in Nepal. This is a 2nd major international success in this segment after the win in Tanzania and translates into a project value of ₹ 82.04 crore. Another key project win was by the FMS SBU in the space of railway train cleaning. Central Railways, Pune Division awarded the Company a four year mandate to provide services to clean trains and depot premises, water the trains, and provide onboard housekeeping services and linen distribution in trains. There were many more significant wins in the core service offerings and new areas such as sewage pipeline projects.

Similar to our success in breaching new frontiers in FY2018-19, we hope to repeat the same in the coming year. The key focus area for us within the ES segment would be to focus on the new opportunity areas such as Water & Sanitation, which is a key intervention area declared by the government, and to tap the predictable, long-term, and attractive Operations & Maintenance market as an extension of the EPC services. We plan to put more focus on the FMS space, where apart from the steady growth of commercial office space newer opportunities are opening up due to quality consciousness for physical infrastructure. In the MSW segment, our competencies are strong in the Collection & Transportation segment and this area will remain our focus. Our efforts to revive the Waste-to-Energy Power Generation Projects are progressing well and we also hope to extend the concession period through arbitration with sugar mills.

We believe that the hardest phase is behind us and with some extra effort in the coming years we would have put the issues of the past completely behind us. The opportunity for the Group as a whole is very attractive, though there are some challenges related to market scenario that may temporarily create hurdles in our growth path. But with the consistent support that we have received from all our stakeholders, our efforts to regain the Group's standing as a leader in its space in terms of size and financial performance will persist without faltering. At the end, I would like to thank all the stakeholders, including shareholders, bankers, suppliers, and employees for their unwavering commitment to our success.

Sincerely yours,

Amit Mittal
Managing Director



Board of Directors

Mr. Surender Kumar Tuteja
Non-Executive
Independent Chairman

Mr. Amit Mittal
Managing Director

Ms. Dipali Mittal
Non-Executive
Non-Independent Director

Mr. Rajesh Jain
Whole Time
Director & CEO

Dr. Ashok Kumar Saini
Non-Executive
Non-Independent Director

Ms. Atima Khanna
Non-Executive
Independent Director

Dr. Ashok Kumar
Non-Executive
Independent Director



Corporate Information

BOARD OF DIRECTORS

Mr. Surender Kumar Tuteja

Non-Executive Independent Chairman

Mr. Amit Mittal

Managing Director

Mr. Rajesh Jain

Whole Time Director & CEO

Dr. Ashok Kumar Saini

Non-Executive Non-Independent Director

Dr. Ashok Kumar

Non-Executive Independent Director

Ms. Dipali Mittal

Non-Executive Non-Independent Director

Ms. Atima Khanna

Non-Executive Independent Director

CHIEF FINANCIAL OFFICER

Mr. Rajiv Chaturvedi

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Atul K. Agarwal

STATUTORY AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

M/s. Alankit Assignments Ltd. Alankit Heights
3E/7, Jhandewalan Extension, New Delhi - 110 055
Ph.: +91 11 42541234, 23541234
Fax: +91 11 2355200

REGISTERED OFFICE

0-116, 1st Floor, DLF Shopping Mall,
Arjun Marg, DLF Phase I,
Gurugram-122002 Haryana (India)

CORPORATE OFFICE

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

BANKERS/FINANCIAL INSTITUTIONS

1. State Bank of India
2. Standard Chartered Bank
3. IDBI Bank Ltd.
4. ICICI Bank Ltd.
5. Axis Bank Ltd.
6. IndusInd Bank Ltd.
7. Allahabad Bank
8. Union Bank of India
9. Kotak Mahindra Bank Ltd.
10. DBS Bank Ltd.
11. SICOM Ltd.
12. Edelweiss Asset Reconstruction Company Ltd.



Boards' Report

To,
The Members of
A2Z Infra Engineering Ltd.

Your Directors take pleasure in presenting the 18th Annual Report together with the annual audited financial statements for the year ended March 31, 2019.

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, 2019 are as follows:

(INR in lakh)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Income				
Revenue from Operations	50,732.52	35,751.56	86,870.11	70,853.82
Add: Other Income	1,668.21	3,697.86	1,932.96	4,310.47
Total Income	52,400.73	39,449.42	88,803.07	75,164.29
Expenses				
Cost of Material Consumed	39,921.52	27,804.66	47,827.75	35,817.12
Purchase of Stock in Trade	-	2,602.17	-	2,602.17
Changes in Inventories	-	-	(0.58)	294.55
Employee benefit expenses	2,143.03	2,219.43	26,246.58	26,501.06
Finance Cost	4,109.94	12,978.07	5,977.90	20,599.69
Depreciation and amortization expenses	1,108.48	1,284.70	2,698.67	3,264.75
Other Expenses	4,477.07	5,845.46	7,036.18	8,149.34
Total Expenses	51,760.04	52,734.49	89,786.50	97,228.68
Profit/(Loss) before Exceptional Items, share of net profit of investments accounted for using equity method and tax	640.69	(13,285.07)	(983.43)	(22,064.39)
Share of net loss of investments accounted for using equity method	-	-	(974.83)	-
Profit/ (Loss) before Exceptional Items and Tax	640.69	(13,285.07)	(1,958.26)	(22,064.39)
Exceptional Items-gain	2,690.55	1,828.89	31,344.07	13,557.23
Profit/ (Loss) before Tax	3,331.24	(11,456.18)	29,385.81	(8,507.16)
Tax expense				
Current Tax	71.55	22.77	518.24	190.85
Tax expense relating to prior years	-	-	-	1.39
Deferred Tax (Net)	47.47	(2.01)	144.43	45.01
Total Tax Expense	119.02	20.76	662.67	237.25
Profit/ (Loss) for the year	3,212.22	(11,476.94)	28,723.14	(8,744.41)
Other Comprehensive Income				
i) Items that will not be reclassified to profit and loss	35.32	40.31	272.94	71.26
ii) Income Tax relating to Items that will not be reclassified to profit and loss	-	-	(73.88)	-
Total Other Comprehensive Income	35.32	40.31	199.06	71.26
Total Comprehensive income (Comprising (Loss)/ Profit and other Comprehensive Income)	3,247.54	(11,436.63)	28,922.20	(8,673.15)

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

Operations Review

Standalone:

During the year under review, the Turnover of the Company has shown an increase of 41.90%. The Company has achieved a Turnover of INR 50,732.52 Lakh as against INR 35,751.56 Lakh in the previous year. The Company has made net Profit after tax of INR 3,212.22 Lakh whereas in the previous year Company had incurred net Loss of INR 11,476.94 Lakh.

The Net Worth of the Company has increased to INR 64,775.29 Lakh as at the end of the current year from INR 61,336.63 Lakh as at the end of the previous year representing increase in Net Worth by 5.61%.

The Debt Equity ratio of the Company has improved/changed to 0.53 as at the end of the current year as compared to 1.20 as at the end of the previous year.

Consolidated:

The Consolidated Turnover of the Company for the current financial year is INR 86,870.11 Lakh as against INR 70,853.82 Lakh in the previous year representing increase in Turnover by 22.60%. The Company on consolidated basis has made a net Profit of INR 28,723.14 Lakh as against a loss of INR 8,744.41 Lakh in the previous year.

The Consolidated Net Worth of the Company has increased to INR 68,551.96 Lakh as at the end of the current year from INR 37,195.45 Lakh as at the end of previous year representing increase in Net Worth by 84.30 %.

The Consolidated Debt Equity ratio of the Company has improved/changed to 0.63 as at the end of the current year compared to 3.39 as at the end of previous year.

2. Consolidated Financial Statements

The Audited Consolidated Financial Statements of your Company as on March 31, 2019, have been prepared in accordance with the relevant Indian Accounting Standards (Ind AS) issued by Accounting Standards Board (ASB) and Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 a part of this Annual Report.

3. Dividend

Due to inadequacy of profit, the Board of Directors does not recommend any dividend for the financial year ended March 31, 2019.

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, operate and maintain:

- Substations & Switchyards up to 765 kV.
- Transmission lines up to 765 kV.11 / 33 kV distribution lines comprising of Feeder Renovation Projects, 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.
- 220kV substation Bay project in DVC West-Bengal.

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

Under Engineering Services segment we may pursue infrastructure projects like Sewage Network & Treatment Plants, Gas Distribution Networks, and Metro projects in select cities.

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

Telecom Infrastructure EPC

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

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

Your Company is successfully executing orders for construction of Telecom Network Backbone on Turnkey basis in the untapped toughest terrains of the country like Leh, Ladakh and North East India, which will help in building the optical Network to connect each and every part of the Nation. We combine a proven track record and professional skills woven together with a culture of trust. Your Company is now expanding its system integration capabilities while promoting latest IP Transport technology such as SDN (Software Defined Network) which will change the way current IP Transport and distribution networks are working and will help Telecom operators & large government organizations to



unleash the potential of this latest technology by bringing down their CAPEX and OPEX cost to build & maintain such networks.

Your Company is also considering to promote 5G technology while working with large OEMs dealing with various types of sensors. This will eventually help in various Smart Cities solutions such as smart road, smart water, smart metering etc.

To cater to the vision of developing India through Smart Cities Project, your Company is also planning to foray into the area of building and operating Surveillance Networks, Aviation Sector, Smart Metering for Power and Water Sector.

Waste to Energy- Power Generation Projects (PGP)

The Company being an Infrastructure Company also provides solutions for Clean and Green Energy. The Company is planning 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. The Company has collaborated 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.

To ensure continuous supply of Refuse Derived Fuel (RDF) to the respective the Power Plants, the Company has developed an indigenous process in its waste processing plant for running the said Plants on Refuse Derived Fuel (RDF) from Municipal Solid Waste. Currently Company is running its Nakodar Power Plant producing electricity using RDF as feed stock.

5. Change in the nature of business

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

6. Material Changes and Commitments

After the period under review and before the date of this report, the Company has entered into One Time Settlement (OTS) with DBS Bank Limited ("DBS Bank") and has signed the Settlement Agreement with DBS Bank on June 21, 2019 to settle all the outstanding dues (including interest) for an amount of INR 3000 Lakh, in terms of the said Settlement Agreement.

7. Updates on Corporate Debt Restructuring (CDR)

Corporate Debt Restructuring (CDR) package of Company for restructuring of its debts was approved by Corporate Debt Restructuring Empowered Group ("CDR EG") and the same has been successfully implemented and 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.

Your Company is working assiduously to reduce the debt burden and in line with this strategy the Company has entered into One Time Settlement Agreements with various Lenders including SICOM Limited, Edelweiss Asset Reconstruction Company Limited as representative of EARC Trust SC 299 for the Loan assigned by Yes Bank Limited, Standard Chartered Bank, Hong Kong and Shanghai

Banking Corporation Limited, State Bank of India, Edelweiss Asset Reconstruction Company Limited as representative of EARC trust SC 217 for the Loan assigned by ICICI Bank Ltd. and DBS Bank Ltd. till date.

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 and 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 towards the Public deposit as on the date of Financial Statements.

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 Standards

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

13. Share Capital

Authorised Share Capital:

During the year under review, the Authorised Share Capital of the Company is INR 240,00,00,000 (Indian Rupees Two Hundred Forty Crore Only) divided into 24,00,00,000 (Twenty Four Crore) equity shares of INR 10/- (Indian Rupees Ten only) each.

Paid up Share Capital:

The Company has not issued any shares during the year, the paid up share capital of the Company stood INR 176,11,98,580/- (Indian Rupees One Hundred Seventy Six Crore Eleven Lakh Ninety Eight Thousand Five Hundred Eighty Only) divided into 17,61,19,858 (Seventeen Crore Sixty One Lakh Nineteen Thousand Eight Hundred Fifty Eight) Equity Shares of INR 10/- each as at March 31, 2019.

14. Subsidiaries, Joint Ventures, and Associate Companies

As on March 31, 2019, the Company had 8 (Eight) direct and step down subsidiary Companies and 22 (Twenty Two) Associate Companies. Further the Company has entered into Joint Venture agreements with unincorporated JV's for bidding of tenders & contracts the details of which is given in the note no. 34 & 35 to the standalone and note no. 35 & 36 to the consolidated financial statements. Also the Company is a member of an association of person (AOP) in which Company is having 60% share in profits.

As per sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements and performance of the Company's subsidiaries and associate company for the year ended March 31, 2019, 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 except Saturday and Sunday during business hours upto the date of the Annual General Meeting.

During FY 2018-19, there has been no major change in the nature of business of your Company and its subsidiaries. During the year under review, the Company has transferred its stake held in A2Z Green Waste Management Ltd. (earlier a subsidiary of the Company), on 12th March, 2019, resulting into change in Management Control and henceforth, A2Z Green has ceased to be a subsidiary of the Company for all purposes. However it continues to be an associate company of the Company.

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

http://media.a2zgroup.co.in/pdf/Policy%20on%20material%20subsidiary_13.02.2019

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

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.

On the recommendation of the Audit Committee, Board has recommended the re-appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants as Statutory Auditor. M/s. Walker Chandiok & Co LLP, if re-appointed by members as Statutory Auditor for the second term shall hold office from the conclusion of the ensuing Annual General Meeting (AGM) of the Company to the conclusion of the Twentieth Annual General Meeting to be held for the Financial Year 2020-2021. Accordingly, this item forms a part of the notice of ensuing Annual General Meeting and the Board of Directors recommend to the Members to pass the resolution, as stated in Item No. 3 of the Notice.

Certificate from the said auditors has been obtained to the said effect that their re-appointment, if made, would be within limits specified under Section 141 of the Companies Act, 2013 and also to the effect of their eligibility to be appointed as Auditors of the Company.

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, 2019 is self-explanatory and requires no comments and the Management replies to the audit observations are as under:

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

The loan accounts of the Company have been classified as



Non- Performing Assets by certain banks and some of them have not charged interest on the said accounts and therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the banks and assets reconstruction company, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks and assets reconstruction company which are regular) amounts to INR 1,595.92 lakhs for the year ended March 31, 2019. Company is already in discussion with the said banks for settlement of their dues.

Explanation to Para 4 of Auditor's report on Standalone Financials of A2Z Infra Engineering Ltd. and Para 4 of Auditor's report on Consolidated Financials of A2Z Infra Engineering Ltd., its subsidiaries, joint ventures and associates of A2Z Infra Engineering Ltd.

The Company had entered into Settlement agreement(s) ('Agreements') with certain banks/assets reconstruction company ('the Lenders') during the years ended March 31, 2018 and March 31, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred installments. As at March 31, 2019, the Company has delayed payments in respect of the certain deferred instalments amounting INR 5,096.00 lakhs which were due and payable pursuant to these Agreements out of which INR 1,596.00 lakhs have been paid subsequent to the year end. The obligations towards such lenders is carried under Non-current liabilities - Borrowings and Other current financial liabilities at INR 1,268.59 lakhs and INR 6,049.03 lakhs respectively. So far Banks have not given any such notice(s) or have not shown any such intention and the management is in discussions with the Lenders to condone the aforementioned delays.

Additionally, the Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these financial results as Non-current liabilities - Borrowings of INR 1,485.05 lakhs, Current financial liabilities- Borrowings of INR 13,183.43 lakhs and Other current financial liabilities INR 12,441.39 lakhs with certain other lenders.

Pursuant to the above discussions with the lenders, management is confident that no material impact will devolve on the Company in respect of aforementioned delays.

Explanation to Para 6 of Auditor's report on Standalone Financials of A2Z Infra Engineering Ltd. and Para 6 of Auditor's report on Consolidated Financials of A2Z Infra Engineering Ltd., its subsidiaries, joint ventures and associates of A2Z Infra Engineering Ltd.

The Company has accumulated losses amounting INR 43,672.10 lakhs as at March 31, 2019 and is presently facing acute liquidity problems on account of delayed realization of trade receivables coupled with delays in commencement of commercial production at its biomass-based power generation plants. The management is evaluating various options and has entered into one-time settlement agreements with various lenders, including interest and other related terms and conditions apart from further negotiating

the terms with the remaining lenders for settlement of its existing debt obligations. Management believes that the Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations, no adjustments are required in the financial statements and accordingly, these have been prepared on a going concern basis.

Explanation to Para 7 of Auditor's report on Standalone Financials of A2Z Infra Engineering Ltd. and Para 7 of Auditor's report on Consolidated Financials of A2Z Infra Engineering Ltd., its subsidiaries, joint ventures and associates of A2Z Infra Engineering Ltd.

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 Holding Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of INR 1,992.17 lakhs. During the year ended March 31, 2015 the Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Company. The Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters where the CIT(A) has not accepted the Holding Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Company.

Further, during the year ended March 31, 2018, the Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of INR 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Company.

During the year ended March 31, 2019, the Company has received orders from CIT (Appeals) squashing the penalty orders aggregating INR 477.71 lakhs out of the aforementioned and upholding the rest. The Company has filed appeals with the ITAT challenging the penalty orders for these assessment years in respect of the matters where the CIT(A) has not accepted the Company's contention

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 the final decision on the matter, no further adjustment has been made in the standalone 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. 7 of the Notice, convening the ensuing Annual General Meeting.

Secretarial Auditor

In terms of the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. DR Associates, Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company and M/s Nitin Goyal & Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of material unlisted subsidiary, namely M/s A2Z Infraservices Ltd., for the Financial Year 2018-19. The Secretarial Audit Report of the Company together with its material unlisted subsidiary 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 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. M/s HAM & Associates were appointed as the Cost Auditors of the Company for the Financial Year ended March 31, 2019 but they expressed their inability to conduct the audit and resigned vide their resignation letter dated 8th July, 2019. Hence, it was required to appoint cost auditors for the FY 2018-19 to fill the casual vacancy caused due to resignation of M/s HAM & Associates. Hence the Board of Directors upon the recommendation of the Audit Committee appointed M/s JSN & Co., as the Cost Auditors of the Company for the Financial Year ended March 31, 2019 thereby filling the casual vacancy on July 11, 2019.

Further, 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 Board of Directors upon the recommendation of the Audit Committee appointed M/s JSN & Co., as the Cost Auditors of the Company for the Financial Year ending March 31, 2020.

In accordance with the above provisions the remuneration payable to the cost auditor for the financial year ended March 31, 2019 and March 31, 2020 should be ratified by the Members. Accordingly, the Board of Directors recommend to the Members to pass the resolution, as stated in Item Nos. 8 & 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. During the year under review Dr. Ashok Kumar Saini who was re-appointed under the category of Whole Time Director effective from 15th February, 2018 has been re-designated as Non-Executive Non-Independent Director w.e.f 01st December, 2018.
2. After the year under review, Ms. Atima Khanna was appointed as Additional Non-Executive Independent Woman Director of the Company w.e.f 23rd May, 2019, and it is proposed to regularized her as Director of the Company under the category of Non-Executive Independent Woman Director to hold office for a period of five consecutive years from the conclusion of ensuing Annual General Meeting to the conclusion of the Company's Annual General Meeting to be held for the Financial Year 2023-2024. Accordingly, the Board of Directors recommend to the Members to pass the resolution, as stated in Item No. 6 of the Notice convening the ensuing Annual General Meeting

2. Retire by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh Jain, Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

3. 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 2019, are:
 1. Mr. Amit Mittal, Managing Director
 2. Mr. Rajesh Jain, Whole Time Director & CEO
 3. Mr. Rajiv Chaturvedi, Chief Financial Officer
 4. Mr. Atul Kumar Agarwal, Company Secretary

18. Policy on Directors' appointment and Remuneration

As on March 31, 2019, the Board consists of six members, two (2) are Executive Directors, one of whom is the Managing Director, two (2) are Non-Executive and Non-Independent Directors, one of whom is a Woman and other two (2) are Non-Executive Independent Directors.

In terms of the provisions of Section 178(3) of the Act and Para A of Part D under Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee is responsible for formulating the criteria for determining



qualification, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, KMP and Senior Management and their remuneration.

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

http://media.a2zgroup.co.in/pdf/Remuneration%20Policy_13.02.2019

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 and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 that they meet the criteria of independence as laid down in section 149(6) of the Companies act, 2013 and Regulation 16(1)(b) of the SEBI LODR.

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

Annual evaluation of the performance of the Board, its Committees and individual directors has been made pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 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 seven 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 Audit Committee is duly constituted by the Board of Directors of the Company in accordance with the requirements 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 2019, comprises of:

1. Mr. Surender Kumar Tuteja, Chairman
2. Dr. Ashok Kumar, Member
3. Mr. Rajesh 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 is duly constituted 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 2019, comprises of the following directors:

1. Dr. Ashok Kumar, Chairman
2. Mr. Surender Kumar Tuteja, Member
3. Ms. Dipali Mittal, Member

c. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of Directors is duly constituted by the Board of Directors of the Company in accordance with the requirements Section

178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders Relationship Committee as on 31st March 2019, comprising the following Directors:

1. Dr. Ashok Kumar, Chairman
2. Mr. Surender Kumar Tuteja, Member
3. Ms. Dipali Mittal, Member

23. Investor Education and Protection Fund

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), during the year under review, the dividend declared for the financial year 2010-11 which was remained unclaimed from seven consecutive years was transferred to Investor Education and Protection Fund. Further, shares of the Company, in respect of which dividend has not been claimed from seven consecutive years from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

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 been formulated to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns from time to time. The said policy is placed on the website of the Company and may be accessed at a link:-

[http://media.a2zgroup.co.in/pdf/VIGIL%20\(WHISTLE%20BLOWER\)%20POLICY_13.02.2019](http://media.a2zgroup.co.in/pdf/VIGIL%20(WHISTLE%20BLOWER)%20POLICY_13.02.2019)

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

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

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

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 2018-19 are disclosed in **Form No. AOC -2** which forms part of the Annual Report as an **Annexure C**. 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://media.a2zgroup.co.in/pdf/A2Z-%20Policy%20on%20Materiality%20of%20and%20Dealing%20with%20Related%20Party%20Transactions>

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 annual 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), A2Z Employees Stock Option Plan 2014 (ESOP 2014), A2Z Employees Stock Option Plan 2013 (Re-grant-I)(ESOP 2013 Re-grant I) and A2Z Employees Stock Option Plan 2014 (Re-grant-I)(ESOP 2014 Re-grant I), A2Z Employees Stock Option Plan 2018 (ESOP 2018) of the Company in accordance with the applicable SEBI Guidelines.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31st March 2019 with regard to the ESOP 2010, ESOP 2013, ESOP 2014, ESOP 2013 Re-grant I & ESOP 2014 Re-grant I and ESOP 2018 are provided in **Annexure D** to this Report.

The certificates from the Auditors of the Company stating that the Schemes have been implemented in accordance with the SEBI Guidelines/ SEBI (Share Based Employee Benefits) 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, 2019 made under the provisions of Section 92(3) of the Act is attached as **Annexure E** 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 F**.

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 G** which forms part of this report.

32. Disclosure requirements

- As per Regulation 34 read with Schedule V 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.
- Details of the familiarization program of the independent directors are available on the website of the Company (URL: http://a2zgroup.co.in/pdf/Familiarization_Programme_for_Independent_Directors).
- In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Chief Executive officer and the Chief Financial officer furnished a certificate to the Board of Directors in the prescribed format for the year under review and taken on record by the Board.

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 2019-2020 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:

- In the preparation of the annual accounts for the Financial Year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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, 2019 and of the profit and loss of the company for that period;
- 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;
- The directors have prepared the annual accounts on a going concern basis; and
- 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.
- 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 the below mentioned items) during the year under review:

1. No profits were transferred to any Reserves.
2. No 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 a Managing Director or Whole-time Director of the Company has received any remuneration or commission from any Holding Company or Subsidiary Company of the Company.

However, Mr. Amit Mittal, Managing Director of the Company has been appointed as Managing Director in A2Z Infrservices Ltd. ("AISL"), a material subsidiary Company on October 24, 2015. He is in receipt of INR 48,00,000/- as remuneration in his capacity as Managing Director of AISL for the financial year 2018-19.

Mr. Rajesh Jain, Whole Time Director cum CEO of the Company has been appointed as Whole Time Director in A2Z Infrservices Ltd. ("AISL"), a material subsidiary

Company on December 01, 2018. He is in receipt of INR 16,00,000/- as remuneration in his capacity as Whole Time Director of AISL during the financial year 2018-19.

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 efforts and high degree of commitment and dedication. Your Directors especially appreciate the continued understanding and confidence of the Members. Your Directors also thank and appreciate all the Bankers of the Company for their support extended by them to the Company in difficult times and for accepting the settlement process for settling the debt amount in an amicable manner.

For and on behalf of Board of Directors

(Surender Kumar Tuteja)
Chairman
DIN-00594076

Date : August 13, 2019
Place : Gurugram





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 Subsidiary/ Associate 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 Infratechnologies Limited	15-Apr-08	2018-19	INR	381.60	7,163.94	330.79	26,004.47	18,458.93	27,573.27	925.41	323.89	601.52	-	93.83%
2	Magic Genie Services Limited	10-Feb-11	2018-19	INR	8.00	(163.01)	-	66.57	221.58	40.78	(43.59)	-	(43.59)	-	75.00%
3	A2Z Powerroom Limited	28-Apr-08	2018-19	INR	12.50	98.96	-	1,167.55	1,056.09	1,539.25	(45.40)	21.66	(67.06)	-	100.00%
4	A2Z Powertech Limited	28-Apr-08	2018-19	INR	140.00	(192.40)	-	88.06	140.46	1.72	(21.57)	-	(21.57)	-	100.00%
5	Mansi Billee & Rice Mills Limited	10-Jun-10	2018-19	INR	5.00	919.79	3,386.78	4,103.05	3,178.26	51.64	12.55	-	12.55	-	100.00%
6	Chavan Rishi International Limited	2-Mar-11	2018-19	INR	114.63	73.20	-	902.68	714.85	157.80	(3.96)	13.59	(17.55)	-	100.00%
7	Ecogreen Envirotech Solutions Limited *	10-Nov-10	2018-19	INR	5.00	467.19	-	2,646.75	2,174.56	5,875.19	588.80	181.97	406.83	-	45.98%
8	A2Z Infratechnologies (Lanka) Pvt. Ltd. *	6-Jan-17	2018-19	LKR	1.00	-	-	-	-	-	-	-	-	-	93.83%
9	A2Z Green Waste Management Limited **	22-Mar-07	2018-19	INR	-	-	-	-	-	1,271.15	(963.25)	-	(963.25)	-	NA
10	A2Z Waste Management (Naintal) Private Limited **	28-Oct-11	2018-19	INR	-	-	-	-	-	23.79	(6.36)	-	(6.36)	-	NA
11	A2Z Waste Management (Algarh) Limited **	4-Dec-09	2018-19	INR	-	-	-	-	-	679.47	(176.20)	-	(176.20)	-	NA
12	A2Z Waste Management (Badaun) Limited **	10-Nov-10	2018-19	INR	-	-	-	-	-	0.08	(20.03)	-	(20.03)	-	NA
13	A2Z Waste Management (Balia) Limited **	10-Nov-10	2018-19	INR	-	-	-	-	-	0.89	(19.71)	-	(19.71)	-	NA
14	A2Z Waste Management (Dhanbad) Private Limited **	28-Oct-11	2018-19	INR	-	-	-	-	-	37.71	(1.61)	-	(1.61)	-	NA
15	A2Z Waste Management (Fatehpur) Limited **	10-Nov-10	2018-19	INR	-	-	-	-	-	36.27	(135.72)	-	(135.72)	-	NA
16	A2Z Waste Management (Jaunpur) Limited **	9-Nov-10	2018-19	INR	-	-	-	-	-	0.08	(11.71)	-	(11.71)	-	NA
17	A2Z Waste Management (Ludhiana) Limited **	14-Jul-11	2018-19	INR	-	-	-	-	-	1,893.01	(130.03)	-	(130.03)	-	NA
18	A2Z Waste Management (Ranchi) Limited **	1-Mar-11	2018-19	INR	-	-	-	-	-	168.09	(153.59)	-	(153.59)	-	NA
19	Magic Genie Smartech Solutions Limited **	24-Jun-16	2018-19	INR	-	-	-	-	-	171.22	6.71	2.56	4.16	-	NA
20	A2Z Waste Management (Merut) Limited **	4-Dec-09	2018-19	INR	-	-	-	-	-	146.89	(200.86)	-	(200.86)	-	NA
21	A2Z Waste Management (Mirzapur) Limited **	10-Nov-10	2018-19	INR	-	-	-	-	-	0.04	(39.85)	-	(39.85)	-	NA
22	A2Z Waste Management (Moradabad) Limited **	4-Dec-09	2018-19	INR	-	-	-	-	-	72.98	(410.83)	-	(410.83)	-	NA
23	A2Z Waste Management (Sambhal) Limited **	10-Nov-10	2018-19	INR	-	-	-	-	-	2.76	(8.98)	-	(8.98)	-	NA
24	A2Z Waste Management (Jaipur) Limited **	10-Jul-12	2018-19	INR	-	-	-	-	-	-	(81.45)	-	(81.45)	-	NA
25	A2Z Waste Management (Ahmedabad) Limited **	15-Oct-12	2018-19	INR	-	-	-	-	-	-	(0.49)	-	(0.49)	-	NA
26	Shree Bajaji Pottery Private Limited**	23-May-14	2018-19	INR	-	-	-	-	-	-	(3.78)	-	(3.78)	-	NA
27	Shree Hari Om Ustensils Private Limited**	23-May-14	2018-19	INR	-	-	-	-	-	-	(4.57)	-	(4.57)	-	NA
28	Earth Environment Management Services Pvt Ltd**	30-Jun-14	2018-19	INR	-	-	-	-	-	-	(127.69)	-	(127.69)	-	NA
29	A2Z Waste Management (Varanasi) Limited **	4-Dec-09	2018-19	INR	-	-	-	-	-	182.33	(393.72)	-	(393.72)	-	NA
30	A2Z Mayo SNT Waste Management (Nanded) Private Limited**	30-Mar-13	2018-19	INR	-	-	-	-	-	-	(2.37)	-	(2.37)	-	NA
31	Selligence Technologies Services Private Limited**	12-Aug-08	2018-19	INR	-	-	-	-	-	-	(123.46)	-	(123.46)	-	NA

* Indirect Subsidiaries through A2Z Infratechnologies Limited

** Ceased to be Subsidiaries and became Associate of the Company w.e.f. March 12, 2019. Selligence Technologies Services Private Ltd. and A2Z Mayo SNT Waste Management (Nanded) Private Ltd. are under process of strike off w.e.f. October 31, 2018 and April 02, 2019 respectively.

Part-B Associates

S. No.	Name of the Subsidiary Company	Latest audited Balance Sheet Date	Shares of Associate or Joint Ventures held by the company at the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to shareholding as per latest audited Balance Sheet	Profit or Loss for the year	
			No.	Amount of Investment in Associates or Joint Venture	Extent of Holding (in percentage)				Considered in Consolidation	Not Considered in Consolidation
1	A2Z Green Waste Management Limited (A2Z Waste Management Group)*	31.03.2019	96,93,387	969.40	42.61	By virtue of shareholding	NA	(27,403.49)	(974.88)	(1,313.04)
2	A2Z Waste Management (Nainital) Private Limited	31.03.2019	24,000	2.40	48.00	By virtue of shareholding	NA	(17.96)	-	(0.49)

* A2Z Green Waste Management Limited together with its Subsidiaries is referred to as A2Z Waste Management Group.



Names of the subsidiary which is yet to commence operations

1. Mansi Bijlee & Rice Mills Limited

Names of associates which are yet to commence operations

1. A2Z Waste Management (Badaun) Limited
2. A2Z Waste Management (Baliala) Limited
3. A2Z Waste Management (Mirzapur) Limited
4. A2Z Waste Management (Sambhal) Limited
5. A2Z Waste Management (Jaipur) Limited
6. Shree Balaji Pottery Private Limited
7. Shree Hari Om Utensils Private Limited
8. A2Z Waste Management (Ahmedabad) Limited
9. Earth Environment Management Services Private Limited

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 2019**

**The Members,
A2Z Infra Engineering Limited
O-116, 1st Floor, DLF Shopping Mall,
Arjun Marg, Gurugram – 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, 2019, 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 2019 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 (Registrars 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.

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

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

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



5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; Our examination was limited to the verification of the procedures on test basis.
6. 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 various 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:

The Company has approved A2Z Employees Stock Option Plan 2018 in the Annual General Meeting held on 29th September 2018, for the eligible employees / directors of the Company and subsidiary companies.

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**

Place : New Delhi
Dated : 13th August 2019

**Suchitta Koley
Partner
CP No.: 714**

SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARY**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**

For the Financial Year ended March 31, 2019

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

To,
The Members**A2Z Infrservices Limited**O-116, 1st Floor, DLF Shopping Mall,
Arjun Marg, DLF PH-I, Gurgaon, Haryana

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

Based on our verification of the books, papers, minute books, 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 31st March, 2019 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 A2Z Infrservices Limited (the Company) for the financial year ended on 31st March, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. Other Applicable Laws:

Labour Laws:

1. Shops and Commercial Establishments Act, 1958 read with Shops and Commercial Establishments Rules.
2. Employees Provident Fund and Miscellaneous Provisions Act, 1952, The Employees Provident Funds Scheme, 1952, The Employees Deposit-Linked Insurance Scheme, 1976 & The Employees Pension Fund Scheme, 1995.
3. The Contract Labour (Regulation & Abolition) Act - 1970 and Rules framed thereunder;
4. The Employees State Insurance Act, 1948, Employees State Insurance (Central) Rules, 1950 and Employees State Insurance (General) Regulations, 1950.
5. Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976.
6. Maternity Benefit Act, 1961 read with State Maternity Benefit Rules framed thereunder.
7. Minimum Wages Act, 1948 read with State Minimum Wages Rules framed thereunder.
8. The Payment of Gratuity Act, 1972 read with State Payment of Gratuity Rules framed thereunder.

9. Child Labour (Prohibition and Regulation) Act, 1986 read with Child Labour (Prohibition and Regulation) Rules, 1988.
10. Payment of Wages Act, 1936 read with State Payment of Wages Rules framed thereunder.
11. The Payment of Bonus Act, 1965 read with the Payment of Bonus Rules, 1975.
12. The Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act 2013.
13. Public Liability Insurance Act
14. Professional Tax Act

We have also examined compliance with the applicable clause of the following:

- (1) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executives 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.

Adequate notice along with detailed agenda were given to all directors for the Board Meetings and a system exists for seeking and obtaining further information and clarification on agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes maintained by the Company for the Board/ Committee and Shareholders, we noticed that most of the decisions were approved by the respective Board/ Committee and Shareholders without any dissent note.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We also report that the compliances of other applicable laws, as listed in Para 2 above, are based on the management certifications and further reporting to the Board through agenda papers.

**For Nitin Goyal & Associates
Company Secretaries**

Date: 08/08/2019
Place: New Delhi

**Nitin Goyal
Company Secretary
C.P. No.: 11599**



Annexure-C

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

- 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, 2019, which were not at arm length basis.
- 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, 2019 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, Non-Executive and Non-Independent Director of the Company (Wife of Mr. Amit Mittal, Managing Director of the Company)	Lease Deed (O-116, 1st Floor, DLF Shopping Mall, Haryana - 122002)	Tenure of the deed is 11+11+11=33 months starting from 01.09.2017 till 31.05.2020	The amount of lease rent to be paid INR 87,840/- per month.	14.08.2017	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 i.e. 30.09.2015	Purchase/Sale/Supply of goods or material or render service of any nature upto an amount not exceeding INR 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, Gurugram - 122002, Haryana)	Tenure of the deed is 11+11+11=33 months starting from 01.01.2019 till 30.09.2021	The amount of lease rent paid is 44,000/- Per month.	13.11.2018	NIL
4	Chavan Rishi International Limited	Leasing Services	Tenure of the deed is 11+11+11=33 months starting from 01.04.2017 till 31.12.2019	Annual Rent is INR 30,00,000/-	13.02.2017	NIL
5	A2Z Infraservices Limited	Availing Facility Management Services/Manpower Supply	F.Y.2018-19	Annual amount is up to INR 5,00,00,000/- (Exclusive of Service Tax)	29.05.2018	NIL
6	Direct/Indirect Subsidiary/Associate of the Company	Sale of Goods/ Services and property of any kind	F.Y. 2018-19	Sale of Goods/Services up to INR 25,00,000/- only.	29.05.2018	NIL
7	A2Z Powercom Limited	Sale of Goods/ Services and property of any kind	F.Y. 2018-19	Sale of Goods/Services up to INR 7,50,00,000/- (Exclusive of Tax).	29.05.2018	NIL
8.	A2Z Waste Management (Ludhiana) Ltd.	Purchase of Goods/ Services	F.Y. 2018-19	Purchase of Goods/Services up to INR 2,00,00,000/- (Exclusive of taxes)	29.05.2018	NIL
9	A2Z Infraservices Limited	Providing Management Consultancy and Technical Services	For Duration of the project	Providing Management Consultancy and Technical Services upto INR 6,00,00,000/- (Exclusive of Taxes).	29.05.2018	NIL

ANNEXURE D**Disclosure regarding Employees Stock Option Plans of the Company for the year ended March 31, 2019**

S.NO	PARTICULARS	A2Z EMPLOYEES STOCK OPTION PLAN 2010	A2Z EMPLOYEES STOCK OPTION PLAN 2013	A2Z EMPLOYEES STOCK OPTION PLAN 2013	A2Z EMPLOYEES STOCK OPTION PLAN 2014	A2Z EMPLOYEES STOCK OPTION PLAN 2013 (REGRANT-I)	A2Z EMPLOYEES STOCK OPTION PLAN 2014 (REGRANT-I)	A2Z EMPLOYEES STOCK OPTION PLAN 2018
			Trench I	Trench II				
1.	Date of Shareholders Approval	30.03.2010	28.09.2013	28.09.2013	27.09.2014	28.09.2013	27.09.2014	29.09.2018
2.	Number of Stock options granted	4,77,250	16,95,000	19,05,000	45,00,000	7,88,000	9,72,000	38,00,000
3.	Exercise Price	INR 314.13	INR 10.35	INR 19.95	INR 15.50	INR 36.90	INR 36.90	INR 10.00
4.	Option Vested during the year	NIL	NIL	NIL	13,60,000	2,36,400	2,18,100	NIL
5.	Number of Option exercised during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6.	Number of Shares arising as a result of exercise of option	NIL	NIL	NIL	NIL	NIL	NIL	NIL
7.	Variation of terms of options	NONE	NONE	NONE	NONE	NONE	NONE	NONE
8.	Number of option lapsed during the year	42,750	NIL	NIL	NIL	NIL	4,90,000	NIL
9.	Money realized upon exercise of options	NIL	NIL	NIL	NIL	NIL	NIL	NIL
10.	Total number of option in force	77,800	NIL	2,69,000	19,15,000	7,88,000	4,82,000	38,00,000
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 2018-19 is INR 170.73 Lakh (2017-18- INR 160.59 Lakh) and INR 20.38 Lakh (2017-18- INR 35.55 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 INR 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	INR 314.13	INR 10.35	INR 19.95	INR 15.50	INR 36.90	INR 36.90	INR 10.00
	b) Weighted average fair value of options granted on the date of grant	INR 58.23	INR 7.23	INR 14.52	INR 11.15	INR 24.81	INR 24.81	INR 6.09
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	INR 221.75	INR 7.23	INR 14.52	INR 10.48	INR 39.40	INR 39.40	INR 10.40
	(ii) Exercise Price	INR 314.13	INR 10.35	INR 19.95	INR 15.50	INR 36.90	INR 36.90	INR 10.00
	(iii) Annual Volatility (Standard Deviation - Annual)	34.93%	65.19%	67.05%	65.50%	50.14%	50.14%	61.62%
	(iv) Time to Maturity - in years	10	6	8	8	8	8	8
	(v) Dividend Yield	2.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	(vi) Risk free Rate - Annual	7.45%	8.90%	8.64%	8.19%	6.74%	6.74%	7.38%

Summary of the Status of Options

S.NO	PARTICULARS	A2Z EMPLOYEES STOCK OPTION PLAN 2010	A2Z EMPLOYEES STOCK OPTION PLAN 2013	A2Z EMPLOYEES STOCK OPTION PLAN 2013	A2Z EMPLOYEES STOCK OPTION PLAN 2014	A2Z EMPLOYEES STOCK OPTION PLAN 2013 (REGRANT-I)	A2Z EMPLOYEES STOCK OPTION PLAN 2014 (REGRANT-I)	A2Z EMPLOYEES STOCK OPTION PLAN 2018
			Trench I	Trench II				
1.	Total Options Granted	4,77,250	16,95,000	19,05,000	45,00,000	7,88,000	9,72,000	38,00,000
2.	Total Options Lapsed	3,99,450	2,05,000	6,81,000	7,00,000	NIL	4,90,000	NIL
3.	Total Options Exercised	NIL	14,90,000	9,55,000	18,85,000	NIL	NIL	NIL
4.	Outstanding at the end of the year	77,800	NIL	2,69,000	19,15,000	7,88,000	4,82,000	38,00,000

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		A2Z Stock Option Plan 2013 (REGRANT-1)		A2Z Stock Option Plan 2014 (REGRANT-1)		A2Z Stock Option Plan 2018	
			Granted on June 02, 2010 & Status as on 31.03.2019	Exercised	Grant	Exercised	Grant	Exercised	Granted on February 03, 2014 & Status as on 31.03.2019	Exercised	Grant	Exercised	Granted on July 03, 2014 & Status as on 31.03.2019	Exercised	Granted on July 06, 2015 & Status as on 31.03.2019	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	4,00,000*	-	-	-	15,00,000*	-
2	Dr. Ashok Kumar Saini	Non-Executive Director	33,750*	-	3,50,000*	3,50,000	-	-	-	1,20,000	75,000*	-	-	-	5,00,000*	-
3	Mr. Atul Kumar Agarwal	Company Secretary	5,000	-	25,000	25,000	2,00,000*	1,20,000	4,00,000*	2,40,000	2,00,000*	-	-	-	5,00,000*	-
4	Mr. Manoj Gupta	President	33,750*	-	350,000*	350,000	-	-	-	2,40,000	75,000*	-	-	-	5,00,000*	-
5	Mr. Sanjeev Sharma	President	33,750*	-	250,000*	250,000	-	-	-	1,20,000	-	-	75,000*	-	50,000	-
6	Mr. Manoj Tiwari	President	-	-	50,000	50,000	40,000	40,000	1,00,000	60,000	38,000	-	12,000	-	50,000	-

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



**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2019

[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 LTD.
Category/Sub-Category of the Company	Company Limited by shares/Indian Non-Government Company
Address of the Registered office and contact details	O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF Phase-I, Gurugram – 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 3E/7, Jhandewalan Extension, New Delhi – 110055 Ph.: +91-11-42541234, 23541234 Fax: - +91-11-23552001 Email ID: - rta@alankit.com , Website : www.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	95.37%

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 Ltd O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U74140HR2008PLC037820	Subsidiary	93.83	2(87)
2	A2Z Powercom Ltd. O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U45204HR2008PLC037877	Subsidiary	100.00	2(87)
3	Magic Genie Services Ltd. O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U74999HR2011PLC042055	Subsidiary	75.00	2(87)
4	A2Z Powertech Ltd. O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U72900HR2008PLC037875	Subsidiary	100.00	2(87)
5	Chavan Rishi International Ltd. Plot No- B. 38, Institutional Area, Sector -32, Gurugram- 122001, Haryana	U51909HR1989PLC053273	Subsidiary	100.00	2(87)
6	Mansi Bijlee & Rice Mills Ltd O-116, 1 st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U74140HR2010PLC040670	Subsidiary	100.00	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Subsidiary/ Associate/ Joint Venture	% of Shares Held	Applicable Section
7	Ecogreen Envirotech Solutions Ltd. O-116, 1st Floor, DLF Shopping Mall, Arjun Marg, DLF PH-I Gurugram - 122002, Haryana	U90000HR2010PLC041510	Indirect Subsidiary	45.98	2(87)
8	A2Z Infraserivices Lanka Pvt. Ltd. BOC Merchant Tower, Level 8, No: 28 St. Michael's Road, Colombo 3	119227	Indirect Foreign Subsidiary	93.83	2(87)
9	A2Z Waste Management (Nainital) Private Ltd. Plot No. B-38, Institutional Area, Sector-32, Gurgaon-122001, Haryana	U90000HR2010PTC040688	Associate	48.00	2(6)
10	A2Z Green Waste Management Ltd. (Group)* 28/142, Ground Floor, West Patel Nagar, Delhi-110008	U45200DL2007PLC160927	Associate	42.61	2(6)

*The Company had sold its 12,00,000 equity shares constituting 5.27% stake held in A2Z Green Waste Management Limited resulting into the Company losing its management control over A2Z Green and henceforth, A2Z Green has ceased to be a subsidiary of the Company for all purposes w.e.f 12th March, 2019. The shareholding of the Company now stands reduced to 42.61%.

A2Z Green Waste Management Limited ('AGWML') which has holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited) together with its subsidiaries is referred to as A2Z Green Waste Management Group.

Subsidiaries of A2Z Green Waste Management Ltd.:

1. A2Z Waste Management (Aligarh) Ltd.
2. A2Z Waste Management (Badaun) Ltd.
3. A2Z Waste Management (Baliala) Ltd.
4. A2Z Waste Management (Dhanbad) Pvt. Ltd.
5. A2Z Waste Management (Fatehpur) Ltd.
6. A2Z Waste Management (Jaunpur) Ltd.
7. A2Z Waste Management (Ludhiana) Ltd.
8. A2Z Waste Management (Ranchi) Ltd.
9. A2Z Waste Management (Merrut) Ltd.
10. A2Z Waste Management (Mirzapur) Ltd.
11. A2Z Waste Management (Moradabad) Ltd.
12. A2Z Waste Management (Sambhal) Ltd.
13. A2Z Waste Management (Jaipur) Ltd.
14. A2Z Waste Management (Ahmedabad) Ltd.
15. A2Z Mayo SNT Waste Management (Nanded) Pvt. Ltd. (Strike-off w.e.f. 02nd April, 2019)
16. Shree Balaji Pottery Private Limited.
17. Shree Hari Om Utensils Private Limited
18. A2Z Waste Management (Varanasi) Ltd.
19. Earth Environment Management Services Pvt Ltd.

Subsidiaries of A2Z Waste Management (Ludhiana) Ltd.:

1. Magic Genie Smartech Solutions Limited.

Further, during the year, Selligence Technologies Services Private Ltd., subsidiary of the Company has been Strike-off w.e.f 31st October, 2018.



4. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) AS ON 31ST MARCH, 2019

a. Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2018)				No. of Shares held at the end of the Year (31.03.2019)				% 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	29853485	0	29853485	16.95	29296785	0	29296785	16.63	(0.32)
	(b) Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	-
	(c) Bodies Corporate	22200000	0	22200000	12.61	22200000	0	22200000	12.61	-
	(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)	52053485	0	52053485	29.56	51496785	0	51496785	29.24	(0.32)
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)	52053485	0	52053485	29.56	51496785	0	51496785	29.24	(0.32)
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	-
(b)	Financial Institutions / Banks	7236582	0	7236582	4.11	6295608	0	6295608	3.57	(0.54)
(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	4734546	0	4734546	2.69	4295439	0	4295439	2.44	(0.25)
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Other (specify)# BANK FOREIGN	12562815	0	12562815	7.13	12562815	0	12562815	7.13	0
	Sub-Total (B)(1)	24533943	0	24533943	13.93	23153862	0	23153862	13.14	(0.78)
B 2	Central Government/ State Government(s)/ President of India	0	0	0	0.00	12438	0	12438	0.01	0.01
	Sub-Total (B)(2)	0	0	0	0.00	12438	0	12438	0.01	0.01
B3	Non-institutions									
(a)	Bodies Corporate	28937181	0	28937181	16.43	28567537	0	28567537	16.22	(0.21)
(b)	Individuals									
i.	Individual shareholders holding nominal share capital up to INR 1 lakh	27143687	7047	2715073 4	15.42	27250342	4943	27255285	15.48	0.06
ii.	Individual shareholders holding nominal share capital in excess of INR 1 lakh.	33260128	0	33260128	18.88	34864524	0	34864524	19.80	0.92
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(d)	Any Other (specify)									
(d-i)	Non Resident Indian	9403716	0	9403716	5.34	10362205	0	10362205	5.88	0.54
(d-ii)	Corporate Body (Foreign Body)	0	0	0	0.00	0	0	0	0.00	-
(d-iii)	Trust	15250	0	15250	0.01	0	0	0	0	(0.01)

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2018)				No. of Shares held at the end of the Year (31.03.2019)				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d-iv)	NBFCs registered with RBI	12950	0	12950	0.01	13100	0	13100	0.01	-
(d-v)	Clearing member	752471	0	752471	0.43	394122	0	394122	0.22	(0.21)
	Sub-Total (B)(3)	99525383	7047	99532430	56.51	101451830	4943	101456773	57.61	1.1
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	124059326	7047	124066373	70.44	124618130	4943	124623073	70.76	0.32
	TOTAL (A)+(B)	176112811	7047	176119858	100.00	176114915	4943	176119858	100.00	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	-
2	Public	0	0	0	0.00	0	0	0	0.00	-
	Sub-Total (C)	0	0	0	0.00	0	0	0	0.00	-
	GRAND TOTAL (A)+(B)+(C)	176112811	7047	176119858	100.00	176114915	4943	176119858	100.00	-

b. Shareholding of Promoters/Promoters Group:-

Sl. No.	Shareholder's/ Promoter Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in Shareholding 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*	2,79,07,301	15.85	15.85	2,73,50,601	15.53	15.53	(0.32)*
2.	Priya Goel	10,382	0.01	0.00	10,382	0.01	0.00	—
3.	Shivswaroop Gupta (HUF)	19,35,802	1.10	0.00	19,35,802	1.10	0.00	-
4.	Mestric Consultants Private Ltd.	2,22,00,000	12.61	12.61	2,22,00,000	12.61	12.61	-
	Total	5,20,53,485	29.56	28.46	5,14,96,785	29.24	28.14	(0.32)

* During the F.Y. 2018-19, 5,56,700 equity Shares held by Mr. Amit Mittal, were invoked by the Globe Fincap Ltd. out of the pledged shares to set off the outstanding dues along with interest.

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

	Shareholding at the beginning of the year (01.04.2018)		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	5,20,53,485	29.56	01.10.2018 to 08.10.2018	5,55,000	Equity Shares have been invoked by Globe Fincap Ltd. out of the pledged Shares of Mr. Amit Mittal ("promoter of the Company") to set off the outstanding dues.	5,14,98,485	29.24
			31/01/2019	1,700	Equity Shares have been invoked by the Globe Fincap Ltd. out of the pledged Shares of Mr. Amit Mittal ("promoter of the Company") to set off the outstanding dues.	5,14,96,785	29.24
At the end of the year	5,14,96,785	29.24	31/03/2019	-	-	5,14,96,785	29.24



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 (01.04.2018)		Change in Shareholding (No. of Shares)		Shareholding at the end of the year (31.03.2019)	
		No. of Shares	% of total Shares of the company	Increase	Decrease	No. of Shares	% of total Shares of the company
1.	Standard Chartered Bank	12562815	7.13	-	-	12562815	7.13
2.	Edelweiss Asset Reconstruction Company Ltd.	11432161	6.49	-	-	11432161	6.49
3.	Shankar Sharma	8200000	4.66	-	-	8200000	4.66
4.	SICOM Ltd.	6281408	3.57	-	-	6281408	3.57
5.	Mohammad Mansoor**	5316180	3.02	-	4369464	946716	0.54
6.	Aspire Emerging Fund	2703439	1.53	-	-	2703439	1.53
7.	Jane Sequeira Pinto	2604901	1.48	-	75000	2529901	1.44
8.	IL AND FS Securities Services Ltd.**	1701075	0.97	-	1041475	659600	0.37
9.	Globe Capital Market Ltd	1571111	0.89	24423	-	1595534	0.91
10.	YUYU Medimpex P. Ltd**	1186768	0.67	-	636818	549950	0.31
11.	Multiplex Capital Ltd.*	102046	0.06	1662136	-	1764182	0.65
12.	India Opportunities Growth Fund Ltd - Pinewood Strategy*	1050000	0.60	50000	-	1100000	0.63
13.	Perfect Synergy Advisory Services Pvt. Ltd*	-	-	1066264	-	1066264	0.61

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, 2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31st March, 2019.

**Ceased to be in the Top 10 shareholders as on 31st March, 2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 1st April, 2018.

e. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (01.04.2018)		Cumulative in Shareholding during the year (31.03.2019)	
		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. Amit Mittal	2,79,07,301	15.85	2,73,50,601	15.53
4.	Ms. Dipali Mittal	NIL	NIL	NIL	NIL
5.	Mr. Rajesh Jain	4,67,988	0.27	4,62,988	0.25
6.	Dr. Ashok Kumar Saini	3,00,000	0.17	3,00,000	0.17
7.	Mr. Atul K. Agarwal	2,42,966	0.14	57,045	0.03
8.	Mr. G. R. Nagendran*	Nil	Nil	Nil	Nil
9.	Mr. Rajiv Chaturvedi**	Nil	Nil	Nil	Nil

*Dr. G. R. Nagendran ceased to be Chief Financial Officer of the Company w.e.f. February 13, 2019.

** Mr. Rajiv Chaturvedi was appointed as the Chief Financial Officer of the Company w.e.f. February 14, 2019.

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 (01.04.2018)				
i) Principal Amount	7,35,89,03,221	-	-	7,35,89,03,221
ii) Interest due but not paid	1,53,88,39,571	-	-	1,53,88,39,571
iii) Interest accrued but not due	1,07,98,326	-	-	1,07,98,326
Total (i+ii+iii)	8,90,85,41,118	-	-	8,90,85,41,118
Change in Indebtedness during the financial year	-			
Addition	-	-	-	-
Reduction	5,08,89,86,673	-	-	5,08,89,86,673
Net Change	(5,08,89,86,673)	-	-	(5,08,89,86,673)
Indebtedness at the end of the financial year(31.03.2019)	-			
i) Principal Amount	3,41,67,49,001	-	-	3,41,67,49,001
ii) Interest due but not paid	39,93,54,329	-	-	39,93,54,329
iii) Interest accrued but not due	34,51,115	-	-	34,51,115
Total (i+ii+iii)	3,81,95,54,445	-	-	3,81,95,54,445

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)	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*	9,00,000**	7,50,000**	16,50,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	Nil	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	Nil	-	-	-
2.	Stock Option	Nil	-	-	-
3.	Sweat Equity	Nil	-	-	-
4.	Commission- as % of profit	Nil	-	-	-
5.	Others, Allowances	Nil	-	-	-
	Total (A)	Nil	9,00,000	7,50,000	16,50,000
	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 Ltd. ("AISL"), a material subsidiary Company on October 24, 2015 and he is in receipt of INR 48,00,000/- p.a. as remuneration in his capacity as Managing Director of AISL for the financial year 2018-19.

**The Company has filed applications with the Central Government for getting approvals for payment of remuneration to Mr. Rajesh Jain & Mr. Ashok Kumar Saini after their re-appointment as Whole Time Directors of the Company for a period of 3 years w.e.f. 13th November, 2017 and 15th February, 2018 respectively in accordance with provisions of section 197 read with Schedule V of the Companies Act 2013. However, due to amendment in the provisions of Companies Act, 2013, the Central Government has abated the said applications via abatement letter dated 09th October, 2018. Therefore the remuneration paid is being held in trust by the said directors. Further the said amount shall be recoverable from the said Directors within time line as defined in the Companies Act, 2013.



Further, Mr. Rajesh Jain has been appointed as Whole Time Director in A2Z Infraserivces Ltd. ("AISL"), a material subsidiary Company on December 01, 2018. He is in receipt of INR 16,00,000/- as remuneration in his capacity as Whole Time Director of AISL for the financial year 2018-19 and Mr. Ashok Kumar Saini has been re-designated as Non-Executive Non-Independent Director w.e.f December 01, 2018 and has paid only sitting fees after that.

Salary includes Basic Salary, House Rent Allowance, Special Allowance, 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.

*During the Financial year 2018-19, 15,00,000 equity shares were granted to Mr. Rajesh Jain and 5,00,000 equity shares were granted to Mr. Ashok Kumar Saini under A2Z Employee Stock Option Plan 2018.

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	6,50,000	NIL	NIL	6,50,000
2.	Mr. Ashok Kumar	5,75,000	NIL	NIL	5,75,000
3.	Ms. Dipali Mittal	3,50,000	NIL	NIL	3,50,000
4.	Mr. Ashok Kumar Saini	50,000	NIL	NIL	50,000
	Total	16,25,000	NIL	NIL	16,25,000

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
		Mr. Rajiv Chaturvedi (Chief Financial Officer)	Dr. G R Nagendran (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	4,00,000/-*	21,92,146/-**	36,14,700/-	62,06,846/-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-
2.	Stock Option***	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission- as % of profit	-	-	-	-
5.	Others, Allowances	-	-	-	-
	Total (A)	4,00,000/-	21,92,146/-	36,14,700/-	62,06,846/-

*Mr. Rajiv Chaturvedi has been appointed as Chief Financial Officer of the Company on February 14, 2019. Hence the salary has been taken from February 14, 2019 to March 31, 2019.

**Dr. G. R. Nagendran resigned as Chief Financial Officer of the Company on February 13, 2019. Hence the salary has been taken from April 01, 2018 to February 13, 2019.

#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.

***During the Financial year 2018-19, 5,00,000 equity shares were granted to Mr. Atul Kumar Agarwal under A2Z Employee Stock Option Plan 2018.

d. 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-F

Particulars of employees

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

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

Name of the directors	Ratio to median remuneration
Non-executive directors	
Mr. S. K. Tuteja	3.72
Dr. Ashok Kumar	3.29
Ms. Dipali Mittal	2.13
Mr. Ashok Kumar Saini**	0.30
Executive directors	
Mr. Amit Mittal*	NA
Mr. Rajesh Jain**	NA

*Nil Remuneration has been paid to Mr. Amit Mittal during the Financial Year 2018-19.

**The Company has filed applications with the Central Government for getting approvals for payment of remuneration to Mr. Rajesh Jain & Mr. Ashok Kumar Saini after their re-appointment as Whole Time Directors of the Company for a period of 3 years w.e.f. 13th November, 2017 and 15th February, 2018 respectively in accordance with provisions of section 197 read with Schedule V of the Companies Act 2013. However, due to amendment in the provisions of Companies Act, 2013, the Central Government has abated the said applications via abatement letter dated 09th October, 2018. Therefore the remuneration paid is being held in trust by the said directors. Further the said amount shall be recoverable from the said Directors within time line as defined in the Companies Act, 2013.

Further, Mr. Rajesh Jain has been appointed as Whole Time Director in A2Z Infraserivices Ltd. ("AISL"), a material subsidiary Company on December 01, 2018. He is in receipt of INR 16,00,000/- as remuneration in his capacity as Whole Time Director of AISL for the financial year 2018-19 and Mr. Ashok Kumar Saini has been re-designated as Non-Executive Non-Independent Director w.e.f December 01, 2018 and has paid sitting fees after that.

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	NIL
Dr. Ashok Kumar	NIL
Mr. Atul Kumar Agarwal (Company Secretary)*	11.19%
Mr. Rajiv Chaturvedi**	NIL
Dr. G.R Nagendran**	Nil

*The Board of Directors of the Company at their meeting duly held on 14th August, 2018 has given approval for increasing the remuneration of Mr. Atul Kumar Agarwal, Company Secretary cum Compliance Officer of the Company.

** Mr. G.R. Nagendran has given resignation from the post of Chief Financial Officer of the Company due to pre-occupation on 13th February, 2019 and Mr. Rajiv Chaturvedi was appointed as Chief Financial Officer of the Company w.e.f. 14th February, 2019.

- C. The percentage increase in the median remuneration of employees in the financial year: (5.14%)**
- D. The number of permanent employees on the rolls of Company: 603**
- 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 9.73 and there are no exceptional circumstances for increase in the managerial remuneration.
- F. Affirmation that the remuneration is as per the remuneration policy of the Company:**
- The Company affirms remuneration is as per remuneration policy of the Company.
- G. The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable on the Company.**



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO
A. Conservation of energy:

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 2018-19 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 improving 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 and all fuel conveying using belt conveyor system covered to provide clean working atmosphere within plant. As per CPCB guideline installed Continuous Emission Monitoring System (CEMS) and successfully connected it with PPCB server. 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) Technology Absorption:

(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 to regulate feeding of 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 ø 38 mm to ø 63.5 mm
- Designed, developed and installed successfully Specialized feeders at fuel yard to feed Refused derived fuel (RDF) at uniform and controlled rate and also remove dust and small stones from RDF
- Our Ludhiana waste processing facility already functional and producing 180-200 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.
- Improvement in the quality of RDF by reducing silt and stone.

(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) Foreign Exchange earnings and outgo:

Earnings: Revenue from Engineering Services	INR 547.00 Lakh
Outgo: Expenditure in Foreign Currency	Nil
CIF value of Imports	Nil

Management Discussion & Analysis

1. Economic overview

a. Global economy

While the global economy started the year 2018 on a positive note, by the end second half of the year the pace started flagging and concerns of further slowdown emerged. Some major factors that effected this change in outlook were USA-China trade friction, pullback of loose monetary policy by major central banks especially US Federal Reserve, tighter credit policies in China, structural stresses in other major developing countries, volatility in financial and energy markets, etc.

The global economic activity was estimated to have grown at 3% in 2018 as against 3.1% in the previous year. Both the blocs, i.e. advanced economies and emerging economies saw the growth momentum flagging. The former grew by 2.1% in 2018 from 2.3% levels in 2017, in spite of USA growing by 2.9% vs. 2.2% in 2017. This was on account of the Euro zone's slower pace of growth at 1.8% vis-à-vis 2.4% in 2017 and Japan's growth declining from 1.9% to 0.8%. Similarly, emerging markets and developing economies also showed deceleration in growth from 4.5% to 4.3% in the 2017 to 2018 period. Argentinian and Turkish economies saw a steep decline in intensity of economic activity due to major macroeconomic stresses. China slowed marginally from 6.8% to 6.6% due to internal realignments and trade tensions.

The year 2019 is expected to witness further deepening of the downward risks and the outlook is much bleaker. Even though the central banks have started responding to growth concerns by halting the monetary easing rollback, and in some cases reducing lending rates, the negative impact on trade and manufacturing that started in 2018 is expected to worsen in 2019 roiling the business and consumer confidence worldwide. The effect of fiscal booster shot to the USA economy is also expected to wear-off. The World Bank has projected the global economy growth in 2019 as 2.6% in its Global Economic Prospects report of June 2019. This includes the advanced economy bloc's growth of 1.7% and emerging economies growing at 4%.

b. Indian economy

The Indian economy faced a double impact of global slowdown in the second half of 2018, which affected it in the form of volatile FOREX markets, higher oil prices and decline in exports, and internal stresses from collapse in rural demand, agricultural distress and liquidity crisis due to stress in financial sector. Starting the first quarter with a YOY growth of 8.1%, the economy rapidly slowed to much lower levels of 5.8% growth in the fourth quarter of FY2018-19. The full year growth was at 6.8% in FY2018-19 as compared to 7.2% in the previous financial year.

While the election spending was expected to give a short boost to the economy in Q1 of FY2019-20,

continued impact of muted bank credit growth, restrained money flow linked to concerns in the real estate and NBFC sectors, declining consumer spends even in urban markets, and gloomy outlook of exports linked with global trade has meant that even the most optimistic projections for the FY2019-20 do not expect the Indian economy to grow more than 7%. The Reserve Bank of India, effected its fourth continuous reduction in repo rate in its monetary policy review of August 2019 bringing the repo rate down to 5.4% from 6.5% in August 2018. It also lowered its GDP growth projection for FY2019-20 to 6.9% from the 7% projected in June 2019 review meeting, with risks weighing on the downward side.

2. Industry overview

Infrastructure

The Government of India has set itself an ambitious target of achieving a US\$ 5 trillion economy by FY2024-25. As one of the fastest growing emerging economies, India needs to build and upgrade its infrastructure at an exponential rate to be able to achieve the overall economic growth target. It is one of the limiting factors that inhibits India's gross domestic product (GDP) growth in reaching its true potential. The Niti Aayog in its fifteen year vision document has outlined the priority areas and Infrastructure sector is one of the key areas of intervention by the government. The importance placed by it on the sector is visible in the speech by Honorable Prime Minister Shree Narendra Modi where he put forth an estimate of INR 100 lakh crore investment in infrastructure during his second 5-year term.

Major declarations by the government on infrastructure sector focused on transportation, power, housing, water resources, sanitation and cleanliness sub-sectors are as follows:

1. Formation of Ministry of Jal Shakti by merging Ministry of Water Resources, River Development & Ganga Rejuvenation and Ministry of Drinking Water and Sanitation to focus on integrated water management to achieve the target of piped water supply to all households by 2024 under the Jal Jeevan Mission. The 2019-20 budget allocated INR 10,000 crore for National Rural Drinking Water Mission, nearly double than FY2018-19.
2. Railways allocated INR 94,071 crore (US\$ 14.11 billion) in 2019-20 budget. Estimated INR 50 lakh crore investment needed in railway infrastructure from 2018 to 2030.
3. Multi-modal terminals at Sahibganj and Haldia and a navigational lock at Farakka to be commissioned by 2019-20 to enhance navigational capacity of Ganga in order to increase the cargo volume on it by four times in next four years
4. Upgrade of 1.25 lakh kilometers of road over the next five years under Pradhan Mantri Gram Sadak Yojna



- (PMGSY) III at an estimated cost of INR 80,250 crore. The allocation in 2019-20 budget increased to INR 19,000 crore from INR 15,500 crore in the previous year.
5. Overall budgetary allocations for the entire transportation sector for 2019-20 was INR 83,000 crore as against INR 78,626 crore in the previous year.
 6. For the Housing for All mission, over 81 lakh houses with an investment of about INR 4.83 lakh crore sanctioned under Pradhan Mantri Awas Yojana (Urban). Similarly, 1.95 crore houses are proposed to be provided to eligible beneficiaries under Pradhan Mantri Awas Yojana (Rural) in addition to the 1.54 crore rural homes already constructed.
 7. Smart City mission allotted INR 6,450 crore in FY2019-20 budget as against INR 6,169 crore in FY2018-19 budget. Total estimated outlay for the mission was INR 2.04 lakh crore.
 8. INR 2,650 crore for the urban areas and INR 12,644 crore for the rural areas under Swachh Bharat Mission. Target to achieve 100% Open Defecation Free India by October 2019.

a. Engineering Procurement & Construction (EPC)

The EPC market in India was projected to growing at a CAGR of 20% over the last 5 years. This was on the back of increased infrastructure spending by the Government. The nearly 150 players in this sector address major opportunity segments such as Power, Roads & Bridges, Telecommunications, Railways, Irrigation & Watershed, Water Supply & Sanitation, Ports & Inland Water Transport, Oil & Gas, Mass Rapid Transport Systems (MRTS), Airports and Storage.

The Gross Fixed Capital Formation (GFCF) is a measure of overall investment in productive assets by the private and public sector. GFCF in FY2018-19 was INR 45.48 lakh crore vs. INR 41.37 lakh crore in the previous year, a growth of 9.9%. India Ratings released a projection for GFCF growth in FY2019-20 as 9.2%. Within this, the budgeted growth in capital expenditure by the central government was a little less than 7% to INR 3.38 lakh crore. The government prefers EPC model for projects not executed in PPP mode and with requirement of a faster turnaround. EPC contracts may be on offer also from PSUs which have been assigned as the implementation agency for government projects.

Power

In its Strategy document for New India @ 75, the government has set a target of providing 24x7 electricity to all and add 175GW of renewable energy generation capacity by 2022 to reduce the emission intensity of the GDP. The 175GW was distributed as 100GW of solar energy, 60GW of wind power, 10GW of biomass and 5GW of small hydro. The country's total installed capacity for power generation was 360.5 GW as on 31st July 2019, with renewables including hydro accounting

for 34.9% and nuclear contributing 1.9% of the total capacity. Distribution of the renewable installed capacity excluding large hydro power projects, as on 31st March 2019, was 45.9% from Wind, 36.3% from Solar, 11.7% from Bio-mass and balance from Small Hydro and Waste-to-Energy units. The gross electricity generated in India was 1,561.1 TWh in FY2018-19. India is the third largest producer and consumer of electricity. However, its per capita energy consumption (including electricity) at ~625.6 kilogram of oil equivalent (kgoe) is much lower than the world average of 1860 kgoe and US and China's per capita energy consumption of 6800 kgoe and 2170 kgoe, respectively.

Through its two energy access schemes, viz. Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and SAUBHAGYA, the central government achieved 100% electrification of all villages and households respectively within the targeted time frames. It has also rolled out the Integrated Power Development Scheme (IPDS) to overhaul power supply systems at the city level. Indian Railways has also decided to electrify its complete Broad Gauge network and hence, demand for electricity and electrification is expected to rise.

Telecom

Indian telecom market is the second largest in terms of subscriber base. The total number of telecom subscribers as on June 2019 were 1.187 billion, including wireless telecom subscriber base of 1.165 billion. The overall tele-density for the country was 90.11 with the urban tele-density at 160.78 and rural number at 56.99. The subscriber base is now expanding at a slow pace after seeing a reduction in the first quarter of FY2018-19. However, the wireless broadband subscriber base has seen fast expansion from 429.22 million to 576.17 million from June 2018 to June 2019 whereas wired broadband has grown only by 2.9% to touch 18.42 million subscribers in the same period. This growth of wireless subscription was driven by the crash in mobile data costs after entry of Reliance Jio, which has become a leader in the market within a couple of years. It is also launching its Jio GigaFibre home broadband product in the year 2019-20 to disrupt the broadband and cable TV distribution markets.

Major opportunity areas for the Telecom EPC players are as follows:

BharatNet: This project involves connecting all the 2.5 lakh gram panchayats with an optic fiber network to provide broadband connectivity. It is being implemented in two phases, where Phase 1 of connecting 1 lakh gram panchayats was completed by December 2017. The latest status as on July 4, 2019 showed that a total of 345,779 Km of optical fiber cable was laid to connect a total of 131,392 gram panchayats, out of which 120,562 were made service ready. The total cost of both

phases of BharatNet was estimated to be Rs 45,000 crore. A total of 2 lakh gram panchayats are targeted to be connected by March 2020.

Others: Smart City projects, connectivity for remote parts of North East India, Andaman & Nicobar Islands and Lakshadweep Islands, Rail Wi-Fi etc.

b. Facility Management Services (FMS)

The imperative to provide quality and clean physical infrastructure that aids in employee or customer satisfaction and efficient operations management is leading to increasing spends on Facility Management Services by various customer segments. This demand driver along with overall economic growth is leading to expansion of demand for professional FMS services in commercial properties such as offices, malls, railway stations, airports, residential complexes, hotels, hospitals, etc. Demand for organized FMS players is also seen in some newer areas such as beach cleaning, park management, sports facilities, etc. The service offerings include use of skilled, semi-skilled and unskilled manpower for hospitality, housekeeping, security, and technical maintenance services.

In the last one decade, the value of outsourced Facilities Management Services in India was USD 825 million. Only 35% of the total demand is currently outsourced. Globally, the FMS space was expected to reach USD 2.17 trillion by 2025, growing at a rate of 14% CAGR. An industry estimate for the Indian FMS market size was an estimated Rs 58,500 crore and an expected CAGR of 25%. The industry is seeing a shift towards automated services and technology driven services platforms with buzz around Building Information Modelling (BIM) and Computer Assisted Facilities Management (CAFM) catching on.

c. Municipal Solid Waste Management (MSW)

The increasing population and urbanization pose an enormous challenge for urban local bodies because of the large quantity of waste generated. Given the size of population in India and high population density, the scale of waste management problem is huge. As per published statistics, on an average 1.5 lakh MT of solid waste is generated in India on a daily basis. Out of this most of the waste is dumped in landfills. The total waste generated includes 26,000 MT of plastic waste, 19,650 MT of hazardous waste, and 5,480 MT of e-waste. This problem is expected to escalate as India was expected to add 22 crore new urban residents from 2011 to 2031. The solid waste generated is projected to increase to 16.5 crore MT by 2031 and to 43.6 crore MT by 2050.

Indian government's Union Ministry of Environment, Forests and Climate Change (MoEF&CC) taking cognizance of the problem had revised Solid Waste Management guidelines in 2016. Segregation of waste at source, collect-back scheme for packaging

waste, and processing of bio-degradable waste into compost/bio-methanation at source were some of the major changes included in the guidelines. In addition to this, the government is promoting modern solid waste management practices to be adopted by urban local bodies through its Smart Cities and Swachh Bharat programs. Along with the scale of challenge in handling huge volumes of solid waste and these initiatives by the Government have created an attractive window of opportunity for the nascent private MSW sector. The private players provide support for collection, transportation, segregation, treatment, recycling, and disposal of garbage.

3. Business segment review

Company overview

A2Z Group was established in 2002 as a Facility Management Services company, and has over the years grown into a leading player in the Engineering & Infrastructure Services sector with presence across multiple sub-sectors, A2Z Infra Engineering is the listed entity and flagship company of A2Z Group. It primarily operates in the Engineering Procurement & Construction (EPC) sector for Infrastructure projects, specializing in Power Transmission & Distribution and Telecom Infrastructure Development projects. The Group has cultivated professional expertise and established a proven track-record in this space, which is the main business segment currently. In Facility Management Services, the Group provides housekeeping, security, hospitality, workforce contracting, maintenance and related services. Over the years, the Group has also expanded successfully into other adjacent businesses such as the high growth solid waste management and renewable power generation as waste-to-energy projects. The solid waste management services to urban local bodies cover Collection & Transportation (C&T) and Processing of waste. The Group has been successful in developing synergies between each of the business segments. With constant innovations, A2Z Group has also productized many of the elements of its service offerings and launched environment friendly products such as 'Magic Genie Homes Services', 'Magic Genie Eco Tech Smart Green Toilet', 'Magic Bricks', 'SafaiMitra', bus shelter-cum-toilet and 'Magic e-Cycle'. These products and supply of ancillary service and equipment needs of its other businesses are the other businesses that the Group operates.

The Group's business portfolio is organized into four Strategic Business Units (SBUs) – Engineering Services (ES), Facility Management Services (FMS), Waste-to-Energy Power Generation Projects (PGP) and Municipal Solid Waste (MSW). The ES segment primarily constitutes the entire infrastructure EPC business and MSW segment includes the solid waste management offering. The Group has expanded into international markets in South Asia, Middle East, and Africa in the recent past.

Business segments

1. Engineering Services (ES)

ES has contributed the highest to the Group revenue



traditionally and in FY2018-19 its share increased from 46.6% in the previous year to 57.5%. Because of the legacy issues faced by the segment due to market disruptions prior to 2015, the Group had focused only on execution of old projects up till previous financial year. However, with these issues resolved to a large extent and growing market opportunity, the Group was successful in bagging profitable projects in the reported fiscal. **The unexecuted order book from this segment at the end of FY2018-19 is INR 879.14 crores.** Within the ES segment, the Group catered to two major industry segments – Power Transmission & Distribution (T&D) EPC and Telecom Infrastructure EPC, and has added new offering of urban infrastructure projects such as Sewage Network & Treatment Plants and focusing on solar EPC with long term O&M. It is also pursuing other opportunities such as Gas Distribution Networks, Smart Cities and Metro projects in select cities. As a line extension and a conscious strategy to build predictable revenue stream with good profitability, the Group has resolved to pursue the Operations & Maintenance (O&M) opportunity in an aggressive manner going forward.

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

The Group proven capabilities in the T&D EPC segment and specializes in a wide gamut of offerings, such as:

- 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
- Smart metering and SCADA Systems

With recovery of Infrastructure Sector and focus on increasing power generation capacity, expanding accessibility to electricity, and electrification of railway lines, the business prospects for this sub-segment are extremely bright. Past issues of unviable projects due to paucity of funds, delayed payments, and operational problems have been addressed by completing old projects to ensure good track record and winning projects with secured funding and good payment terms has helped it achieve reasonably attractive growth in the reported financial year. The Group also diversified its geographical reach by entering into international

markets.

After bagging a USD 24.6 million contract from the Rural Energy Agency of Tanzania, the Group was successful in winning another international bid of **Nepal Electricity Authority**, a Government of Nepal Undertaking for execution of the design, supply, installation/erection, testing and commissioning Of 11/0.4 kV distribution system in Nepal for an aggregate of USD 11.65 million and NPR 160.03 million including custom duty and VAT. This translates to an equivalent of roughly INR 94.9 crore in aggregate. In India, the Group received an order from the Damodar Valley Corporation for an aggregate amount of INR 12.4 crore against design, engineering, supply, erection, testing and commissioning works for installation of two SOMVA, 220/33KV Power Transformers and associated infrastructure at the Kalyaneswari Substation of DVC in West Bengal.

b. Telecom Infrastructure EPC

With a strong presence in the Telecom infrastructure projects, the Group has executed many projects to supply and lay Optical Fiber Cables (OFC) on EPC basis and delivers maintenance services of the OFC networks under Annual Maintenance Contracts (AMC) mandates. The offerings under this segment are as follows:

- 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

The BharatNet project to deliver internet connectivity through broadband access to villages, Smart Cities project, and projects for private telecom providers are the major opportunity areas for the Group.

2. Facility Management Services (FMS)

The Group caters to the facility management and maintenance needs of commercial and retail spaces including offices, railways stations, railway coaches, airports, ports, malls, etc. It has nearly two decades of experience in this space and has advanced capabilities in providing end-to-end services including soft, security, housekeeping, and technical. The Group is well positioned to target emerging opportunities in FMS services for large gated residential complexes, beaches, educational institutions, etc.

During the fiscal 2018-19, the FMS segment consolidated revenue was flattish and contributed 30.08% of the Group revenue. In this period, it bagged a four year contract from Central Railways, Pune

Division for mechanized cleaning, watering of trains including cleaning of depot premises and provision of onboard housekeeping services with linen distribution in trains of Pune Coaching Depots, Pune division. The total contract value is estimated to be INR 67.8 crores. However, the major expansion efforts in this segment were hobbled due to the focus of the Group on financial stress and issues in other SBUs, but with these issues resolved to a major extent, it is now well positioned to swell the revenue from FMS SBU.

The Group's B2C efforts within this segment are progressing at a reasonable pace with its line of innovative products and services such as 'Magic Genie Eco Tech Smart Green Toilet', 'Magic Genie Home Services', etc. These offerings are targeted at individual customers and SMEs, who demand a high quality housekeeping solution.

3. Municipal Solid Waste (MSW)

MSW segment is the fastest growing segment for the Group. In FY2018-19, it delivered a top-line growth of 57.6% and increased its contribution to the Group revenue from 7.9% in FY2017-18 to 10.1% in FY2018-19. The competitive assessment of urban local bodies under Swachh Bharat scheme of the Central Government has pushed them to tap private players to assist them in managing the enormous amounts of solid waste generated in cities. The Group offers Collection & Transportation and Treatment & Disposal (or recycling) services to handle the municipal solid waste. Continued emphasis on cleanliness and sanitation by the central government will consistently propel this segment to deliver handsomely in terms of financial performance. The focus for the Group will be the Collection & Transportation projects as it has strong capabilities in manpower handling and vehicle management.

In addition to the SWM services, the Group's 'Magic Brick' product provides a viable solution to achieve

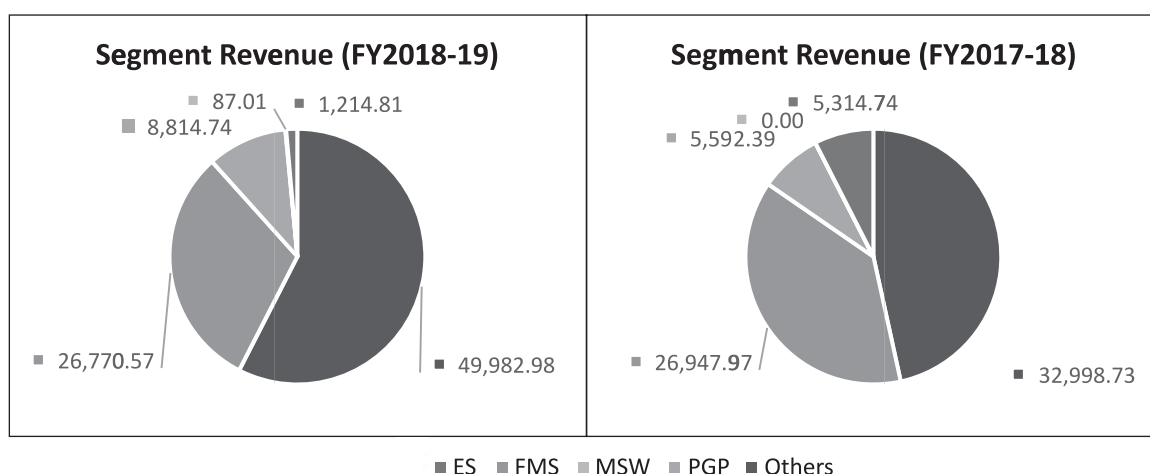
nearly 100% processing of solid waste by converting non-recyclable waste into bricks or blocks that may be used in construction projects. Similarly, organic wet waste is converted into compost for use in agriculture and Refuse Derived Fuel to be utilized by Waste-to-Energy plants. The Group has also used technology innovatively in its services, and developed a direct-to-customer smartphone app based service offering called the 'SafaiMitra' for direct collection of waste from households and offices.

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

In the PGP segment, the Group had established four power generation plants based on waste-to-energy process in Punjab and Uttar Pradesh of 15 MW rated capacity each. These plants were not operative because of the quality of RDF, which was not as per the requirement. The Group decided to convert the multi-fuel or multi-input power generation plants to only solid waste based power plants, and is expected to complete one of the plants in Punjab in FY2019-20 and has already started the process in other plants as well. While the segment recorded a small revenue of INR 87 lakh, the management has taken the impact of impairment of capital assets of INR 42 crore as an exceptional item in FY2018-19 financials.

5. Financial Review

The Group's operating revenues for the FY2018-19 on a consolidated basis were INR 869 crores as against INR 709 crores in FY2017-18. This translates into a growth of 22.7%. This was mainly on account of 51.5% increase in the ES segment revenue, where the Group was able to secure attractive projects not encumbered with issues faced in the past. The MSW business, which remains a key focus area, continued to grow in the year under review at a pace of 57.6% on a YOY basis. The PGP business also saw restart of a small trickle in revenue of INR 87 lakh in the reported year.



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



During the year under review, the Group's operating profits (EBITDA before Other Income) were INR 59 crore vs. loss of INR 25 crore in the previous year. This turnaround was on account of growth in revenue, improved revenue quality, rationalization of fixed costs and control of manpower costs. The Group was able to reduce its finance costs from INR 206 crore in FY 2017-18 to INR 60 crore in FY 2018-19 because of reduction in loans at Company level as well as group level. The

net Exceptional Items gain from these one-time settlements, revaluation of its stake in an associate after loss of control and other reasons meant that the Group posted a net profit of INR 289 crore as against a net loss of INR 87 crore in the preceding year. Other Exceptional Items related to charge for capital asset impairment, write-off of excess contract revenue vis-à-vis billing, and write-off of receivables and advances.

Key Changes in Financial Ratios

Parameter	FY 2018-19	FY 2017-18	Change	Explanation
Debtor Turnover (Days)	475	681	-30.2%	Improved collection and write-off of INR 189 crore of trade receivables
Inventory Turnover	43	20	114.5%	Change in revenue mix and higher sales
Interest Coverage Ratio	1.49	-14.06	110.6%	Lower interest outgo because of one-time settlement of outstanding debt and lower interest recognition due to classification as NPA
Current Ratio	1.03	0.95	8.7%	-
Debt Equity Ratio	0.63	3.39	-81.4%	Reduction in debt from one-time settlement of outstanding debts
EBITDA margin %	8.7%	2.4%	261.7%	Sales growth, improvement in project profitability and rationalization of fixed costs
Net Profit Margin %	32.3%	-11.6%	378.0%	Sales growth, improvement in project profitability, rationalization of fixed costs, lower interest outgo and exceptional gains mainly from one-time settlement of outstanding debts
Return on Net Worth %	41.8%	-36.6%	214.2%	Sales growth, improvement in project profitability, rationalization of fixed costs, lower interest outgo and exceptional gains mainly from one-time settlement of outstanding debts

5. Business SWOT

Strengths	Weakness
<ul style="list-style-type: none"> Diversified business portfolio with services targeting varied segments of the broader Infrastructure sector Deep expertise and track record of 15+ years in all its core segments, especially EPC, FMS & MSW Innovation capabilities visible in its roll-out of products such as Magic E-Cycle, Magic Bricks, SafaiMitra, bus shelter-cum-toilet etc. Ability to leverage synergies between different business segments, for e.g. fungibility of workforce between FMS and MSW segments 	<ul style="list-style-type: none"> High debt levels impeding further liquidity and growth capital for the group Concentration in high capital intensive and labour intensive service offerings Delay in few projects hampering recovery of certain business segments Due to stress in banking sector working capital availability is limited in sector.
Opportunities	Threats
<ul style="list-style-type: none"> Growing need for quality infrastructure and government's emphasis on investing in the sector to improve Ease of Living Continued focus on increasing power generation capacity in traditional and renewable sector Emphasis on cleanliness and sanitation through the successful campaign of Swachh Bharat is pushing urban local bodies to utilize private players for MSW services 	<ul style="list-style-type: none"> Continued economic slowdown and precarious financial situation of most SEBs. Stressed telecom sector in India with practically a freeze on capital investment Liquidity constraints and lack of rate reduction transmission

<ul style="list-style-type: none"> Lack of large, organized players in the FMS space and steady growth in Grade A commercial spaces across the country that will lead to demand for a professional FMS agency 	<ul style="list-style-type: none"> Litigation on projects: In many cases State Electricity Board delays payments and arranging of ROW, in such cases EPC contractors are forced to go for litigation.
<ul style="list-style-type: none"> Government also opening up its offices for maintenance by private FMS players 	
<ul style="list-style-type: none"> Expansion & expertise in sewage/water distribution projects which is focus area of Government of India 	

6. Risks & Concerns

Managing business uncertainties that manifest themselves as various risks is a key strategic function of the management at the Group. The nature of these risks is diverse, especially because of the Group's presence in multiple different business lines. The comprehensive risk management framework that it deploys identifies these risks, assesses them, categorizes them and addresses them by deploying effective mitigation strategies for similar risks. Some of the major category of risks that affects the Group's businesses and corresponding mitigation measures are as under:

1. Economic & Political Risks

The broader economic scenario as represented through metrics such as global and country's GDP growth rates, fiscal deficits, inflation, interest rates, etc. and any adverse economic shocks have a direct impact on the demand for the Group's services. In addition to these, any changes in the laws and regulations affecting the Group's area of operations, and changing priorities of development programs and budgetary allocations at all levels of governance linked to or independent of any political changes also impact the performance of the Group. Interest rates in the economy are of specific and important concern for the Group as it has high levels of debt on its balance sheet.

Risk mitigation

These risks are mainly external and a part of the environment that the Group operates in, giving negligible scope for it to influence any of the factors.

- The primary mitigation strategy is to spread the risk through diversification. The Group not only has a diversified portfolio of offerings. It has also expanded its geographical footprint within India and across the borders into international markets in Middle East, Africa and South Asia. At a comparatively micro level, it has relied upon innovations to tap newer customer segments by adapting its product and service offerings.
- The Group has been making serious efforts to deleverage and improve project profitability to minimize the impact of interest rate and financial viability risks.

- To mitigate business risks from changes in leadership or direction at customer's end, the Group has endeavored to ensure a spotless track record in terms of execution in order to remain a preferred vendor for the services it offers.

2. Dependency Risks

The Group relies heavily on B2G business and consequently has concentrated exposure to customer segments which have long payment cycles and liquidity constraints, such as State Electricity Boards. Delay in payments can impact the cash flow planning of the Group and increase the need for working capital, hence, lead to higher financing costs. There is another significant risk from concentration which may severely affect the financial performance of the Group, i.e. slowdown in business of a specific segment due to market conditions or any other reasons.

Risk mitigation

- Diversification of the customer segments by adding B2B and B2C customer segments with better cash flow predictability. In addition to this, increasing the service offerings and focusing on those which will attract the B2B and B2C segments.

3. Working Capital Risks

Most of the Group's business segments need timely availability of funds for smooth project execution within budget and on-time. Because of the capital intensive nature of the business, any delay in securing adequate working capital may impact the delivery commitments and financial performance of the Group.

Risk mitigation

- By increasing focus on steady cash flow businesses that will provide funds for capital intensive businesses from internal accruals.
- By focusing on acquiring projects which are less capital intensive or have a positive cash flow with the client providing advances.
- By securing adequate working capital lines of credit from banks/ Financial Institutions in advance.

4. Execution & Talent Risks

The Group primarily relies on businesses that have long term projects and complex deliveries. There



are huge number of factors and dependencies involved in operations to successfully meet customer commitments, and it is probable that there may be disruptions in supplies of inputs, availability of skilled manpower, delivery slippages, etc. These issues may lead to breach of delivery commitments in terms of time, quality, or cost and escalate into a customer dispute.

Risk mitigation

- The Group has adequate professional liability insurance cover to cover any charge arising out of performance risks.
- It has also implemented the best-in-class quality and operations management processes to minimize the risk of performance failure and absorb the impacts of any delays due to resource availability.
- The Group has a robust HR function that ensures availability of right managerial and skilled/unskilled workforce for the projects either from external sources or internal transfers.
- HR team also conducts regular and need-based training programs to develop internal resources to make them project-ready.
- At times when the risks of a project are too high, the Group also enters into partnerships with other players who can contribute their expertise and also share the risks.

7. Human Resources

As a company in the Services sector, the Group recognizes its employees as the key element of its business on which its success relies. In order to enable them to perform their best, the Group has cultivated a healthy, empowering, and encouraging environment at the workplace. As its business mix needs contribution from all its managerial, skilled and unskilled human resources, the Group has adopted a philosophy of positive communication and harmonious relations with and among its employees.

The management has devised a Performance Management and Learning & Development systems to provide a comprehensive career progression support and invest in advancement of its employees. Given the technical nature of services provided by the Group, there are extra focus on improving the competence levels through advanced technical training to its staff. Similarly, customer interfacing skills related training are offered to staff who are in delivery roles across businesses. The HR systems also include a fair reward and recognition policy to further motivate the outperformers across departments.

As on 31st March 2019, the total employee strength of the Group was 13477 employees, of which 1424 were trained technical employees. The gross recruitment figure across the Group was 5484 employees.

8. Corporate Social Responsibility

The Group operates in sectors that are directly linked to the Quality of Life and Ease of Living, hence it contributes indirectly to the society's well-being. Over and above these contributions, the Group engages in some direct activities in a limited way to support variety of social causes even though Corporate Social Responsibility (CSR) mandate under Section 135 was not applicable.

The Group's flagship CSR program is called 'Sahyog' where it seeks collaborate with its stakeholders and larger community to leave a much healthier environment for the future generations. It has taken several initiatives over the years within this program that are directed towards creating awareness on environmental issues to encourage sustainable development and sanitation. It has also adopted maintenance of several parks, playgrounds, and zebra crossings to assist the municipal corporations in improving civic amenities.

The Municipal Solid Waste management business of the Group in addition to its Collection & Transportation (C&T) mandates also actively conducts additional C&T drives on special occasions and also spreads awareness by creating and distributing communication materials through various media to share information, guidelines and awareness about sanitation and cleanliness. These efforts are made over and above the performance required under its C&T contracts. It also works towards contributing to social development of villages near its project areas and of Project Affected Persons (PAP).

9. Internal Control Systems

The Company's internal control systems have been designed based on an expansive framework to address multiple objectives of ensuring legal compliance, alignment of actual performance with plan, timely deliveries and smooth operations flow, protection from fraud, theft and sabotage, and accurate and complete log of all transactions and related financial impact. This framework covers policies, processes, information systems, assets, and human resources of the organization to have complete coverage of all the elements of the organization. The controls and systems have been defined as part of the Standard Operating Procedures in alignment with the globally accepted quality standards.

Periodic reviews of these policies and procedures is conducted and modifications implemented to comply with changing business objectives and regulatory needs, or to correct any oversights and failures. The Audit Committee is the primary forum for such reviews that meets every quarter. A key input to these reviews are the reports from exhaustive and regular internal and statutory audits conducted by internal and external auditors.

10. Outlook

The Group sees huge opportunities in all the segments of its business mix, especially after recovery in the EPC business under ES Segment. After putting the past issues behind, the Group is now geared up to take on EPC projects and expand the ES business earnestly. It is also going to increasingly focus on the Operations & Maintenance (O&M) opportunity in managing the assets, such as the ones it helps erect through its EPC offering. This business opportunity offers long term contracts with steady revenues and predictable margins. In addition, a new offering around water and sewage pipelines has opened a high potential business segment for the Group because of government's stated objective of providing drinking water to all the households in the country and its focus on water conservation through Jal Shakti Abhiyan with multiple interventions that would also include urban waste water reuse. Similarly, its C&T offering under the MSW segment continues to be a major growth area due to continued government focus on improving cleanliness and sanitation by introducing modern practices to tackle urban solid waste problem. In the FMS business segment, apart from the steady flow of commercial and retail properties that would need its services, the emerging opportunities in cleaning of beaches, railway stations, coach factories, sports facilities, private education institutions, etc. offer scope for high growth in the coming years. With the conversion of one of its

multi-fuel power generation plant to solid waste based power plant, and expected conversion of the other in FY2019-20, the PGP business is also expected to perform better in subsequent years.

The Group has managed to restructure its debt obligations and bring down the outstanding debts through one-time settlements to manageable levels. It will continue this effort to further improve the financial viability of the business. With business growth and the debt restructuring initiative, it expects to deliver robust financial performance going forward.

11. Forward Looking Statements

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, as amended from time to time (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. Being a value-driven organization, the Company has always worked towards building trust with the stakeholders. We, at A2Z, follow principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. These core values are central to the business philosophy of the Company and act as the guiding inspiration for the day-to-day business operations. The Company strives to be a customer-first, quality-obsessed, socially-sensitive Corporate entity. The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting the shareholders’ interest while maximizing long term corporate values.

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

The Board’s Role, functions, responsibilities and accountability are clearly defined. The day-to-day management of the Company is entrusted with the senior management personnel of the Company and is headed by the Managing Director. The Board of Directors complies with the provisions of SEBI LODR, 2015 and Companies Act, 2013 in regard to the meetings of the Board and Committees thereof. The Management and Board of the Company continuously and actively supervise the Arena of Corporate Strategy, planning, external contracts and other board matters on continual basis. The Senior Management Personnel heading separate divisions are responsible for day to day operations of their respective divisions.

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, 2019, the Board comprises of Six (6) Directors. Out of the total strength, two (2) are Non-Executive Independent directors; two(2) are Non-Executive Non Independent director, one of whom is the Women director, Two (2) Directors are Executive Directors, one of whom is the Managing Director. Further, the Chairman is a Non-Executive Independent 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			Directorship in other listed entity (Category of Directorship)
		Other Directorships	Committee Memberships	Committee Chairmanships	
Mr. Surender Kumar Tuteja (DIN: 00594076)	Non-Executive & Independent Director	8	5	5	1. SML Isuzu Ltd. (Chairperson-Non-Executive and Independent Director) 2. Shree Renuka Sugars Ltd (Non-Executive and Independent Director) 3. Havells India Ltd. (Non-Executive and Independent Director)

Name of the Director	Category	No. of other Directorships and Committee memberships/chairmanships			Directorship in other listed entity (Category of Directorship)
		Other Directorships	Committee Memberships	Committee Chairmanships	
Dr. Ashok Kumar (DIN: 00054771)	Non-Executive & Independent Director	3	1	2	NIL
Mr. Amit Mittal (DIN: 00058944)	Executive Non-Independent Director (Managing) Director	2	1	-	NIL
Mr. Rajesh Jain (DIN: 07015027)	Executive Non-Independent Director (Whole time Director & CEO)	1	1	-	NIL
Ms. Dipali Mittal (DIN: 00872628)	Non-Executive & Non-Independent Director	2	1	-	NIL
Dr. Ashok Kumar Saini* (DIN: 03593179)	Non-Executive & Non-Independent Director	1	-	-	NIL

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.

*During the Year under review Mr. Ashok Kumar Saini who was re-appointed under the category of Whole Time Director effective from 15th February, 2018 has been re-designated as Non-Executive Non-Independent Director w.e.f 01st December, 2018.

2.2 NUMBER OF BOARD MEETINGS

The Board of Directors oversee the overall functioning of the Company and takes the strategic decisions and define the management policies in the best interest of the Company and its stakeholders and, for this, Members of the Board of Directors of the Company meet frequently, as the occasion(s) arises and as per the statutory requirement. In case of any exigency/ emergency, resolutions are passed by circulation. The Board of Directors met seven (7) times during the financial year 2018-19 i.e. on April 03, 2018, May 29, 2018, August 14, 2018, November 13, 2018, December 01, 2018, February 13, 2019 and March 15, 2019. 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	7	7	No
Dr. Ashok Kumar	7	7	Yes
Mr. Amit Mittal	7	7	Yes
Ms. Dipali Mittal	7	6	Yes
Mr. Rajesh Jain	7	7	Yes
Dr. Ashok Kumar Saini	7	5	Yes



The details of the shareholding of Directors as on March 31, 2019 are as follow:

S. No	Name of the Director	No. of Shares	Percentage (%) of Holding
1.	Mr. Amit Mittal	2,73,50,601	15.53%
2.	Mr. Rajesh Jain	4,62,988	0.26%
3.	Dr. Ashok Kumar Saini	3,00,000	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.

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

Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Corporate Governance, Administration, Decision Making.
- Leadership, Financial and Management skills.
- Technical / Professional skills and specialized knowledge in relation to Company's business

In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI LODR 2015 and are independent of the management.

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 Three (3) Directors, two (2) of them are Non-Executive Independent Directors and one is Executive 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:

- 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;
- 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;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval;
- Significant adjustments made in the financial statements arising out of audit findings;
- Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Discussion with internal auditors of any significant findings & follow up there on;
13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
15. To review the functioning of the whistle blower mechanism;
16. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
17. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
18. All Other duties, responsibilities as defined under section 177 of the companies Act, 2013 & Regulation 18 of the SEBI LODR, 2015.

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

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors; if any
4. Internal audit reports relating to internal control weaknesses; and
5. Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

(b) Meeting and Attendance

During the financial year 2018-19 ended on March 31, 2019, the Committee met Four (4) times i.e. on May 29, 2018, August 14, 2018, November 13, 2018, and February 13, 2019. The CFO, Internal Auditor and Statutory Auditors are permanent invitees to the Meetings.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2019 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Mr. Surender Kumar Tuteja	Chairman	Non- Executive & Independent Director	4
Dr. Ashok Kumar	Member	Non- Executive & Independent Director	4
Mr. Rajesh Jain	Member	Executive & Non Independent Director	4

- Mr. Atul K. Agarwal, Vice President and Company Secretary acts as the Secretary to the Audit Committee.
- Mr. Surender Kumar Tuteja, Chairman of the Audit Committee was not able to attend the previous Annual General Meeting held on September 29, 2018 and he authorized on his behalf, Dr. Ashok Kumar to answer the queries of the members of the Company.

3.2 Nomination & Remuneration Committee

(a) Constitution and Terms of Reference

The Nomination & Remuneration Committee comprises of (2) Two Non-Executive Independent Directors and one Non- Executive Non Independent Director. 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. Recommend to the board, all remuneration, in whatever form, payable to senior management.
7. 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 2018-19 ended as on March 31, 2019, the committee met four (4) times i.e. on August 14, 2018, October 24, 2018, December 01, 2018, and February 13, 2019.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2019 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Dr. Ashok Kumar	Chairman	Non- Executive & Independent Director	4
Mr. Surender Kumar Tuteja	Member	Non- Executive & Independent Director	4
Ms. Dipali Mittal	Member	Non- Executive & Non Independent Director	4

(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 independent directors are providing independent advice and counsel to the Management;
- that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments;
- the regular Compliance of Applicable Code & Policies framed for effective management of the Company;
- 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;
- that the operating objectives and standards of performance are not only understood but owned by the management and other employees;
- the effectiveness of Leadership quality of the Chairman.

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://media.a2zgroup.co.in/pdf/Remuneration%20Policy_13.02.2019

Remuneration to Non-Executive Directors

The Non-executive & Independent Directors are paid sitting fees of INR 25,000/- (Rupees Twenty Five Thousand only) for attending each Board and Committee meeting respectively. The details of sitting fees paid for attending the Board/committee meeting held during the year and commission payable for financial year 2018-19 is as under:

(Amount in INR)

S.No.	Name	Sitting Fees paid	Commission payable
1.	Mr. Surender Kumar Tuteja	6,50,000	NIL
2.	Dr. Ashok Kumar	5,75,000	NIL
3.	Ms. Dipali Mittal	3,50,000	NIL
4.	Mr. Ashok Kumar Saini	50,000	NIL
	Total	16,25,000	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, 2019 is as follows:

(Amount in Rs.)

Name	Salaries	Benefits Perquisites and Allowances	Commission	ESOP
Mr. Amit Mittal* Managing Director for 3 Years (till December 31, 2020)	NIL	NIL	NIL	NIL
Mr. Rajesh Jain** Whole time Director for 3 Years (till November 12, 2020)	9,00,000	NIL	NIL	NIL
Dr. Ashok Kumar Saini** Whole time Director (till December 01, 2018)	7,50,000	NIL	NIL	NIL

* The Company has not paid any remuneration to Mr. Amit Mittal. However, he has been appointed as Managing Director in A2Z Infraservices Ltd. ("AISL"), a material subsidiary Company on October 24, 2015 and he is in receipt of INR 48,00,000/- as remuneration in his capacity as Managing Director of AISL for the financial year 2018-19.

**The Company has filed applications with the Central Government for getting approvals for payment of remuneration to Mr. Rajesh Jain & Mr. Ashok Kumar Saini after their re-appointment as Whole Time Directors of the Company for a period of 3 years w.e.f. 13th November, 2017 and 15th February, 2018 respectively in accordance with provisions of section 197 read with Schedule V of the Companies Act 2013. However, due to amendment in the provisions of Companies Act, 2013, the Central Government has abated the said applications via abatement letter dated 09th October, 2018. Therefore the remuneration paid is being held in trust by the said directors. Further the said amount shall be recoverable from the said Directors within time line as defined in the Companies Act, 2013.

Further, Mr. Rajesh Jain has been appointed as Whole Time Director in A2Z Infraservices Ltd. ("AISL"), a material subsidiary Company on December 01, 2018. He is in receipt of INR 16,00,000/- as remuneration in his capacity as Whole Time Director of AISL for the financial year 2018-19 and Mr. Ashok Kumar Saini has been re-designated as Non-Executive Non-Independent Director w.e.f December 01, 2018 and has paid sitting fees after that.



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, if any.

The Stakeholders Relationship Committee comprises of three (3) Directors out of which two (2) are Non-Executive Independent Directors and one (1) Non-Executive, Non-Independent Director. During the Financial year 2018-19 ended on March 31, 2019, the Committee met four(4) times i.e. on May 29, 2018, August 14, 2018, November 13, 2018 and February 13, 2019.

Terms of Reference:-

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

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

The composition and attendance of the members of the Stakeholders Relationship Committee at the meetings held during the financial year ended March 31, 2019 are given below:

S. No.	Name of the Director	Designation	Category	No of Meetings Attended
1.	Dr. Ashok Kumar	Chairman	Non-Executive & Independent Director	4
2.	Mr. Surender Kumar Tuteja	Member	Non-Executive & Independent Director	4
3.	Ms. Dipali Mittal	Member	Non-Executive & Non Independent Director	3

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

Details of investor complaints received and redressed during the year 2018-19 are as follows:

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

3.4 Corporate Social Responsibility Committee (CSR Committee)

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. Surender Kumar Tuteja, Non-Executive Independent Director, Mr. Amit Mittal, Managing Director and Ms. Dipali Mittal, Non-Executive, Non-Independent Director, as members of the committee. The committee met 2 times during the given financial year i.e. on 29th May, 2018 and 13th February, 2019. All the members were present in both meetings except Ms. Dipali Mittal, who was unable to attend the meeting held on 29th May, 2018. The CSR Policy of the Company as approved by the Board is placed on the website of the Company and may be accessed via following link.-

http://media.a2zgroup.co.in/pdf/CSR_Policy_A2Z.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 for the Financial Year ending March 31, 2019.

3.5 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 February 13, 2019, 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.

3.6 Other Committees 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, 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(s) 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://media.a2zgroup.co.in/pdf/Policy%20on%20material%20subsidiary_13.02.2019

5. GENERAL BODY MEETINGS

A. ANNUAL GENERAL MEETING

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

Financial Year ended	Venue	Date	Time	Special Resolution passed in last three Annual General Meetings
2018	GIA House, I.D.C., Mehrauli Road, Opposite Sector-14, Gurugram-122001, Haryana	September 29, 2018	10:30 AM	1. Approval of A2Z Employee Stock Option Plan – 2018 for the eligible employees and directors of the Company 2. Approval of A2Z Employee Stock Option Plan – 2018 to the eligible employee(s)/ directors of the subsidiary Companies.
2017	HSI IDC Hall, Phase-V, Udyog Vihar, Gurugram-122016, Haryana	September 29, 2017	09:30 AM	1. Re-appointment of Mr. Rajesh Jain as Whole Time Director of the Company 2. Re-appointment of Mr. Amit Mittal as Managing Director of the Company 3. Re-appointment of Dr. Ashok Kumar Saini as Whole Time Director of the Company
2016	HSI IDC Hall, Phase-V, Udyog Vihar, Gurugram-122016, Haryana	September 24, 2016	10:30 AM	No special resolutions were passed

B. POSTAL BALLOT

No Postal ballot conducted during the year.

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

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

5.1 MEANS OF COMMUNICATION

- I. The Quarterly and Annual Financial 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://www.a2zgroup.co.in/investor-relations/financial-information.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 regularly files 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 complaint 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 18th Annual General Meeting

Date : September 28, 2019
 Day : Saturday
 Time : 10.30 A.M
 Venue : G.I.A. House, G.I.A. Marg, Opp. Sector 14,
 I.D.C, Mehrauli Road, Gurugram-122001, Haryana

6.3 Financial Calendar

Financial year : April 01 to March 31
Results for the quarter ending : Actual/Tentative Date for approval
 30th June, 2019 : August 13, 2019
 30th September, 2019 : On or before November 14, 2019
 31st December, 2019 : On or before February 14, 2020
 31st March, 2020 : Latest by May 30, 2020

6.4 Date of Book Closure

The Register of members and Share Transfer books of the Company will remain closed from Sunday, September 22, 2019 to Saturday, September 28, 2019 (both days inclusive) for the purpose of Annual General Meeting.

6.5 Dividend Payment date: Not Applicable. Due to inadequate profits in the financial year 2018-19, Company does not recommend any dividend for the shareholders.

6.6 Listing on Stock Exchanges

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

Name and Address of the Stock Exchange	Scrip Symbol/Code	Status of 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.

a. Market Price Data

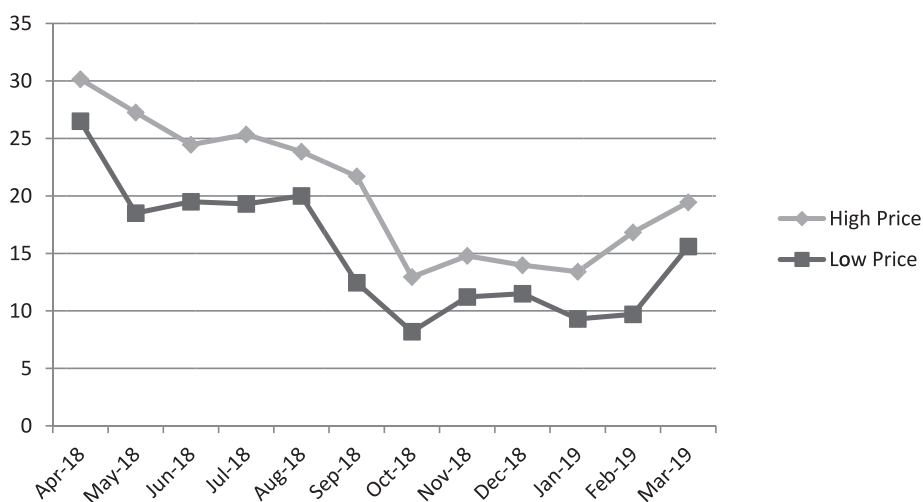
The details of monthly highest and lowest closing price of the equity of the Company and its comparison to broad based indices Sensex (BSE) and Nifty (NSE) during financial year 2018-19 are as under:

BSE Limited				
Month & Year	A2Z Stock (in INR)		Sensex	
	High Price	Low Price	High	Low
Apr-18	30.15	26.50	35213.3	32972.56
May-18	27.25	18.50	35993.53	34302.89
Jun-18	24.45	19.50	35877.41	34784.68
Jul-18	25.35	19.30	37644.59	35106.57
Aug-18	23.85	20.00	38989.65	37128.99
Sep-18	21.70	12.45	38934.35	35985.63
Oct-18	12.95	8.19	36616.64	33291.58
Nov-18	14.79	11.21	36389.22	34303.38
Dec-18	13.97	11.50	36554.99	34426.29
Jan-19	13.41	9.30	36701.03	35375.51
Feb-19	16.83	9.70	37172.18	35287.16
Mar-19	19.45	15.60	38748.54	35926.94

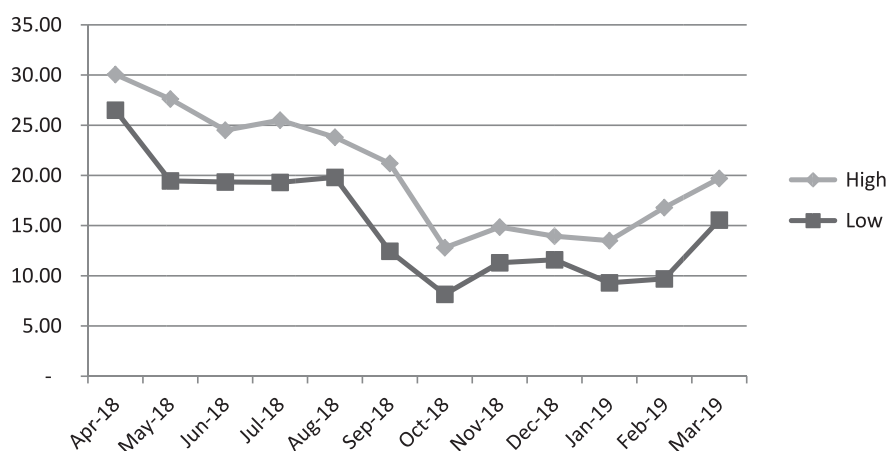
National Stock Exchange of India Limited				
Month & Year	A2Z Stock (in INR)		Nifty	
	High Price	Low Price	High	Low
Apr-18	30.05	26.50	10,759.00	10,111.30
May-18	27.60	19.45	10,929.20	10,417.80
Jun-18	24.50	19.35	10,893.25	10,550.90
Jul-18	25.50	19.30	11,366.00	10,604.65
Aug-18	23.80	19.80	11,760.20	11,234.95
Sep-18	21.20	12.45	11,751.80	10,850.30
Oct-18	12.80	8.15	11,035.65	10,004.55
Nov-18	14.85	11.30	10,922.45	10,341.90
Dec-18	13.95	11.60	10,985.15	10,333.85
Jan-19	13.50	9.30	10,987.45	10,583.65
Feb-19	16.80	9.70	11,118.10	10,585.65
Mar-19	19.70	15.55	11,630.35	10,817.00



A2Z INFRA SHARE PRICE AT BSE



A2Z INFRA SHARE PRICE AT NSE



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, transfers 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

3E/7, Jhandewalan Extension,

New Delhi – 110 055

Ph.: +91 11 42541234, +91 11 42541960

Fax: +91 11 23552001, +91 11 42541201

Email: rta@alankit.com

Website: www.alankit.com

6.10 Share Transfer System

All the transfers 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 in practice 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, 2019

S. No.	Range of Shares	No. of Shareholders	% to Total Shareholders	No. of Shares	% of Shares to total shares
1	1-100	13,253	34.15	7,03,286	0.40
2	101-500	13,264	34.18	41,19,659	2.34
3	501-1000	5,135	13.23	44,42,190	2.52
4	1001-5000	5,217	13.44	1,28,54,912	7.30
5	5001-10000	942	2.43	70,86,974	4.02
6	10001-20000	456	1.17	67,01,975	3.81
7	20001-30000	194	0.50	48,36,999	2.75
8	30001-40000	77	0.20	27,10,922	1.54
9	40001-50000	65	0.17	30,35,732	1.72
10	50001-100000	101	0.26	72,63,911	4.12
11	100001-500000	81	0.21	1,63,78,104	9.30
12	500001 and Above	24	0.06	10,59,85,194	60.18
	TOTAL	38,809	100.00	17,61,19,858	100.00

(b) By category of shareholders as on March 31, 2019

Sr. No.	Category of Shareholder	Total number of shares	% of Holding
(I)	Shareholding of Promoter and Promoter Group		
	(a) Indian	5,14,96,785	29.24
	(b) Foreign	-	-
	Total Shareholding of Promoter & Promoter Group	5,14,96,785	29.24
(II)	Public shareholding		
	(A) Institutions		
	(a) Mutual Funds/ UTI	-	-
	(b) Financial Institutions / Banks	1,88,58,423	10.71
	(c) Central Government/ State Government(s)	12,438	0.01
	(d) Venture Capital Funds	-	-
	(e) Insurance Companies	-	-
	(f) Foreign Institutional Investors	-	-
	(g) Foreign Venture Capital Investors	-	-
	(g) Foreign Portfolio Investors	42,95,439	2.44
	(h) Qualified Foreign Investor	-	-
	(i) Any Other (specify)	-	-
	(B) Non-institutions		
	(a) Individuals		
	Individuals -		
	i. Individual shareholders holding nominal share capital up to INR 2 lakh	3,06,56,222	17.41
	ii. Individual shareholders holding nominal share capital in excess of INR 2 lakh.	2,74,99,355	15.61
	(b) Qualified Foreign Investor	-	-



Sr. No.	Category of Shareholder	Total number of shares	% of Holding
	(c) NBFCs registered with RBI	13,100	0.01
	(d) Any Other (specify)		
	(d-i) Non Resident Indian	1,03,62,205	5.88
	(d-ii) Corporate Body	2,85,67,537	16.22
	(d-iii) Trust	-	-
	(d-iv) Clearing Member	3,94,122	0.22
	(d-v) Resident (HUF)	39,64,232	2.25
	Total Public Shareholding (A+B)	12,46,23,073	70.76
	GRAND TOTAL (I+II)	17,61,19,858	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 99.96% of the Company's Share Capital are dematerialized as on March 31, 2019. 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, 2019)

Particulars of Shares	Equity Shares of INR 10/- each		Shareholders	
Dematerialised	Number	% of Total Shares	Number	% of Total Shareholders
NSDL	13,80,26,602	78.37	20,236	52.14
CDSL	3,80,88,313	21.63	18,557	47.82
Sub total	17,61,14,915	99.99	38,793	99.96
Physical form	4,943	0.01	16	0.04
Total	17,61,19,858	100.00	38,809	100.00

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

As on March 31, 2019, there are no outstanding Warrants or any convertible instruments 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 BodiwallaPitha, Fazilka, Firozpur, Punjab

6.14 Address for Correspondence

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

Mr. Atul K. Agarwal

Company Secretary cum Compliance Officer

A2Z INFRA ENGINEERING LTD.

Plot no.-B-38, Sector-32, Institutional Area,

Gurugram-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

3E/7, Jhandewalan Extension,

New Delhi – 110 055

Ph.: +91 11 42541234, +91 11 23541234

Fax: +91 11 23552001

Email: rta@alankit.comWebsite: www.alankit.com**7. Other Disclosures:**

- i. **Materially Significant Related Party Transactions:-** There were no material significant transactions entered by the Company with the related parties and all transactions entered into by the Company with related parties as defined under the Act and Regulation 23 of SEBI 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://media.a2zgroup.co.in/pdf/A2Z-%20Policy%20on%20Materiality%20of%20and%20Dealing%20with%20Related%20Party%20Transactions>
- ii. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years i.e. 2016-17, 2017-18 and 2018-19 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://media.a2zgroup.co.in/pdf/VIGIL%20\(WHISTLE%20BLOWER\)%20POLICY_13.02.2019](http://media.a2zgroup.co.in/pdf/VIGIL%20(WHISTLE%20BLOWER)%20POLICY_13.02.2019)
- iv. The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents and same were also uploaded on the website of the Company at below mentioned links :-
http://media.a2zgroup.co.in/pdf/Policy%20for%20Determination%20of%20Materiality%20of%20Events_13.02.2019
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.
- vi. **Details of utilisation of funds raised through preferential allotment or QIP:** Not Applicable
- vii. **Certificate on Disqualification of Directors:** A Certificate from DR Associates, Company Secretaries in practice, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors by the Board /Ministry of Corporate Affairs or any such statutory authority is attached as **Annexure-I** of CG Report.
- viii. **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.** Not Applicable
- ix. **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.** - Details relating to fees paid to the Statutory Auditors are given in **Note 30.2** to the Standalone Financial Statements and **Note 27 (d)** to the Consolidated Financial Statements.
- x. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the Financial Year 2018-19**

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

- xi. **Detailed reasons of resignation of independent director:** Not Applicable
- xii. **Confirmation from Board that independent director fulfils criteria:** Board has received the declaration from all the independent directors that they meet the criteria of independence as provided in sub-section (6) of section 149 and Regulation 16(1)(b) of SEBI LODR, 2015.
- xiii. **Credit ratings and revisions:** There is no revision in ratings for the for bank facilities from the previous financial year as reviewed by the rating committee of Credit Analysis & Research Ltd. (CARE) and the rating recommended by them for the period under review is CARE D .



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, of the Company confirming that the Company has received affirmations from the Board Members and the Senior Management Personnel regarding compliance of Code of Conduct during the Financial Year ended March 31, 2019 is attached as **Annexure-II**.

The voting rights on the shares outstanding in the suspense account as on March 31, 2019 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 III** to CG Report which is based upon their detailed examination of Corporate Governance practices adopted by the Company.

Equity Shares in the Suspense Account:

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI 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, 2018.	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, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

Annexure – I to CG Report**CERTIFICATE UNDER SCHEDULE V(C)(10)(i) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We have examined the various records, books and papers and other documents maintained by A2Z Infra Engineering Limited pertaining to the appointment & qualifications of directors for the financial year ended 31st March 2019 for the purpose of issuing Certificate as per Schedule V(C)(10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the above examination, information & explanation provided by A2Z Infra Engineering Limited, We hereby certify that none of the directors on the board of the A2Z Infra Engineering Limited have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

**For DR Associates
Company Secretaries**

**Sd/-
Suchitta Koley
Partner
CP No.: 714**

Place : New Delhi

Date : 13.08.2019

Annexure-II to CG Report**Declaration Regarding Compliances by Board Members and Senior Management Personnel with Companies Code of Conduct**

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

I, hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2019.

For A2Z INFRA ENGINEERING LTD

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

Place: Gurugram

Date: 23.05.2019

Annexure – III to CG Report**CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliances of conditions of Corporate Governance by A2Z Infra Engineering Limited, for the year ended on 31st March 2019, as stipulated in Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

**For DR Associates
Company Secretaries**

**Sd/-
Suchitta Koley
Partner
CP No.: 714**

Place : New Delhi

Date : 13.08.2019



Independent Auditor's Report

To The Members of A2Z Infra Engineering Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

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 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches located at Zambia, Uganda, Nepal and Tanzania.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in note 18.1 to the accompanying standalone financial statements, where the Company's 'Non-current Financial Liability - borrowings', 'Current Financial Liability - borrowings' and 'Other Current Financial Liabilities' include balances aggregating to Rs. 216.46 lakhs, Rs. 11,618.85 lakhs and Rs. 538.10 lakhs respectively as at 31 March 2019 pertaining to borrowings from certain banks ('Lenders') which have been classified as non-performing assets and in respect of which the Company has not recognised interest for the year ended 31 March 2019 aggregating to Rs.1,595.92 lakhs. Such amount is determined by the management, basis terms of the agreements with Lenders, but in the absence of sufficient appropriate evidence to substantiate such estimate of the management, we are unable to comment on the adjustments, that would be required to the carrying value of these balances on account of changes, and its consequential impact, on the standalone financial statements.
4. As stated in note 18.2 to the accompanying standalone financial statements, the Company had entered into settlement agreement(s) ('Agreements') with certain banks/ asset reconstruction company ('the Lenders') during the year ended 31 March 2018 and 31 March 2019. As at 31 March 2019, the Company delayed payments in respect of certain deferred instalments which were due and payable pursuant

to these settlements. Further, the management is in negotiations/ reconciliations with certain other lenders to settle its existing obligations. Pending confirmations from the Lenders and in the absence of the requisite information, we are unable to comment on the impact of such delays and ongoing negotiations/ reconciliations, if any, on the accompanying standalone financial statements.

5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

6. We draw attention to note 31 to the accompanying standalone financial statements, which indicates that the Company has accumulated net losses of Rs. 43,672.11 lakhs as at 31 March 2019 and, as of that date the Company has made defaults in repayment of borrowings from banks as detailed in note 17.5, 18.2 and 20.3 up till 31 March 2019. These conditions along with other matters as set forth in such note, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of the ongoing discussions relating to restructuring of its borrowings and other debts with the lenders which includes binding One Time Settlement (OTS) offers made by the Company, better financial performance as a result of favorable business conditions expected in future, and other mitigating factors mentioned in the aforementioned note, the management is of the view that the going concern basis of accounting is appropriate for preparation of the accompanying standalone financial statements. Our report is not modified in respect of this matter.

The above assessment of the Company's ability to continue as going concern is, by its nature, considered as a key audit matter in accordance with SA 701. Our audit work included, but was not limited to, the following procedures:

- Obtained understanding of the management's process for identifying all events or conditions that could impact the Company's ability to continue as a going concern, and the process to assess the corresponding mitigating factors existing against each such event or condition;
- Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections

prepared by the management;

- Tested the appropriateness of the key assumptions in the cash flow projections for next 12 months and the aforementioned mitigating factors by considering our understanding of the business, past performance of the Company, external data and market conditions apart from discussing these assumptions with the management;
- Reconciled the cash flow projections to future business plans and restructuring plan of the Company as approved by the management;
- Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management;
- Reviewed communications with the lenders for the settlement, the minutes of meetings of lenders, etc. with respect to the status of OTS offer; and
- Evaluated the appropriateness of the disclosures made in the standalone financial statements in respect of going concern basis of accounting in accordance with applicable accounting standards.

Emphasis of Matters

7. We draw attention to note 40 (a) of accompanying standalone financial statements which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Company against which management and the assessing authorities have filed appeals with relevant Income-tax authorities. The final outcome of these matters is presently unascertainable. Our opinion is not modified in respect of this matter.

Key Audit Matters

8. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
9. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of investment in and other dues from the associate company</p> <p>As disclosed in note 5.2 to the accompanying standalone financial statements, the Company has investment in equity shares and preference shares of A2Z Green Waste Management Limited, its associate company, amounting to Rs. 983.14 lakhs and Rs. 19,883.11 lakhs respectively. Such investment in the aforesaid associate company is accounted for at cost in accordance with Ind AS 27, Separate Financial Statements. The Company also has other current financial assets (net of impairment) and current financial assets loan receivable aggregating to Rs.411.51 lakhs and Rs. 372.63 lakhs as at 31 March 2019, from the aforesaid associate company. The Company assesses the recoverable amount of the investment when impairment indicators exist by comparing the fair value (less costs of disposal) and carrying amount of the investment as on the reporting date.</p> <p>The aforesaid associate has incurred loss during the year ended 31 March 2019, and as at the year end, the consolidated net worth of such company is fully eroded, which indicates potential impairment of the investment in the associate.</p> <p>The aforesaid investment is not traded in the market and its fair value has been determined by a management appointed independent valuation specialist using discounted cash flow ('DCF') method. The process of computation of fair valuation for investment in associate company using DCF method is complex and requires estimation and judgement around assumptions used therein. The key assumptions underpinning management's assessment of the fair valuation include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure.</p>	<p>Our audit procedures were focused on obtaining sufficient appropriate audit evidence that the carrying value of investment in associate company is not materially misstated. These procedures included, but were not limited to, the following:</p> <p>We obtained an understanding of the management's processes and controls for determining the fair valuation of investment. We performed the following procedures:</p> <ul style="list-style-type: none"> • Assessed the qualification and objectivity of the management appointed independent valuation specialist to determine the fair value of investment; • Assessed the appropriateness of valuation methodology used for the fair valuation computation with the help of an auditor's expert, and tested the mathematical accuracy of management's model; • Reconciled the cash flow projections to the business plans approved by the Company's management; • Evaluated management's assessment of underlying assumptions used for the cash flow projections including the implied growth rates, considering evidence available to support these assumptions and our understanding of the business; • Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate; • Evaluated the sensitivity analysis performed by management in respect of the key assumptions such as discount and growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the fair value calculation;



<p>During the year ended 31 March 2019, pursuant to a share purchase agreement the Company has transferred certain equity shares of the investee company to an external buyer (refer note 5.1.4 for details). Based on the aforementioned sale transaction, the Company has recognised an impairment charge of Rs. 929.01 lakhs on the remaining investment during the year ended 31 March 2019.</p> <p>Considering the materiality of the amounts involved, complexity, and management judgement involved in assessment of impairment losses to be recognised, if any, on the carrying value of investment in, and loan receivable from, the associate company, this matter has been considered to be a key audit matter for current year's audit.</p> <p>Emphasis of Matter</p> <p>Considering this matter is fundamental to the understanding of the users of standalone financial statements, we draw attention to note 5.2 of the accompanying standalone financial statement, regarding the Company's investment in and dues receivable from the associate company.</p>	<ul style="list-style-type: none"> • Tested the impairment made during the year by inspecting the equity share sale agreement for transfer of part shareholding during the year; and • Evaluated the appropriateness of disclosures in relation to investment in associate company and related impairment indicators. <p>We also obtained written representations from management and those charged with governance on whether the significant assumptions used in valuation of the investment in the associate company are considered reasonable.</p>
<p>Utilisation of input tax credit and levy of interest on service tax:</p> <p>As disclosed in note 22.1 to the accompanying standalone financial statements, the Company has non-current assets in respect of input tax credit amounting to Rs. 1,144.62 lakhs as at 31 March 2019. There exists uncertainty relating to utilisation of such input tax credit and levy of interest on service tax with respect to service tax liability determined by the Company as described in note 22.1 to the accompanying standalone financial statements. Based on the terms of the contract with the customers/vendors and independent legal opinion, the management believes that the service tax liability outstanding, including interest thereon, if any, is recoverable from the customer of the Company, and further that the Company would be able to avail the existing input tax credit recognized on services received by the Company from the sub-contractors, for settlement of such service tax liability.</p> <p>Evaluation of management's assessment of payment of interest on the service tax liability and utilization of service tax input, required a detailed analysis of the appropriate statutory provisions and required application of material judgement in interpretation of law.</p> <p>Accordingly, considering the materiality of amounts and significance of management judgement involved, this matter was also identified as one of the areas which required significant auditor attention and a matter which was of most significance in the current year audit.</p> <p>Emphasis of Matter</p> <p>Considering this matter is fundamental to the understanding of the users of standalone financial statements, we draw attention to note 22.1 of the accompanying standalone financial statement, regarding uncertainties relating to utilization of input tax credit and levy of interest on service tax.</p>	<p>Our audit in relation to assessment of input tax credit and levy of interest on service tax as at reporting date included, but were not limited to, the following procedures:</p> <ul style="list-style-type: none"> • Evaluated the design, and tested the operating effectiveness of the controls that the Company has established in relation to assessing recoverability of amounts of service tax from the customers including interest thereon and utilisation of input tax credit; • Obtained an understanding of the current period developments in the matter from the management and corroborated such understanding from relevant underlying documents; • Tested the appropriateness and mathematical accuracy of the underlying calculations for the input tax credit and indirect tax receivables recognised by the management with respect to services received from sub-contractors; • Inspected the correspondence between the Company and the customer, for reimbursement to the Company for any possible cash outflow that arise on account of the service tax liability; • Obtained an independent legal opinion from the management's external tax experts on the likely outcome of the case, the status of the matter and the magnitude of the potential exposure involved; • Evaluated management's assessment on the likely outcome and potential magnitude of the aforementioned matter; and • Evaluated that the disclosures made by the management are in accordance with applicable accounting standards.
<p>Impairment assessment of carrying value of certain power generation plants of the Company classified as property, plant and equipment and Capital Work in Progress (CWIP):</p>	<p>Our audit procedures included, but were not limited to, the following:</p>

<p>As at 31 March 2019, the Company has power generation plants and CWIP relating to such plants, with carrying values of Rs 8,550.81 lakhs and Rs. 14,156.80 lakhs, respectively, as disclosed in note 3 of the accompanying standalone financial statements.</p> <p>In accordance with Ind AS 36, Impairment of assets, such property plant and equipment and CWIP balances are tested for impairment when impairment indicators exist at the cash generating unit level, whereby the carrying amount of the cash generating unit (including goodwill) is compared with the recoverable amount of the cash generating unit.</p> <p>The recoverable amount is determined on the basis of the value in use which is the present value of future cash flows of the cash generating unit. The present value is determined using discounted cash flow model. In the current year, the management identified that impairment indicators existed for the power plants owing to significant delay in commencement of commercial production. Accordingly, the management performed a fair valuation of such assets with the help of an external valuation expert, and based on such valuation, recognised an impairment charge of Rs. 4,200 lakhs during the year ended 31 March 2019.</p> <p>The aforesaid assessment of the fair valuation and determination of the impairment charge required management to exercise significant judgement in respect of assumptions and estimates involved in forecasting future cash flows, including extension of the concession period of such power generation plants. These assumptions also include useful life of assets, achievement of certain operating capacity, discount rates, implied growth rates, etc. Changes in the management forecasts or assumptions can impact the assessment of the discounted cash flows and consequently, the valuation of such power plants and impairment charge determined by the management.</p> <p>A significant amount of audit effort was also required in this matter, particularly as some of these assumptions are dependent on the economic factors and trading conditions in the markets in which the Company operates which involves high estimation uncertainty. Considering the significance of the amounts involved, degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of power generating plants as a key audit matter.</p> <p>Emphasis of Matter</p> <p>Considering this matter is fundamental to the understanding of the users of standalone financial statements, we draw attention to note 3.1 of the accompanying standalone financial statements, which describes the aforesaid significant estimates and assumptions, used by the management for determining recoverable amount of the aforesaid cogeneration power plants, with respect to the impairment assessment in accordance with the requirements of Ind AS 36.</p>	<ul style="list-style-type: none"> • Obtained an understanding of the management process for identifying impairment indicators as well as determining the appropriate methodology to carry out impairment testing for the carrying value of the cogeneration power plants; • Assessed the experience, professional competence and objectivity of the management expert involved for carrying out the valuation of the said assets; • Reconciled the cash flow projections to the business plans approved by the Company's management; • Assessed the appropriateness of the significant underlying assumptions used for cash flow projections including extension of the concession period, plant operating levels, implied growth rates etc. considering the evidence available to support these assumptions and our understanding of the business and industry including comparison to economic and industry forecasts, where appropriate; • Evaluated the discount rate used with the help of an auditor's valuation expert, including the underlying parameters such as risk free rate, market risk premium and the beta factor) basis the publicly available information; • Performed a sensitivity analysis for reasonably possible changes in the sales growth, discount rate applied and the long-term growth rate; • Tested the mathematical accuracy of the management's working; and • Assessed the appropriateness of the Company's description of the accounting policy as stated in note 2.3, and the disclosures related to property, plant and equipment, in accordance with the applicable accounting standards.
<p>Uncertainties relating to recoverability of contract revenue in excess of billing (other financial assets), and trade receivables</p> <p>The Company, as at 31 March 2019, has contract revenue in</p>	<p>Our audit work included, but was not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for assessing the recoverability of contract revenue in excess of billing (other current assets), and trade



<p>excess of billing (other financial assets) and trade receivable of Rs. 13,499.08 lakhs and Rs. 89,474.71 lakhs, respectively, and has written off contract revenue in excess of billing and trade receivables of Rs. 8,959.11 lakhs and Rs 18,922.59 lakhs respectively during the current year, as detailed in note 42 to the accompanying standalone financial statements.</p> <p>Owing to the nature of operations of the Company and related customer profiles, the Company has significant receivable balances and contract revenue in excess of billing, that are long outstanding since the performance of the contract work by the Company. There are risks that not all these receivable balances will be recovered in full.</p> <p>The management assesses recoverability of these balances through evaluation of the ageing of accounts receivable and unbilled revenue, prior collection experience, and customer's financial conditions, to ascertain the ultimate collectability of these receivables, which involves significant management judgements and estimates.</p> <p>Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation, and significant management judgements involved in the assessment of recoverability of long outstanding dues, this area is considered as a key audit matter for the current year audit.</p>	<p>receivables, the computation of provisioning and write-offs against these receivables, and related accounting policies adopted by the management;</p> <ul style="list-style-type: none"> Discussed with the management regarding steps taken for recovering the amounts and tested the design, implementation and operating effectiveness of the controls that the Company has established in relation to revenue recognition and allowance for contract revenue in excess of billing and trade receivables; Assessed the reasonability of judgements exercised and estimates made by the management in recognition of the contract revenue in excess of billing validating them with corroborating evidence; Tested the accuracy of ageing of contract revenue in excess of billing and trade receivables at year end on a sample basis; Enquired about the ongoing reconciliations with the customers for conversion of contract revenue in excess of billing into trade receivables for the balance receivables not written off; Verified contractual arrangements to support management's position on the tenability of the receivables and recoverability of the balance receivables not written off; Evaluated the management's assessment of credit risk with respect to such receivables basis the past trends for significant long outstanding receivables; and Ensured appropriateness of disclosures made in the standalone financial statements with respect to the contract revenue in excess of billing, trade receivables and provisioning thereof.
<p>Recognition of contract revenue, margin and contract costs</p> <p>Refer note 23 for details of revenue recognized during the year. The Company's revenue primarily arises from construction contracts, which is recognised as per the accounting policy described in note 2.3 to the accompanying standalone financial statements, and which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations.</p> <p>Effective 1 April 2018, the Company has adopted Ind AS 115 Revenue from Contracts with Customers using the cumulative catch-up transition method. Accordingly, the Company recognises revenue and margins based on the stage of completion which is determined on the basis of the proportion of value of goods or services transferred as at the Balance Sheet date, relative to the value of goods or services promised under the contract. All the projects of the Company satisfy the criteria for recognition of revenue over time (using the percentage of completion method) since the control of the overall asset (property/ site / project) lies with the customer who directs the Company. Further, the Company has assessed that it does not have any alternate use of these assets.</p> <p>The recognition of contract revenue, contract costs and the resultant profit/loss therefore rely on the estimates in relation</p>	<p>Our audit of the recognition of contract revenue, margin and contract costs, and related receivables and liabilities included, but were not limited to, the following:</p> <ul style="list-style-type: none"> Evaluated the appropriateness of the Company's accounting policy for revenue recognition from construction contracts in accordance with Ind AS 115, 'Revenue from Contracts with Customers'; Assessed the design and implementation of key controls, over the recognition of contract revenue and margins, and tested the operating effectiveness of these controls; For a sample of contracts, tested the appropriateness of amount recognized as revenue by evaluating key management judgements inherent in the determining forecasted contract revenue and costs to complete that drive the accounting under the percentage of completion method by performing following procedures: <ul style="list-style-type: none"> reviewed the contract terms and conditions; evaluated the identification of performance obligation of the contract; evaluated the appropriateness of management's assessment that performance obligation was satisfied over time and consequent recognition of revenue using

to forecast contract revenue and the total cost. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims and liquidated damages as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes.

Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the standalone financial statements.

percentage of completion method;

- obtained an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; and
- assessed the ability of the Company to deliver contracts within budgeted timelines and exposures, if any, to liquidated damages for late delivery.
- Assessed that the disclosures made by the management with respect to revenue recognised during the year and adoption of new accounting standard for revenue recognition, are in accordance with applicable accounting standards.

Information other than the Standalone Financial Statements and Auditor's Report thereon

10. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

11. The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

14. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
15. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are



appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

19. We did not audit the financial statements of four branches included in the standalone financial statements of the Company whose financial statements reflects total assets and net assets of Rs. 10,042.39 lakhs and Rs. 951.50 lakhs respectively as at 31 March 2019, and the total revenue and net cash inflows of Rs. 13,811.41 lakhs and Rs.419.15 lakhs respectively for the year ended on that date, as considered in the standalone financial statements. These

financial statements have been audited by the branch auditors whose reports have been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Further all, of these 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 branch auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the amounts and disclosures of such branches is based on the report of branch auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act, we report that the Company has not paid the managerial remuneration to its directors in accordance with the provisions and limits laid down under section 197 read with Schedule V of the Act. Also, refer paragraph XI of Annexure A.
21. 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 A statement on the matters specified in paragraphs 3 and 4 of the Order.
22. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:
 - a) we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) except for the effects/possible effects of the matters described in the Basis for Qualified Opinion section, 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) except for the effects/possible effects of the matters described in the Basis for Qualified Opinion section in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - f) the six matters described in paragraph 3, 4, 7 and 9 under the Emphasis of Matters/Basis for Qualified Opinion 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - h) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
 - i) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 23 May 2019 as per Annexure B expressed unmodified opinion;
 - j) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company, as detailed in note 40(a) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
- ii. except for the effect/possible effects of the matters described in the Basis for Qualified Opinion section, the Company as detailed in note 41(h) to the standalone financial statements, has made provision as at 31 March 2019, 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Place : Gurugram
Date : 23 May 2019

Neeraj Sharma
Partner
Membership No.:502103

Annexure A to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited, on the standalone financial statements for the year ended 31 March 2019

Annexure A

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 comprising of 'property, plant and equipment', 'capital work-in-progress' and 'other intangible assets'.
- (b) The Company has a regular program of physical verification of its property, plant and equipment and capital work-in-progress under which property, plant and equipment and capital work-in-progress 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 Property, plant and equipment and capital work-in-progress 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 repayments/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, goods and services tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than

six months

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due Date	Date of payment
Income Tax Act, 1961	Tax deducted at source	909.13	March 2016 to August 2018	7 th day of subsequent month	Not paid yet
Chapter V of Finance Act, 1994	Service tax	5,513.25	March 2016 to June 2017	5 th of subsequent month (6 th for online payment)	Not paid yet
Central Goods and Services Tax Act, 2017	Goods and services tax	1,817.21	February 2018 to August 2018	20 th of subsequent month	Not paid yet
The Chhattisgarh Value Added Sales Tax Act, 2003	VAT	15.02	June, 2017	15 th day of subsequent month	Not paid yet
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Employee Provident fund	97.20	November 2015 to August 2018	15 th day of subsequent month	Not paid yet
Employee State Insurance Act, 1948	Employee State Insurance	29.94	June 2016 to August 2018	21 st day of subsequent month	Not paid yet
Employee Welfare Fund	Employee welfare fund	0.49	November 2016 to August 2018	25 th day of subsequent month	Not paid yet
Madhya Pradesh State Tax on Professions, Trades, Callings and Employment Act, 1995	Professional Tax	11.78	July 2012 to August 2018	10 th of subsequent month	Not paid yet
West Bengal State Tax on Professions, Trades, Callings and Employment Act, 1979	Professional Tax	0.97	April 2015 to August 2018	21 st of subsequent month	Not paid yet
Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Professional Tax	0.25	January 2017 to August 2018	30 th of subsequent month	Not paid yet

The Gujarat Panchayats, Municipalities, Municipal Corporation and State tax on Professions, Traders, Callings and Employments Act, 1976	Professional Tax	0.03	May 2017 to August 2018	15 th of subsequent month	Not paid yet
The Karnataka Tax on Professions, Trades, Callings And Employment Act, 1976	Professional Tax	0.03	May 2017 to August 2018	20 th of subsequent month	Not paid yet

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

Statement of Disputed Dues

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Amount Paid Under Protest (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand made under section 153A and 153B	3,269.81	-	Assessment years 2009-10 to 2013-14	Income Tax Appellate Tribunal, Delhi
The Maharashtra Value Added Tax, 2002	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 (Appeal), Mumbai, Maharashtra
	Central Sales Tax	19.88	-	2012-13	Sales Tax Tribunal, Mumbai, Maharashtra- Appeal
	Value Added Tax	29.10	-	2012-13	Sales Tax Tribunal, Mumbai, Maharashtra- Appeal
Bihar Value Added Tax, 2005	Value Added Tax	203.61	61.08	2012-13	Commissioner, Commercial Tax, Bihar
	Value Added Tax	1,644.31	125.00	2013-14	Commissioner, Commercial Tax Bihar
	Value Added Tax	83.55	-	2010-11	Assessing Officer 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	1,019.00	175.00	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata



Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Amount Paid Under Protest (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
	Central Sales Tax	54.13	-	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board Kolkata
	Central Sales Tax	229.16	-	2011-12	Additional Commissioner (Appeal) Sales Tax
	Central Sales Tax	2.07	-	2014-15	Joint Commissioner (Appeals) Sales tax
	Value Added Tax	192.72	-	2014-15	Joint Commissioner (Appeals) Sales tax
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	62.95	31.25	2010-11	Andhra Pradesh Sales Tax and VAT Appellate Tribunal, Hyderabad
Haryana VAT Act, 2003	Central Sales Tax	1,930.50	-	2009-10	Sales tax Revisional Authority, Gurgaon
The Madhya Pradesh VAT Act, 2002	Central Sales Tax	103.25	45.34	2011-12	Sales tax Tribunal - Madhya Pradesh
	Central Sales Tax	3.25	-	2013-14	Joint Commissioner, Indore, Madhya Pradesh
	Central Sales Tax	11.84	1.19	2015-16	Assistant commissioner (Sales tax)
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
Kerala VAT Act, 2003	Central Sales Tax	219.38	-	2011-12	Hon'ble High Court of Kerala, Ernakulam
The Karnataka Value Added Tax Act, 2003	Value Added tax	4.46	-	2012-13	Deputy Commissioner- Audit, Bangalore, Karnataka

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

(Amount in lakhs)

Particulars	Default (in months)			
	(0-3)	(3-6)	(6-12)	(More than 12)
Banks				
Allahabad Bank	578.32	-	-	-
Axis Bank	320.91	33.90	-	-
DBS	-	-	81.53	9,585.90
HSBC	161.41	81.15	59.22	427.55
IDBI Bank	46.15	-	140.67	358.70
Indusind Bank	115.15	-	-	-
Kotak Mahindra Bank	398.27	-	-	-
SCB	700.00	500.00	2,500.00	-
State Bank of India	3,298.07	445.83	1,427.54	8,443.62
Union Bank of India	244.95	-	0.11	0.07
Financial Institutions:				
Edelweiss ARC- Yes Bank	563.28	58.03	230.18	-
Edelweiss ARC-ICICI Bank	1,315.86	335.86	841.04	7,542.92

- (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) The Company has paid managerial remuneration which is not in accordance with the requisite approval mandated by the provisions of Section 197 of the Act read with Schedule V to the Act. The details of the same are as follows:

S. No	Payment made to	Financial year	Amount Paid/ provided in excess of limits prescribed (Rs. in lakhs)	Amount due for Recovery as at March 31, 2019 (Rs. in lakhs)	Steps taken to secure the recovery of the amount	Remarks (if any)
1.	Managing Director	2012-13	94.54	-	The Company has obtained a confirmation from the Managing Director that such amount has been held in trust and 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 and 310 of erstwhile Companies Act, 1956.
		2013-14	94.94	74.93		
2.	Whole time Director cum Chief Executive Officer	2017-18	7.50	7.50	The Company has obtained a confirmation from Whole time Director cum CEO that such amount has been held in trust and will be repaid as per agreed plan.	Amount recoverable pertains to excess remuneration paid to managerial personnel from the date of re-appointment till the date of abatement letter received from Central Government.
		2018-19	9.00	9.00		
3.	Executive Director	2017-18	3.00	3.00	The Company has obtained a confirmation from Executive Director that such amount has been held in trust and will be repaid as per agreed plan.	
		2018-19	7.50	7.50		

- (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 standalone financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly 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

Place : Gurugram
Date : 23 May 2019

Neeraj Sharma
Partner
Membership No.:502103



Annexure B to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited on the standalone financial statements for the year ended 31 March 2019

Annexure B

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 of and for the year ended 31 March 2019, 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 (the Guidance Note) issued by the Institute of Chartered Accountants of India ('ICIA'). 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 2019, 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

Neeraj Sharma

Partner

Membership No.:502103

Place : Gurugram

Date : 23 May 2019

Standalone Balance Sheet as at March 31, 2019

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

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	10,515.97	14,397.09
Capital work-in-progress	3	14,156.80	18,056.80
Intangible assets	4	1.47	13.33
Financial assets:			
Investments	5	28,824.48	29,067.65
Loans	6	93.34	270.08
Other financial assets	7	2,126.49	2,409.51
Deferred tax assets (net)	8	6,274.96	6,320.11
Non-current tax assets (net)	9	3,518.31	2,682.38
Other non-current assets	10	28.41	1,495.80
		65,540.23	74,712.75
Current Assets:			
Inventories	11	394.13	349.14
Financial assets:			
Trade receivables	12	89,474.71	117,216.35
Cash and cash equivalents	13	842.88	1,097.71
Other bank balances	14	-	0.82
Loans	6	2,618.41	4,653.44
Other financial assets	7	15,985.72	25,314.11
Other current assets	10	12,948.20	10,463.98
Asset held for sale	15	2,534.55	-
		124,798.60	159,095.55
		190,338.83	233,808.30
EQUITY AND LIABILITIES:			
Equity:			
Equity share capital	16	17,611.99	17,611.99
Other equity		47,163.30	43,724.64
		64,775.29	61,336.63
Liabilities:			
Non-current liabilities:			
Financial liabilities:			
Borrowings	17	2,734.64	15,098.21
Other financial liabilities	18	-	1,000.00
Long term provisions	19	982.04	298.22
		3,716.68	16,396.43
Current liabilities:			
Financial liabilities:			
Borrowings	20	22,717.54	45,034.04
Trade payables	21		
Total outstanding dues of micro and small enterprises		42.36	24.99
Total outstanding dues of creditors other than micro and small enterprises		55,998.44	57,227.91
Other financial liabilities	18	20,202.36	33,826.68
Other current liabilities	22	22,756.12	19,861.11
Short term provisions	19	130.04	100.51
		121,846.86	156,075.24
		190,338.83	233,808.30

Summary of significant accounting policies 2

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

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Neeraj Sharma

Partner

Membership No. 502103

For and on behalf of the Board of Directors

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary

Place : Gurugram

Date : May 23, 2019



Standalone Statement of Profit and Loss for the Year ended March 31, 2019

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

	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue:			
Revenue from operations	23	50,732.52	35,751.56
Other income	24	1,668.21	3,697.86
Total revenue		52,400.73	39,449.42
Expenses:			
Cost of materials consumed	25	39,921.52	27,804.66
Purchases of stock-in-trade	26	-	2,602.17
Employee benefits expense	27	2,143.03	2,219.43
Finance costs	28	4,109.94	12,978.07
Depreciation and amortisation expenses	29	1,108.48	1,284.70
Other expenses	30	4,477.07	5,845.46
Total expenses		51,760.04	52,734.49
Profit/(loss) before exceptional items and tax		640.69	(13,285.07)
Exceptional items	42	2,690.55	1,828.89
Profit/(loss) before tax		3,331.24	(11,456.18)
Tax expense	32		
Current tax		71.55	22.77
Deferred tax (net)		47.47	(2.01)
		119.02	20.76
Profit/(loss) for the year		3,212.22	(11,476.94)
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Re-measurement of defined benefit obligations		35.32	40.31
		35.32	40.31
Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income)		3,247.54	(11,436.63)
Earning/(loss) per equity share (INR) :	33		
(Nominal value of shares INR 10)			
Basic		1.82	(7.68)
Diluted		1.82	(7.68)

Summary of significant accounting policies

2

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

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Neeraj Sharma

Partner

Membership No. 502103

For and on behalf of the Board of Directors

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary

Place: Gurugram

Date : May 23, 2019

Standalone Statement of Changes in Equity for the year ended March 31, 2019

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

	Note No.	Number of shares	Amount		
A. Equity share capital:					
Issued, subscribed and fully paid up					
Equity Shares of INR 10 each					
Balance as at April 1, 2017	16	144,949,469	14,494.95		
Issue of equity share capital		31,170,389	3,117.04		
Balance as at March 31, 2018	16	176,119,858	17,611.99		
Issue of equity share capital		-	-		
Balance as at March 31, 2019	16	176,119,858	17,611.99		
B. Other equity:					
Reserves and surplus					
	Securities premium	General reserve	Employee stock option plan reserve	Retained earnings	Total equity attributable to equity holders
Balance as at April 1, 2017	80,399.52	640.14	539.83	(35,603.95)	45,975.54
Loss for the year	-	-	-	(11,476.94)	(11,476.94)
Other comprehensive income	-	-	-	40.31	40.31
Total comprehensive income	-	-	-	(11,436.63)	(11,436.63)
Transfer from Employee stock option plan reserve on lapse	-	-	(125.54)	125.54	-
Transfer from Employee stock option plan reserve on exercise	106.50	-	(106.50)	-	-
Expenses for increase in authorised share capital	-	-	-	(60.00)	(60.00)
Transactions with owners in their capacity as owners:					
Issue of equity shares	9,080.54	-	-	-	9,080.54
Employee stock option plan (ESOP) expense	-	-	160.59	-	160.59
On account of ESOP given to employees of subsidiaries	-	-	4.60	-	4.60
Balance as at March 31, 2018	89,586.56	640.14	472.98	(46,975.04)	43,724.64
Profit for the year	-	-	-	3,212.22	3,212.22
Other comprehensive income	-	-	-	35.32	35.32
Total comprehensive income				3,247.54	3,247.54
Transfer from Employee stock option plan reserve on lapse	-	-	(55.40)	55.40	-
Transactions with owners in their capacity as owners:					
Employee stock option plan (ESOP) expense	-	-	170.74	-	170.74
On account of ESOP given to employees of subsidiaries/associates	-	-	20.38	-	20.38
Balance as at March 31, 2019	89,586.56	640.14	608.70	(43,672.10)	47,163.30

Summary of significant accounting policies

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

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

Sd/-

Neeraj Sharma

Partner

Membership No. 502103

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary

Place : Gurugram

Date : May 23, 2019



Standalone Cash Flow Statement for the year ended March 31, 2019

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

	For the Year ended March 31, 2019	For the Year ended March 31, 2018
A Cash flows from operating activities:		
Net profit/(loss) before tax (after exceptional items)	3,331.24	(11,456.18)
Adjustments:		
Exceptional items	(2,690.55)	(1,828.89)
Depreciation and amortisation expense	1,108.48	1,284.70
Profit on disposal of property, plant and equipment	(25.79)	(11.90)
Interest expense	3,647.21	12,394.62
Interest income	(1,192.50)	(1,312.23)
Provision for contract revenue in excess of billing	164.52	242.29
Allowance for write-down of inventories to net realisable value	-	353.06
Provision for bad and doubtful debts	1,287.32	947.49
Provision for bad and doubtful advance	221.86	1,240.36
Provisions/liabilities written back	-	(2,308.32)
Provision for/(reversal of) warranty	707.06	23.62
Provision for gratuity and leave encashment	43.15	48.66
Provision for disputed liabilities	-	66.18
Advances written off	-	55.03
Bad debts written off	-	61.96
Rental income	-	(9.33)
Advances/ earnest money deposit written off	44.47	0.85
Reversal of tax credit	-	378.26
Recognition of share based payments at fair value	170.74	160.59
Unwinding of discount on security deposits	(0.11)	(0.02)
	3,485.86	11,786.98
Operating profit before working capital changes	6,817.10	330.80
Net changes in working capital		
Change in inventories	(44.99)	63.46
Change in trade receivables	(1,127.87)	1,865.89
Change in loans	(548.04)	(726.93)
Change in other financial assets	33.87	(2,886.26)
Change in other assets	(3,144.04)	528.25
Change in trade payables	(1,528.67)	(6,772.69)
Change in provisions	(40.08)	(124.62)
Change in financial liabilities	151.48	491.64
Change in other liabilities	12,177.81	8,647.94
Net changes in working capital:	5,929.47	1,086.68
Net cash generated from operations	12,746.57	1,417.48
Current taxes paid (net of refunds)	(907.48)	(491.93)
Net cash generated from operating activities	11,839.09	925.55

Standalone Cash Flow Statement for the year ended March 31, 2019

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

	For the Year ended March 31, 2019	For the Year ended March 31, 2018
B Cash flows from investing activities:		
Payments for property, plant and equipment	(73.93)	(431.21)
Proceeds from sale of property, plant and equipment	34.66	28.00
Proceeds from sale of subsidiaries	5.01	1,055.34
Fixed deposits (placed)/matured - (net)	(622.23)	(183.21)
Rental income	-	9.33
Interest received	317.48	811.13
Net cash (used in) / generated from investing activities	(339.01)	1,289.38
C Cash flows from financing activities:		
Proceeds from issuance of equity share capital	-	89.40
Proceeds from securities premium	-	58.18
Expenses for increase in authorised share capital	-	(60.00)
Repayment of long term borrowings	(9,644.71)	(2,717.80)
Proceeds/(Repayments) from short term borrowings (net)	(1,534.59)	(333.66)
Interest paid	(575.61)	(3,306.12)
Net cash used in financing activities	(11,754.91)	(6,270.00)
Net decrease in cash and cash equivalents (A+B+C)	(254.83)	(4,055.07)
Cash and cash equivalents at the beginning of the year	1,097.71	5,152.78
Cash and cash equivalents at the end of the year	842.88	1,097.71
Reconciliation of cash and cash equivalents as per the cash flow statement.	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents as per above comprises of the following :		
a. Cash in hand	0.72	1.97
b. Cheques in hand	-	100.00
c. Balance in current account	842.16	995.74
Balances as per statement of cash flows	842.88	1,097.71

Note : All figures in brackets are outflows.

Summary of significant accounting policies

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

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

Sd/-

Neeraj Sharma

Partner

Membership No. 502103

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary

Place: Gurugram

Date : May 23, 2019



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

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.

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, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The Company has uniformly applied the accounting policies during the period presented.

2.2 Use of estimates and judgments

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

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

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

Significant management judgements

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

- **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Classification of leases** – The Company enters into leasing arrangements for various 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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

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 Input method (percentage completion method) in accounting for its revenue from construction services. The use of percentage-of-completion method requires the Company to estimate costs expended to date as a proportion of the total costs to be expended. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and output.
- **Contract estimates** – The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- **Recoverability of claims** – The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/ discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.
- **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available.

2.3 Significant accounting policies

a) Revenue recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue Recognition". The Company has applied Ind AS 115 using the cumulative catch-up transition method and impact of transition to Ind AS 115 has been adjusted against the Retained Earnings as at April 1, 2018, if any. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

- a) Determining the revenue to be recognised in case of performance obligation satisfied over a period of time. Revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
- b) Determining the estimated losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

i. Revenue from engineering services

Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Impairment loss (termed as provision for foreseeable losses) is recognised in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

Contract revenue earned in excess of billing has been reflected under "Other financial assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the Balance Sheet. As the outcome of the contracts cannot be measured reliably during the early stages of the project, contract revenue is recognised only to the extent of costs incurred in the statement of profit and loss unless the actual cost reaches a minimum threshold of 10% of total estimated cost of the project.

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

ii. Revenue from operation and maintenance services

Revenue from maintenance contracts and renting of equipment's are recognised over the period of the contract as and when services are rendered in accordance with the terms of the respective contract.

iii. Income from professional and data processing services

Income from professional and data processing services is recognized as and when the customer receives the benefit of the company's performance and the Company has an enforceable right to payment for services transferred.

iv. Revenue from sale of goods

Revenue is recognised when the control of the same is transferred to the customer and it is probable that the company will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contracts for sale of goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the company does not have either explicit or implicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the company has either explicit or implicit right of payment considering legal precedents, performance obligation is considered as satisfied over a period of time and revenue is recognized over time. The Company collects goods and service tax (GST) (as applicable) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.

v. Other Income

- A. Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
- B. Dividend income is accounted in the period in which the right to receive the same is established.
- C. Other items of income are accounted as and when the right to receive such income arises and it is probable that

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

the economic benefits will flow to the company and the amount of income can be measured reliably.

b) Foreign currencies and operations

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest lacs, unless otherwise stated.

ii. Foreign currency transactions and balances

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

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

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

c) Joint operations

The 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;
- 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.

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.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

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 useful life of five to six years, as determined by the management.

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.

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.

a) 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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

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.

b) Classification and subsequent measurement of financial assets

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

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

➤ **Debt instruments at amortised cost**

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

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

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

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

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

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

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

➤ **Equity instruments**

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

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

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



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

c) 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 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.

d) 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.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

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 27.2 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.

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



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

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 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.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

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 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



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

• **Amendment to Ind AS 116, Leases**

On March 30, 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the standalone financial statements is being evaluated.

• **Amendment to Ind AS 12, Income taxes**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the standalone financial statements.

• **Amendment to Ind AS 19, Employee benefits**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the standalone financial statements.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019

- **Amendment to Ind AS 23, Borrowing costs**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the standalone financial statements.

- **Amendment to Ind AS 109, Financial instruments**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the standalone financial statements.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

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 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, 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
Additions	-	-	0.23	-	4.01	-	1.70	-	5.94	29.68
Disposals	-	-	(0.09)	-	(4.16)	-	(98.46)	-	(102.72)	-
Balance as at March 31, 2018	635.10	26.00	458.32	6,554.56	13,501.43	129.58	1,797.63	522.90	23,625.51	26,788.01
Additions	-	-	-	-	58.97	0.09	-	1.04	60.10	-
Disposals	-	-	-	-	(8.84)	-	(181.21)	-	(190.05)	-
Assets held for sale (Refer note 15)	-	-	-	(2,831.16)	-	-	-	-	(2,831.16)	-
Balance as at March 31, 2019	635.10	26.00	458.32	3,723.40	13,551.56	129.67	1,616.43	523.94	20,664.42	26,788.01
Depreciation and impairment:										
Balance as at April 1, 2017	-	26.00	444.60	967.61	3,788.76	112.37	1,558.39	513.05	7,410.78	5,881.21
Depreciation	-	-	7.86	266.85	801.75	5.76	164.50	7.54	1,254.26	-
Impairment (Refer note 3.1)	-	-	-	154.73	494.72	-	0.55	-	650.00	2,850.00
Disposals	-	-	(0.09)	-	(2.01)	-	(84.52)	-	(86.62)	-
Balance as at March 31, 2018	-	26.00	452.37	1,389.19	5,083.22	118.13	1,638.92	520.59	9,228.42	8,731.21
Depreciation	-	-	4.79	236.66	767.17	4.35	82.60	1.05	1,096.62	-
Impairment (Refer note 3.1)	-	-	-	71.41	228.33	-	0.25	-	300.00	3,900.00
Disposals	-	-	-	-	(6.44)	-	(173.56)	-	(179.99)	-
Asset held for sale (Refer Note 15)	-	-	-	(296.60)	-	-	-	-	(296.60)	-
Balance as at March 31, 2019	-	26.00	457.16	1,400.66	6,072.28	122.48	1,548.21	521.65	10,148.45	12,631.21
Net carrying amount:										
Balance as at March 31, 2019	635.10	-	1.16	2,322.74	7,479.28	7.19	68.22	2.29	10,515.97	14,156.80
Balance as at March 31, 2018	635.10	-	5.95	5,165.37	8,418.21	11.45	158.71	2.31	14,397.09	18,056.80

Note 3.1: Impairment

The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Build, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2019, 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 Company has also entered into arbitration proceedings with the sugar mills for the extension of the concession period. 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 of INR 4,200.00 lakhs (previous year : INR 3,500.00 lakhs) in carrying value of these assets during the year ended March 31, 2019. 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 for the year ended March 31, 2019 amounting to INR 4,200.00 lakhs (previous year : INR 3,500.00 lakhs), INR 3,900 lakhs (previous year : INR 2,850.00 lakhs) pertains to, two power plants, which were yet to be capitalised and INR 300.00 lakhs (previous year : INR 650.00 lakhs) is for a power plant which has already been capitalised. This has been recognised in the statement of profit and loss under the head exceptional items during the year ended March 31, 2019. The recoverable amount of all three cogeneration power plants is based on value in use and 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 are discounted at a rate of 13.21% (previous year 16.28%) on a post-tax basis.

Note 3.2: Contractual commitments

The amount of contractual commitments for the purchase of property, plant and equipment (including capital work in progress) is disclosed in Note 40(b).

Note 3.3: Property, plant and equipment are pledged as collateral for borrowings from banks (Refer Note 17 and Note 20).

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2019	As at March 31, 2018
Buildings under construction	190.04	190.04
Power plant equipment's under erection	17,248.85	17,248.85
Borrowing costs capitalised		
Interest	5,179.50	5,179.50
Amortisation of ancillary borrowing cost	225.05	225.05
Other expenses (directly attributable to construction/erection of assets)		
Rent	107.24	107.24
Legal and professional charges	406.08	406.08
Employee benefit expense	991.42	991.42
Depreciation	334.80	334.80
Insurance charges	70.79	70.80
Power and fuel	158.67	158.67
Repair and maintenance charges	145.65	145.65
Test run expenses	1,515.94	1,515.94
Other miscellaneous expenses	213.96	213.96
Less:- Impairment (Refer Note 3.1)	(12,631.21)	(8,731.21)
Total	14,156.80	18,056.80

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, 2017	537.86	537.86
Additions	-	-
Disposals	-	-
Balance as at March 31, 2018	537.86	537.86
Additions	-	-
Disposals	-	-
Balance as at March 31, 2019	537.86	537.86
Amortisation and impairment:		
Balance as at April 1, 2017	494.09	494.09
Amortisation	30.44	30.44
Balance as at March 31, 2018	524.53	524.53
Amortisation	11.86	11.86
Balance as at March 31, 2019	536.39	536.39
Net carrying amount:		
Balance as at March 31, 2019	1.47	1.47
Balance as at March 31, 2018	13.33	13.33

Note 4.1: The Company does not have any outstanding contractual commitments to purchase any items of intangible assets.

Note 4.2: Intangible assets are pledged as collateral for borrowings from banks/financial institutions (Refer Note 17 and Note 20).



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
Note 5 : INVESTMENTS		
A. Non-current investments		
Carrying amount		
I. Investments in equity instruments		
(i) Subsidiary companies	8,760.45	23,110.48
(ii) Associate companies	14,170.41	-
	22,930.86	23,110.48
II. Investments in preference shares (debt portion) of		
(i) Subsidiary companies	272.54	6,090.18
(ii) Associate companies	6,685.50	-
	6,958.04	6,090.18
III. Provision for impairment in value of non-current investments		
(i) Subsidiary companies	(133.01)	(133.01)
(ii) Associate companies	(931.41)	-
	(1,064.42)	(133.01)
Total	28,824.48	29,067.65

Note 5.1 Details of investments:

	As at March 31, 2019	As at March 31, 2018
I. Investment in equity instruments [Valued at cost]:		
(i) Subsidiary companies [Unquoted]:		
A. In fully paid-up equity shares :		
3,580,410 (March 31, 2018: 3,580,410) equity shares of INR 10 each fully paid up in A2Z Infraservices Limited	6,072.29	6,072.29
125,000 (March 31, 2018: 125,000) equity shares of INR 10 each fully paid up in A2Z Powercom Limited	10.00	10.00
1,400,000 (March 31, 2018: 1,400,000) equity shares of INR 10 each fully paid up in A2Z Powertech Limited	133.01	133.01
Nil (March 31, 2018: 800,000) equity shares of INR 10 each fully paid up in Selligence Technologies Services Private Limited (Refer Note 5.1.2)	-	80.00
24,000 (March 31, 2018: 24,000) equity shares of INR 10 each fully paid up in A2Z Waste Management (Nainital) Private Limited (Refer Note 5.1.4)	-	2.40
50,000 (March 31, 2018: 50,000) equity shares of INR 10 each fully paid up in Mansi Bijlee & Rice Mills Limited	5.00	5.00
60,000 (March 31, 2018: 60,000) equity shares of INR 10 each fully paid up in Magic Genie Services Limited	6.00	6.00
9,693,987 (March 31, 2018: 10,893,987) equity shares of INR 10 each fully paid up in A2Z Green Waste Management Limited (Refer Note 5.1.4)	-	1,089.40
10,000 (March 31, 2018: 10,000) equity shares of INR 10 each fully paid up in A2Z Waste Management (Jaipur) Limited (Refer Note 5.1.4)	-	1.00
1,146,326 (March 31, 2018: 1,146,326) equity shares of INR 10 each fully paid up in Chavan Rishi International Limited	1,031.69	1,031.69
	7,257.99	8,430.79

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
B. Investment in preference shares (equity portion)		
14,958,000 (March 31, 2018: 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
171,200,000 (March 31, 2018: 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference shares of INR 10 each in A2Z Green Waste Management Limited (Refer Note 5.1.4)	-	13,197.61
	1,335.90	14,533.51
C. Investment in subsidiaries, other than in shares (Refer Note 5.1.3)	166.56	146.18
	166.56	146.18
	8,760.45	23,110.48
D. Provision for impairment in value of long term investment		
A2Z Powertech Limited	(133.01)	(133.01)
	(133.01)	(133.01)
(ii) Associates companies [Unquoted]:		
A. In fully paid-up equity shares :		
9,693,987 (March 31, 2018 : 10,893,987) equity shares of INR 10 each fully paid up in A2Z Green Waste Management Limited. (Refer Note 5.1.4)	969.40	-
24,000 (March 31, 2018 : 24,000) equity shares of INR 10 each fully paid up in A2Z Waste Management (Nainital) Private Limited. (Refer Note 5.1.4)	2.40	-
10,000 (March 31, 2018 : 10,000) equity shares of INR 10 each fully paid up in A2Z Waste Management (Jaipur) Limited. (Refer Note 5.1.4)	1.00	-
	972.80	-
B. Investment in preference shares (Equity portion)		
171,200,000 (March 31, 2018: 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference shares of INR 10 each in A2Z Green Waste Management Limited (Refer Note 5.1.4)	13,197.61	-
	13,197.61	-
	14,170.41	-
C. Provision for impairment in value of non-current equity investment		
A2Z Waste Management (Nainital) Private Limited	(2.40)	-
A2Z Green Waste Management Limited	(929.01)	-
	(931.41)	-
II. Investment in preference shares (Debt portion) [Valued at amortised cost]:		
Subsidiary companies [Unquoted]:		
14,958,000 (March 31, 2018 : 14,958,000) fully paid up, 0.01% Non participative cumulative redeemable preference shares of INR 10 each in Mansi Bijlee and Rice Mills Limited	272.54	238.54
171,200,000 (March 31, 2018: 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference shares of INR 10 each in A2Z Green Waste Management Limited (Refer Note 5.1.4)	-	5,851.64
Associates companies [Unquoted]:		
171,200,000 (March 31, 2018: 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference shares of INR 10 each in A2Z Green Waste Management Limited (Refer Note 5.1.4)	6,685.50	-
	6,958.04	6,090.18
Total	29,888.90	29,200.66
Aggregate amount of unquoted investments	29,888.90	29,200.66
Aggregate amount of impairment in value of investments	(1,064.42)	(133.01)



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
B. Current investments		
Carrying amount (valued at fair value through profit and loss)		
Investments in equity instruments [Unquoted]		
Nil (March 31 2018: 22,815) equity shares of INR 10 each fully paid up in Weensure E Waste Limited	-	2.28
Investment in preference shares [Unquoted]		
Nil (March 31, 2018: 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
Less: Provision for impairment in value of investment	-	(231.28)
Total	-	-
Aggregate amount of unquoted investments	-	231.28
Aggregate amount of impairment in the value of investments	-	(231.28)

Note 5.1.1 The management has committed to provide continued operational and financial support to its subsidiaries/associates for meeting their working capital and other financial requirements and based upon approved future projections of the subsidiaries/associates, believes that no impairment exist in excess of the provision already created and accordingly, no further adjustment is considered necessary in respect of carrying value of investments.

Note 5.1.2 With effect from October 31, 2018, Selligence Technologies Services Private Limited has entered the process of striking off pursuant to Sec 248 of the Companies Act, 2013. Consequently, it ceased to be a subsidiary of the Company.

Note 5.1.3 Investment in subsidiaries, other than in shares, represents employee stock option granted to employees of subsidiaries.

Note 5.1.4 Till March 12, 2019, the Company held 10,893,987 shares (47.89 % of total issued share capital) of A2Z Green Waste Management Limited (AGWML) and together with Devdhar Trading and Consultants Private Limited (DTCPL) (a promoter group company) controlled AGWML. On March 12, 2019, the Company sold 1,200,000 shares out of the total holding (5.28% of the total share capital of AGWML) losing its control over the aforementioned company and its subsidiaries and therefore investment in AGWML has been accounted for as an associate.

Further the Company held 48% of share capital and 26% indirectly through its subsidiary AGWML till March 12, 2019 in A2Z Waste Management (Nainital) Private Limited (AWMNPL). On March 12, 2019, since the Company lost its control over AGWML, hence losing control over the AWMNPL and therefore investment in AWMNPL has been accounted for as an associate.

Further the Company held 20% of share capital and 80% indirectly through its subsidiary AGWML till March 12, 2019 in A2Z Waste Management (Jaipur) Private Limited (AWMJPL). On March 12, 2019, since the Company lost its control over AGWML, hence losing control over the AWMJPL and therefore investment in AWMJPL has been accounted for as an associate.

Note 5.2 The Company, as at March 31, 2019, has non-current investments (net of impairment) amounting to INR 19,937.25 lakhs (previous year : INR 20,151.90 lakhs), other current financial assets (net of impairment) amounting to INR 411.51 lakhs (previous year : INR 410.73 lakhs) lakhs and current financial assets-loan amounting to INR 372.63 lakhs (previous year : INR 592.85 lakhs) in its associate company A2Z Green Waste Management Limited ('AGWML') which has holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited together with its subsidiaries is referred to as A2Z Green Waste Management Group). While A2Z Green Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2019 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of A2Z Green Waste Management Group. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.

Note 5.3 The Company does not have any quoted investments.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
Note 6 : LOANS				
(Unsecured considered good, unless otherwise stated)				
Security deposits (Refer Note 6.2)				
Considered good	1,174.65	93.34	449.97	270.08
Significant increase in credit risk	-	-	-	-
Credit impaired	178.77	-	178.77	-
Less: Provision for impairment	(178.77)	-	(178.77)	-
	1,174.65	93.34	449.97	270.08
Loans to related parties (Refer Note 6.1)				
Subsidiaries				
Considered good	-	-	4,203.35	-
Significant increase in credit risk	-	-	-	-
Credit impaired	1,275.81	-	-	-
Less: Provision for impairment	(1,275.81)	-	-	-
	-	-	4,203.35	-
Associates (Refer Note 5.1.4 and Note 5.2)	1,443.75	-	-	-
Loans to employees	0.02	-	0.12	-
Other loans which have significant increase in credit risk	-	-	-	-
Loans - credit impaired	-	-	-	-
Total	2,618.42	93.34	4,653.44	270.08

Note 6.1 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances to in nature of loans:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current		Current	
	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year
Subsidiaries:				
a) A2Z Infraservices Limited	-	580.23	-	109.16
b) A2Z Powertech Limited	-	19.74	19.58	19.58
c) Mansi Bijlee & Rice Mills Limited	-	211.61	90.65	90.65
d) Ecogreen Envirotech Solution Ltd.	-	3.17	0.68	0.68
e) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	-	1,138.93	1,035.03	1,035.03
f) A2Z Green Waste Management Limited	-	-	592.86	592.86
g) A2Z Waste Management (Jaipur) Limited	-	-	733.09	733.09
h) A2Z Waste Management (Ludhiana) Limited	-	-	508.24	508.24
i) A2Z Waste Management (Ahmedabad) Limited	-	-	150.00	150.00
j) A2Z Waste Management (Dhanbad) Private Limited	-	-	230.56	230.56
k) A2Z Waste Management (Mirzapur) Limited	-	-	95.00	95.00
l) A2Z Waste Management (Moradabad) Limited	-	-	7.47	7.47
m) A2Z Waste Management (Ranchi) Limited	-	-	350.00	350.00
n) A2Z Waste Management (Sambhal) Limited	-	-	130.23	130.23



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current		Current	
	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year
o) A2Z Waste Management (Varanasi) Limited	-	-	250.96	250.96
p) A2Z Waste Management (Jaunpur) Limited	-	-	9.00	9.00
Associates:				
a) A2Z Green Waste Management Limited	372.63	595.56	-	-
b) A2Z Waste Management (Jaipur) Limited	-	786.88	-	-
c) A2Z Waste Management (Ludhiana) Limited	490.55	669.87	-	-
d) A2Z Waste Management (Ahmedabad) Limited	-	150.00	-	-
e) A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56	-	-
f) A2Z Waste Management (Mirzapur) Limited	-	95.00	-	-
g) A2Z Waste Management (Moradabad) Limited	-	20.22	-	-
h) A2Z Waste Management (Ranchi) Limited	350.00	350.00	-	-
i) A2Z Waste Management (Sambhal) Limited	-	130.23	-	-
j) A2Z Waste Management (Varanasi) Limited	-	340.42	-	-
k) A2Z Waste Management (Jaunpur) Limited	-	9.00	-	-
Total	1,443.74	5,331.42	4,203.36	4,312.53

All the above loans are repayable on demand

Note 6.2 : Disclosure pursuant to section 186 (4) of the Companies Act 2013:

	As at March 31, 2019	As at March 31, 2018
Nature of the transactions (loans given/investment made/guarantee given/security provided) #		
(A) Loan and advances:		
Subsidiaries:		
a) A2Z Green Waste Management Limited	-	592.86
b) A2Z Powertech Limited	-	19.58
c) A2Z Waste Management (Jaipur) Limited	-	733.09
d) A2Z Waste Management (Ludhiana) Limited	-	508.24
e) A2Z Waste Management (Ahmedabad) Limited	-	150.00
f) A2Z Waste Management (Dhanbad) Private Limited	-	230.56
g) A2Z Waste Management (Mirzapur) Limited	-	95.00
h) A2Z Waste Management (Moradabad) Limited	-	7.47
i) A2Z Waste Management (Ranchi) Limited	-	350.00
j) A2Z Waste Management (Sambhal) Limited	-	130.23
k) A2Z Waste Management (Varanasi) Limited	-	250.96
l) A2Z Waste Management (Jaunpur) Limited	-	9.00
m) Mansi Bijlee & Rice Mills Limited	-	90.65
n) Ecogreen Envirotech Solution Ltd.	-	0.68
o) A2Z Infraservices Limited	-	-
p) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	-	1,035.03
Total	-	4,203.35
Associates: (Refer Note 5.2)		
a) A2Z Green Waste Management Limited	372.63	-
b) A2Z Waste Management (Ludhiana) Limited	490.55	-
c) A2Z Waste Management (Dhanbad) Private Limited	230.56	-
d) A2Z Waste Management (Ranchi) Limited	350.00	-
Total	1,443.74	-

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
(B) Other Recoverable		
Subsidiaries:		
A2Z Infra Services Limited	546.96	16.69
Total	546.96	16.69
(C) Guarantees*:		
Subsidiaries:		
a) A2Z Infraservices Limited	10,818.00	9,938.00
b) A2Z Green Waste Management Limited	-	25,325.00
c) A2Z Waste Management (Meerut) Limited	-	3,500.00
d) A2Z Waste Management (Moradabad) Limited	-	1,830.00
e) A2Z Waste Management (Aligarh) Limited	-	1,350.00
f) A2Z Waste Management (Varanasi) Limited	-	4,400.00
g) A2Z Waste Management (Ranchi) Limited	-	3,140.00
h) Ecogreen Envirotech Solutions Limited	-	700.00
i) A2Z Waste Management (Badaun) Limited	-	560.00
j) A2Z Waste Management (Jaunpur) Limited	-	220.00
k) A2Z Waste Management (Sambhal) Limited	-	550.00
l) A2Z Waste Management (Fatehpur) Limited	-	410.00
m) A2Z Waste Management (Mirzapur) Limited	-	560.00
n) A2Z Waste Management (Balai) Limited	-	420.00
o) A2Z Waste Management (Ludhiana) Limited	-	5,080.00
p) A2Z Waste Management (Jaipur) Limited	-	2,000.00
q) A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	580.00	580.00
	12,098.00	60,563.00
Associates:		
a) A2Z Green Waste Management Limited	25,025.00	-
b) A2Z Waste Management (Meerut) Limited	1,100.00	-
c) A2Z Waste Management (Moradabad) Limited	480.00	-
d) A2Z Waste Management (Varanasi) Limited	2,000.00	-
	28,605.00	-
(D) Investments in fully paid equity instruments	Refer Note 5	
# All transactions are in the ordinary course of business.		
* Also refer note 40(a)		



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
Note 7 : OTHER FINANCIAL ASSETS				
[Unsecured, considered good unless otherwise stated]				
Deferred purchase consideration against sale of investment				
Consider doubtful	-	146.00	-	146.00
Less: Provision for doubtful assets	-	(146.00)	-	(146.00)
	-	-	-	-
Earnest money deposit				
Considered good	262.17	-	278.41	-
Credit impaired	-	-	100.00	-
Less: Provisions for doubtful deposite	-	-	(100.00)	-
	262.17	-	278.41	-
Other assets				
Considered good*#	1,812.97	499.38	1,994.46	498.18
Consider doubtful	302.94	99.00	260.29	99.00
Less: Provisions for doubtful assets	(302.94)	(99.00)	(260.29)	(99.00)
	1,812.97	499.38	1,994.46	498.18
Contract revenue in excess of billings (refer note 7.1)				
Consider doubtful	13,876.86	-	24,344.49	-
Less: Provisions for doubtful assets	-	-	-	-
	(377.78)	-	(1,713.99)	-
	13,499.08	-	22,630.50	-
Recoverable from associates (refer note 5.2)				
Considered good	411.50	-	-	-
Consider doubtful	877.12	-	-	-
Less: Provisions for doubtful assets	(877.12)	-	-	-
	411.50	-	-	-
Recoverable from subsidiaries (refer note 5.2)				
Considered good	-	-	410.73	-
Consider doubtful	-	-	877.12	-
Less: Provisions for doubtful assets	-	-	(877.12)	-
	-	-	410.73	-
Bank deposits with more than 12 months maturity**				
	-	1,627.11	-	1,911.34
Total	15,985.72	2,126.49	25,314.11	2,409.51
*Includes amount due from a director of the Company-Mr Amit Mittal (refer note 35.3)	74.93	-	124.93	-
#Includes amount due from a director of the Company-Mr Rajesh Jain (refer note 35.4)	16.50	-	-	-
\$Includes amount due from a director of the Company-Mr Ashok Kumar Saini (refer note 35.4)	10.50	-	-	-

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 7.1: Contract revenue in excess of billings, pertain to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussion with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to recover the amounts owing to completion of certain administrative and contractual matters, the current carrying value is representative of the amount considered realisable.

	As at March 31, 2019	Credit/ (Charge) to statement of profit and loss	As at March 31, 2018	Credit/ (Charge) to statement of profit and loss	As at March 31, 2017
<u>Note 8 : DEFERRED TAX ASSETS (NET)</u>					
Deferred tax liabilities					
Depreciation	450.67	15.45	435.22	(89.41)	524.63
Provision for upfront costs on borrowings	-	-	-	(21.16)	21.16
	450.67	15.45	435.22	(110.57)	545.79
Deferred tax assets					
Provision for doubtful debts and unbilled receivables	2,289.50	(2,806.16)	5,095.66	(576.72)	5,672.38
Provision for doubtful advances and others receivables	1,615.99	174.93	1,441.06	429.35	1,011.78
Security deposit	-	-	-	(0.09)	0.09
Provision for warranty	324.70	246.90	77.80	(21.92)	99.72
Provision for bonus	49.40	15.04	34.36	16.57	17.79
Provision for gratuity	60.21	1.80	58.41	(0.55)	58.96
Provision for leave encashment	3.70	0.58	3.12	(0.12)	3.24
Unabsorbed losses and depreciation	-	(44.92)	44.92	44.92	-
Provision for impairment	2,382.13	2,382.13	-	-	-
	6,725.63	(32.02)	6,755.33	(108.56)	6,863.96
Total	6,274.96	(47.47)	6,320.11	2.01	6,318.17

	As at March 31, 2019	As at March 31, 2018
<u>Note 9 : NON-CURRENT TAX ASSETS (NET)</u>		
Advance tax (net of provision)	3,518.31	2,682.38
Total	3,518.31	2,682.38



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
Note 10 : OTHER ASSETS				
[Unsecured, considered good unless otherwise stated]				
Capital advances				
Considered good	-	4.03	-	1,386.68
Considered doubtful	-	10.16	-	21.41
Less: Provision for doubtful advances	-	(10.16)	-	(21.41)
	-	4.03	-	1,386.68
Other advances				
Considered good	4,025.93	-	2,730.44	-
Considered doubtful	781.83	-	1,590.82	-
Less: Provision for doubtful advances	(781.83)	-	(1,590.82)	-
	4,025.93	-	2,730.44	-
Prepaid expenses	184.44	24.38	296.88	109.12
Balances with government authorities	8,737.83	-	7,419.97	-
Advances to subsidiaries	-	-	16.69	-
	8,922.27	28.41	7,733.54	1,495.80
Total	12,948.20	28.41	10,463.98	1,495.80

	As at March 31, 2019	As at March 31, 2018
Note 11 : INVENTORIES		
[Valued at lower of cost or net realisable value]		
Project stores and spares (including material in transit of INR: Nil) (previous year : INR 14.24 Lakhs)	394.13	349.14
Total	394.13	349.14

Note 11.1: Inventories with a value of INR 394.13 lakhs (previous year : INR 334.90 lakhs) are carried at net realisable value, this being lower than cost. During the year ended March 31, 2019, Nil (March 31, 2018 INR 353.06 Lakhs) was charged to the statement of profit and loss for decrease in net realisable value.

Note 11.2: Inventories are pledged as collateral for borrowings from banks (Refer Note 17 and Note 20).

	As at March 31, 2019	As at March 31, 2018
Note 12 : TRADE RECEIVABLES		
Trade receivables - (Unsecured):		
From other than related parties		
Considered good	84,260.04	110,902.72
Credit impaired	2,604.38	10,555.10
	86,864.42	121,457.82
From related parties		
Considered good	5,214.67	6,313.63
Credit impaired	3,569.76	4,403.36
	8,784.43	10,716.99
Trade Receivables which have significant increase in credit risk	-	-
Less: Provision for impairment (Refer Note 12.3)	(6,174.14)	(14,958.46)
Total	89,474.71	117,216.35

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 12.1 : Trade receivables include retention money of INR 47,846.64 lakhs (March 31, 2018 INR 61,188.54 lakhs) 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 12.2 : The Company has engaged major/principal sub-contractors for executing certain projects wherein cash flows under these projects are earmarked for payments to these sub-contractors through designated account. Accordingly, cash-flows arising out of realization from debtors amounting to INR 55,203.23 lakhs are charged to above said contractors/ respective banks who have provided the required non fund limits for these projects. The same is approved by the lenders in joint lenders meeting (JLM).

Note 12.3 : The movements in the provision for impairment is presented below:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance as at the beginning of the year	14,958.46	14,010.97
Changes in provision:-		
Add: Provided for during the year	1,287.32	947.49
Less: Receivables written off during the year	(10,071.64)	-
Balance as at the end of year	6,174.14	14,958.46

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, 2019	As at March 31, 2018
<u>Note 13 : CASH AND CASH EQUIVALENTS</u>		
Balances with banks	842.16	995.74
Cheques in hand	-	100.00
Cash in hand	0.72	1.97
Total	842.88	1,097.71

	As at March 31, 2019	As at March 31, 2018
<u>Note 14 : OTHER BANK BALANCES</u>		
Unpaid dividend account*	-	0.82
Total	-	0.82

* The Company can utilise these balances only towards settlement of the respective unpaid dividend account and the same has been transferred to Investor Education and Protection Fund in the current year. (refer note 18)

	As at March 31, 2019	As at March 31, 2018
<u>Note 15 : ASSETS HELD FOR SALE</u>		
Building*	2,534.55	-
Total	2,534.55	-

* The management has decided to sell two floors at Medanta Medicity premises located at Sector 38, NH-8, Gurugram pursuant to which the advertisement for the sale of these mentioned flats was given on November 23, 2018. The building are carried at book value in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" being lower than the fair value less cost to sell.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	Number of Shares	Amount
Note 16 : EQUITY SHARE CAPITAL		
(i) Authorised share capital		
Equity shares of INR 10 each		
Balance as at April 1, 2017	160,000,000	16,000.00
Changes in equity share capital	80,000,000	8,000.00
Balance as at March 31, 2018	240,000,000	24,000
Changes in equity share capital	-	-
Balance as at March 31, 2019	240,000,000	24,000
(ii) Issued, subscribed and fully paid up		
Equity Shares of INR 10 each		
Balance as at April 1, 2017	144,949,469	14,494.95
Issue of equity share capital	31,170,389	3,117.04
Balance as at March 31, 2018	176,119,858	17,611.99
Issue of equity share capital	-	-
Balance as at March 31, 2019	176,119,858	17,611.99

(iii) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:-

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	176,119,858	17,611.99	144,949,469	14,494.95
Add: Shares issued during the year				
Under employee stock option plan scheme (Refer Note 16 (vi))	-	-	894,005	89.40
Under the One time settlement agreement (Refer Note 16 (vii))	-	-	30,276,384	3,027.64
Balance as at the end of the year	176,119,858	17,611.99	176,119,858	17,611.99

(iv) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (v) No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2019.
- (vi) During the year ended March 31, 2019, the Company has allotted Nil equity shares (March 31, 2018 894,005 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.
- (vii) During the year ended March 31, 2019, the Company has allotted Nil equity shares (March 31, 2018: 30,276,384) of face value of INR 10 each at an issue price of INR 39.80 in pursuant to One Time Settlement Agreements ("OTS Agreements") with certain lenders ("the Lenders") on a preferential basis.

(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 27.2.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(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, 2019		As at March 31, 2018	
	Number of Shares held	Holding	Number of Shares held	Holding
Amit Mittal	27,350,601	15.53%	27,907,301	15.85%
Mestric Consultants Private Limited	22,200,000	12.61%	22,200,000	12.61%
Standard Chartered Bank	12,562,815	7.13%	12,562,815	7.13%
Edelweiss Asset Reconstruction Company Limited as representative of EARC Trust SC299	11,432,161	6.49%	11,432,161	6.49%
	73,545,577	41.76%	74,102,277	42.07%

	As at March 31, 2019		As at March 31, 2018	
	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)	5,292.43	626.81	4,126.09	3,107.58
Term loans from financial institution (Refer Note 17.3 and 17.5)	2,503.70	1,005.91	3,960.00	4,620.00
Working capital term loans from banks (Refer Note 17.4 (a) and 17.5)	129.60	305.30	1,701.62	2,815.32
Funded interest term loans from banks (Refer Note 17.4 (b) and 17.5)	789.57	796.63	3,669.06	4,555.31
Total	8,715.30	2,734.65	13,456.77	15,098.21

*Refer Note 18.1 and 18.2

Note 17.1: Restructuring of borrowings under Corporate Debt Restructuring Scheme (CDR Scheme):

The Corporate Debt Restructuring (CDR) proposal to re-structure the debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme") of the Company, having January 01, 2013 as the "cut-off date", was approved by the CDR Cell vide its Letter of Approval (LOA) dated December 28, 2013 as further modified dated February 03, 2014. From the "cut-off date" the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR Scheme.

Details of terms of repayment for the non-current borrowings and security provided in respect of secured non-current borrowings:

Note 17.2: Term loans from banks:

- Term loans from banks amounting to INR 199.67 lakhs (March 31, 2018 INR 1,560.13 lakhs) 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:
 - 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.
 - 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.
 - 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.
- Term loans from banks amounting to INR 525.22 lakhs (March 31, 2018 INR 1,273.28 lakhs) having interest rate from 10.15%- 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:
 - 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.
 - Second charge ranking pari passu on both present and future current assets of the power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.



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- 3) Term loans from bank amounting to INR 5,194.35 lakhs (March 31, 2018 INR 4,400.26 lakhs), pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of facilities taken from bank. For Standard Chartered Bank, it is repayable in 12 instalments and the first instalment was due in July 2018, carrying Nil interest rate till September 30, 2019 and 13% per annum thereafter and for State Bank of India, the amount has to be paid within 90 days from the date of settlement which is May 14, 2019. (Refer Note 42.1)

Note 17.3: Term loans from financial institution:

- 1) The loan amounting to INR 3,509.61 lakhs (March 31, 2018 INR 8,580.00 lakhs) is secured by a The above loan is secured against first pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited. The above loan is secured against
- (i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
 - (ii) Second pari-passu charge on fixed assets and current assets on EPC business.
- Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during year. the same is repayable in 9 quarterly instalment and the 1st instalment was due in March 2019. (Refer Note 42.1)

Note 17.4 (a) : Working capital term loan:

Working capital term loans from bank amounting to INR 434.90 lakhs (March 31, 2018 INR 4,516.94 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly instalments. First instalment was due in March 2015.

The above loan is secured against:

- (i) First pari passu charge on both present and future fixed assets as well as current assets of the Company or Borrower other than assets exclusively charged to other lenders.
- (ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

During the current year pursuant to a One Time Settlement (OTS) agreement entered with the bank, SBI WCTL has been settled and the amount has to be paid within 90 days from the date of settlement which is May 14, 2019. (Refer Note 42.1)

Note 17.4 (b) (i) : Funded interest term loan -1 (EPC):

Funded interest term loans from bank amounting to INR 1,274.96 lakhs (March 31, 2018 INR 7,913.13 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 25 quarterly instalments. First instalment was due in March 2015. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable of INR 1,598.53 lakhs (March 31, 2018 INR 1,598.53 lakhs) in favour of Edelweiss Assets Reconstruction Company Limited.

The above loan is secured against:

- (i) First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders.
- (ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

During the current year pursuant to a One Time Settlement (OTS) agreement entered with the bank, SBI FITL has been settled and the amount has to be paid within 90 days from the date of settlement which is May 14, 2019 (Refer Note 42.1)

Note 17.4 (b) (ii) : Funded interest term loan -2 (EPC):

Funded interest term loans from bank amounting to INR 311.24 lakhs (March 31, 2018 INR 311.24 lakhs) as per CDR Scheme are repayable in single instalment, which will due in March 2021.

The above loan is secured against:

- (i) First charge pari passu on both present and future current asset as well as fixed assets of the EPC business other than assets exclusively charged to lenders.
- (ii) Second charge pari passu on both current assets and fixed assets of the 3 biomass power plant projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
- (iii) Second charge pari passu on land property first charged to DBS and SCB given for term loan.

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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, 2019	As at March 31, 2018
Banks:		
- Principal		
0-3 Months	46.15	826.35
6-12 Months	138.45	2,104.88
> 12 months	76.60	2,500.50
-Interest		
0-3 Months	1.39	642.97
3-6 Months	-	421.03
6-12 Months	2.22	1,395.07
> 12 months	10.44	3,132.26

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
<u>Note 18 : OTHER FINANCIAL LIABILITIES</u>				
Current maturities of long term debt (Refer Note 17 & 18.2)	8,715.30	-	13,456.77	-
Derivative Liability (Refer Note 42)	3,130.61	-	810.00	1,000.00
Interest accrued but not due on borrowings	34.51	-	-	-
Interest accrued and due on borrowings (Refer Note 18.1)	3,993.54	-	15,388.40	-
Interest accrued on others	1,146.47	-	590.78	-
Unpaid dividends [*]	-	-	0.82	-
Book overdrafts	108.12	-	413.47	-
Security deposits received	3,031.15	-	3,109.96	-
Payable against purchase of property, plant and equipment	42.66	-	56.49	-
Total	20,202.36	-	33,826.68	1,000.00

[*] The amounts due to be transferred to Investor Education and Protection fund have been duly transferred.

Note 18.1 The loan accounts of the Company have been classified as Non- Performing Assets by certain banks and some of them have not charged interest on the said accounts and therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the banks and assets reconstruction company, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks and assets reconstruction company which are regular) amounts to INR 1,595.92 lakhs for the year ended March 31, 2019. Company is already in discussion with the said banks for settlement of their dues.

Note 18.2 The Company had entered into Settlement agreement(s) ('Agreements') with certain banks/assets reconstruction company ('the Lenders') during the years ended March 31, 2018 and March 31, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred instalments. As at March 31, 2019, the Company has delayed payments in respect of the certain deferred instalments amounting INR 5,096.00 lakhs which were due and payable pursuant to these Agreements out of which INR 1,596.00 lakhs have been paid subsequent to the year end. The obligations towards such lenders is carried under Non-current liabilities – Borrowings and Other current financial liabilities at INR 1,268.59 lakhs and INR 6,049.03 lakhs respectively. So far lender have not given any such notice(s) or have not shown any such intention and the management is in discussions with the Lenders to condone the aforementioned delays.

Additionally, the Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these standalone financial statements as Non-current liabilities – Borrowings of INR 1,485.05 lakhs, Current financial liabilities- Borrowings of INR 13,183.43 lakhs and Other current financial liabilities INR 12,441.39 lakhs with certain other lenders. Pursuant to the above discussions with the lenders, management is confident that no material impact will devolve on the Company in respect of aforementioned delays.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Note 19 : PROVISIONS				
Provision for employee benefits				
Provision for gratuity (Refer Note 19.ii)	21.34	150.96	20.96	146.19
Provision for compensated leave absences	10.59	-	8.93	-
Others				
Provision for warranty (Refer Note 19.i)	98.11	831.08	70.62	152.03
Total	130.04	982.04	100.51	298.22

Movements in provisions:

	As at March 31, 2019 Amount	As at March 31, 2018 Amount
i) Movement in provision for warranty during the financial year are as follows:		
Balance as at beginning of the year	222.65	288.12
Charged/ (credited) to profit or loss		
Additional provision recognised	707.06	23.62
Unused amount reversed	(47.90)	(94.58)
Unwinding of the discounting	38.54	23.52
Amount used during the year	8.84	(18.03)
Balance as at end of the year	929.19	222.65

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 (Kotak Life Insurance) 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.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
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A reconciliation of the Company's defined benefit obligation (DBO) and plan assets, i.e. the gratuity plan, to the amounts presented in the statement of financial position for each of the reporting periods is presented below:

Assets and liability (Balance sheet position)

	As at March 31, 2019	As at March 31, 2018
Present value of obligation	(174.37)	(170.10)
Fair value of plan assets	2.07	2.95
Net asset/(liability)	(172.30)	(167.15)

Expenses recognized during the year

	For the year ended March 31, 2019	For the year ended March 31, 2018
In statement of profit and loss	41.49	49.08
In other comprehensive income	(35.32)	(40.31)
Total expenses recognized during the year	6.17	8.77

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, 2019	For the year ended March 31, 2018
Present value of obligation as at the beginning	170.10	191.73
Current service cost	28.71	26.70
Interest expense	13.00	13.51
Re-measurement or actuarial (gain)/loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	1.16	(7.08)
- experience adjustments	(36.62)	(34.40)
Past service cost	-	10.37
Benefits paid	(1.96)	(30.73)
Present value of obligation as at the year end	174.39	170.10

Bifurcation of net liability

	As at March 31, 2019	As at March 31, 2018
Current liability	21.34	20.96
Non-current liability	150.96	146.19
Net liability	172.30	167.15

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, 2019	As at March 31, 2018
Fair value of plan assets as at beginning of the year	2.95	21.35
Interest income	0.22	1.50
Employer's contribution	1.01	12.00
Benefits paid	(1.96)	(30.73)
Return on plan assets (excluding amount recognised as interest income)	(0.14)	(1.17)
Fair value of plan assets as at end of the year	2.08	2.95



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
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Expenses recognised in the profit and loss statement

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	28.71	26.70
Past service cost	-	10.38
Net interest cost/(income) on the net defined benefit liability/(asset)	12.78	12.00
Expenses recognised in the profit and loss statement	41.49	49.08

Other comprehensive income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gains)/losses		
- change in demographic assumptions	-	-
- change in financial assumptions	1.16	(7.08)
- experience variance (i.e. Actual experience vs assumptions)	(36.62)	(34.40)
Return on plan assets (excluding amount recognised as interest income)	0.14	1.17
Components of defined benefit costs recognised in other comprehensive income	(35.32)	(40.31)

Financial assumptions

The principal financial assumptions used in the valuation are shown in the table below:

	As at March 31, 2019	As at March 31, 2018
Discount rate (per annum)	7.55%	7.65%
Salary growth rate (per annum)	5.00%	5.00%

Demographic assumptions

	As at March 31, 2019	As at March 31, 2018
Mortality rate (% of IALM 06-08)	100.00%	100.00%
Normal retirement age	60 Years	60 Years
Withdrawal rate	10.00%	10.00%

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below 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, 2019	As at March 31, 2018
Defined benefit obligation (Base)	174.38	170.10

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	As at March 31, 2019		As at March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	186.83	163.34	182.19	159.34
(% change compared to base due to sensitivity)	7.10%	(6.30%)	7.11%	(6.33%)
Salary Growth Rate (- / + 1%)	163.51	186.27	159.41	181.65
(% change compared to base due to sensitivity)	(6.20%)	6.80%	(6.28%)	6.79%
Attrition Rate (- / + 50%)	163.17	179.60	158.17	176.04
(% change compared to base due to sensitivity)	(6.40%)	3.00%	(7.01%)	3.49%
Mortality Rate (- / + 10%)	174.30	174.45	170.01	170.16
(% change compared to base due to sensitivity)	0.00%	0.00%	(0.05%)	0.04%

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.

The following payments are expected contributions to the defined benefit plan in future years:

	As at March 31, 2019	As at March 31, 2018
Within the next 12 months [next annual reporting period]	23.42	23.90
Between 2 and 5 years	79.23	77.30
Between 6 and 10 years	87.39	82.92
Beyond 10 years	138.67	138.65
Total expected payments	328.71	322.77

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2018: 7 years)

	As at March 31, 2019	As at March 31, 2018
Note 20 : CURRENT BORROWINGS*		
Carried at amortised cost		
From banks (secured) (Refer Note 20.1)		
Working capital loans	5,569.99	5,571.50
Cash credit facilities	16,409.97	38,562.17
Other borrowings (Refer Note 20.2)	737.58	900.37
Total	22,717.54	45,034.04

*Refer Note 18.1 and Note 18.2

Note 20.1: Working capital loans from banks and other secured loans

a) The working capital loans of INR 5,569.99 lakhs (March 31, 2018 INR 5,571.50 lakhs) and cash credit facilities of INR 16,409.97 lakhs (March 31, 2018 INR 38,562.17 lakhs) from banks are secured against whole of the assets (both current as well as fixed) of the Company, namely stock of raw material, stock in process, semi-finished and finished goods, stores and spares (consumable stores and spares), bills receivables and book debts and all other movables and fixed assets (except fixed assets exclusively financed by other lenders) both present and future stored or to be stored at the Company's godown, premises and division at O-116, First Floor Shopping mall, Arjun Marg, DLF City Phase - I, Gurugram or wherever else the same may be by way of first pari - passu charge amongst the consortium members. The charge is also additionally secured by first charge over Company's immovable properties i.e.

- 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;
- 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;



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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 :

- Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab;
- Land measuring about 5.309 Hectare situated at village Palsora, District Indore;
- Land measuring 6.065 Hectare, Village Mandela Chhota, Tehsil Fatehpur, District Seekar, Rajasthan;
- 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;
- 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 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.

Pursuant to a One Time Settlement (OTS) agreement entered with the bank, HSBC WCTL has been settled and the amount has to be paid within 12 months from the date of settlement which is March, 2019 (Refer Note: 42.1).

Note 20.2: Other borrowings

Other borrowings amounting to INR 737.58 lakhs (March 31, 2018 INR 900.37 lakhs) pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of cash credit facilities. The same is repayable in 11 instalments and the first instalment was due in April 2018 (Refer Note 42.1)

As per the OTS arrangement all existing securities, guarantees and legal documents shall remain in full force and effective till the discharge of the settlement amount (Refer Note 17.2.2, Note 17.2.3 and Note 20.1).

Note 20.3: 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, 2019	As at March 31, 2018
Banks:		
-Principal		
0-3 Months	1,816.01	-
3-6 Months	150.00	-
6-12 Months	2,000.00	-
> 12 months	5,491.71	5,573.22
-Interest		
0-3 Months	288.51	1,079.25
3-6 Months	164.24	614.62
6-12 Months	569.52	2,101.60
> 12 months	4,350.22	5,343.17
Financial institutions:		
-Principal		
0-3 Months	1,225.00	-
3-6 Months	50.00	-
6-12 Months	225.00	-
> 12 months	593.24	-
-Interest		
0-3 Months	13.28	-
3-6 Months	8.03	-
6-12 Months	5.18	-

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	As at March 31, 2019	As at March 31, 2018
<u>Note 21 : TRADE PAYABLES</u>		
Total outstanding dues of micro and small enterprises (Refer Note 21.1)	42.36	24.99
Total outstanding dues of creditors other than micro and small enterprises	55,998.44	57,227.92
Total	56,040.80	57,252.91

Note 21.1 *Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) ("MSMED 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, 2019	As at March 31, 2018
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	16.02	12.80
- interest amount	14.15	2.01
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	26.34	12.19
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

* The information has been given in respect of such vendors to the extent they could be identify as "Micro, Small & Medium Enterprises" on the basis of information available with the Company.

	As at March 31, 2019	As at March 31, 2018
<u>Note 22 : OTHER CURRENT LIABILITIES</u>		
Advance purchase consideration against sale of property, plant and equipment	21.00	21.00
Advances from customers	7,366.87	6,025.87
Billing in excess of contract revenue	1,641.57	1,732.12
Other payables	5.48	-
Statutory dues payable (Refer Note 22.1)	13,721.20	12,082.12
Total	22,756.12	19,861.11



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Note 22.1 In financial year 2016-17, the Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities ('the Authority') regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Company has received response to its application wherein the Authority has opined that entire project is covered within the ambit of the service tax. Accordingly, the Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 23 : REVENUE FROM OPERATIONS*</u>		
Sale/rendering of services		
Revenue from engineering services	48,384.76	31,298.53
Revenue from sale of power	87.01	-
Revenue from operation and maintenance services	1,933.71	1,178.09
Revenue from professional services	157.55	76.26
Revenue from data processing services	140.40	523.28
Other operating revenues:		
Sale of traded goods	21.97	2,673.84
Duty drawback	7.12	1.56
Total	50,732.52	35,751.56

* Refer Note 41

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 24 : OTHER INCOME</u>		
Interest income:		
on fixed deposits	152.31	187.27
on loan given to subsidiaries/associate	908.69	908.17
on others	131.50	216.79
Other non-operating income		
Profit on sale of property, plant and equipment	25.79	11.90
Scrap sales	173.68	-
Rental income	-	9.33
Provisions/liabilities written back	-	2,308.32
Foreign exchange fluctuation (net)	32.77	1.14
Miscellaneous	243.47	54.94
Total	1,668.21	3,697.86

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
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	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 25 : COST OF MATERIALS CONSUMED</u>		
Opening inventory	349.14	765.66
Add: Purchases*	21,418.81	11,431.94
Less: Recovery from contractors	-	(75.14)
Less: Closing inventory	(394.13)	(349.14)
Material consumed	21,373.82	11,773.32
Freight and cartage	475.63	358.04
Sub contractor / erection expenses	15,601.93	10,150.19
Labour charges	147.70	117.81
Fabrication expenses	11.07	0.56
Site expenditure	30.94	51.86
Technical consultancy for projects	1,875.22	4,449.64
Power plant running expenses	346.50	-
Other direct cost	58.71	903.24
Total	39,921.52	27,804.66

[*] During the year, the Company has received an amount of INR 15.01 Lakhs (March 31, 2018 INR 16.55 Lakhs) as insurance claim from the insurance company during the year.

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 26 : PURCHASES OF STOCK-IN-TRADE</u>		
Purchases of stock-in-trade [*]	-	2,602.17
Total	-	2,602.17
[*] Details of purchases of stock-in-trade under broad heads:		
Cables / GI Wire / GSS Wire	-	1,478.31
Steel / Galvanised Steel / M S Angle / M S Channel / TMT Bars / Conductors	-	1,123.86
Total	-	2,602.17

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 27 : EMPLOYEE BENEFITS EXPENSE</u>		
Salaries and bonus including directors' remuneration	1,771.02	1,832.69
Contribution to provident and other funds (Refer Note 27.1)	91.98	127.57
Gratuity (Refer Note 19 ii)	41.49	49.08
Compensated absences benefits	1.66	(0.42)
Share-based payments (Refer Note 27.2)	170.73	160.59
Staff welfare expenses	66.15	49.92
Total	2,143.03	2,219.43

Note 27.1 Defined contribution plan

The Company has certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basis salary as per regulations. The 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 91.98 Lakhs (March 31, 2018 INR 127.57 Lakhs).



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 27.2 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.

(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.

(e) A2Z Employees Stock Option Plan, 2013 & 2014 (Regrant)

The Nomination and remuneration Committee in its meeting held on August 17, 2017 has regranted 1,760,000 stock options (788,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 972,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 36.90 each which is NSE closing market price on August 16, 2017 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

(f) A2Z Employees Stock Option Plan, 2018

The members of the Company vide special resolution at the Annual General Meeting held on September 29, 2018 had approved the A2Z Employees Stock Option Plan, 2018. The ESOP Compensation Committee in its meeting held on October 24, 2018 has granted 3,800,000 stock options convertible into equivalent number of equity shares of INR 10 each to the eligible employees/ directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of four years since then.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	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
Outstanding as at April 1, 2017	175,900	314.13	10,005	10.35	605,000	19.95
Granted	-	-	-	-	-	-
Lapsed/forfeited	55,350	314.13	-	-	122,000	19.95
Exercised	-	-	10,005	10.35	214,000	19.95
Outstanding as at March 31, 2018	120,550	314.13	-	10.35	269,000	19.95
Granted	-	-	-	-	-	-
Lapsed/forfeited	42,750	314.13	-	-	-	-
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2019	77,800	314.13	-	10.35	269,000	19.95
Exercisable at March 31, 2018	120,550	314.13	-	10.35	269,000	19.95
Exercisable at March 31, 2019	77,800	314.13	-	10.35	269,000	19.95

	ESOP 2014 plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013 & 2014 (Regrant I) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018 Plan (Number of shares)	Programme weighted average exercise price per share
Outstanding as at April 1, 2017	2,945,000	15.50	-	-	-	-
Granted	-	-	1,760,000	39.40	-	-
Lapsed/forfeited	360,000	15.50	-	-	-	-
Exercised	670,000	15.50	-	-	-	-
Outstanding as at March 31, 2018	1,915,000	15.50	1,760,000	39.40	-	-
Granted	-	-	-	-	3,800,000	6.09
Lapsed/forfeited	-	-	490,000	39.40	-	-
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2019	1,915,000	15.50	1,270,000	39.40	3,800,000	6.09
Exercisable at March 31, 2018	1,915,000	15.50	1,760,000	39.40	-	-
Exercisable at March 31, 2019	1,915,000	15.50	1,270,000	39.40	3,800,000	6.09

The following table lists the inputs to the models used for the ESOP plans as at March 31, 2019:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant I) Plan	ESOP 2018 Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015	August 17, 2017	October 24, 2018
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018	August 16, 2020	October 23, 2021
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48	INR 39.40	INR 10.40
Volatility	34.93%	65.19%	67.05%	65.50%	50.14%	61.62%
Option life	10 years	6 years	8 years	8 years	8 years	8 years
Dividend yield	2.25%	0%	0%	0%	0%	0%
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%	6.74%	7.38%



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant I) Plan	ESOP 2018 Plan
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 11.15	INR 24.81	INR 6.09
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50	INR 36.90	INR 10.00
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018	August 17, 2020	October 24, 2021
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023	August 16, 2025	October 23, 2026
Weighted average remaining contractual life (In years)	-	0.85	2.36	3.37	5.48	4.60
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

The following table lists the inputs to the models used for the ESOP plans as at March 31, 2018:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant I) Plan	ESOP 2018 Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015	August 17, 2017	-
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018	August 16, 2020	-
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48	INR 39.40	-
Volatility	34.93%	65.19%	67.05%	65.50%	50.14%	-
Option life	10 years	6 years	8 years	8 years	8 years	-
Dividend yield	2.25%	0%	0%	0%	0%	-
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%	6.74%	-
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 11.15	INR 24.81	-
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50	INR 36.90	-
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018	August 17, 2020	-
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023	August 16, 2025	-
Weighted average remaining contractual life (In years)	0.17	1.85	3.36	4.37	6.48	-
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	-

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 28 : FINANCE COSTS		
Interest expense (Refer Note 18.1)[*]	3,647.21	12,394.62
Other borrowing costs		
Bank commission and charges	462.73	583.45
Total	4,109.94	12,978.07
[*] The break up of interest expense into major heads is given below:		
On term loans	203.01	4,063.15
On other bank loans	1,517.95	7,290.85
On others	1,926.25	1,040.62
Total	3,647.21	12,394.62

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 29 : DEPRECIATION AND AMORTISATION EXPENSES</u>		
Depreciation of property, plant and equipment (Refer Note 3)	1,096.62	1,254.26
Amortisation of intangible assets (Refer Note 4)	11.86	30.44
Total	1,108.48	1,284.70

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 30 : OTHER EXPENSES</u>		
Electricity	55.24	66.59
Rent (Refer Note 30.1)	184.56	182.00
Rates and taxes	84.05	403.23
Insurance	322.09	171.42
Repair and maintenance		
- Others	72.81	110.90
Travelling expenses	389.75	372.95
Communication expenses	16.98	30.43
Printing and stationery	16.45	19.01
Legal and professional fees	605.63	675.74
Director sitting fees	16.50	17.00
Payment to auditors (Refer Note 30.2)	109.07	88.42
Provision for contract revenue in excess of billing	164.52	242.29
Provision for diminishing in inventory	-	353.06
Provision for bad and doubtful debts	1,287.32	947.49
Provision for bad and doubtful advance	221.86	1,240.36
Tender expenses	7.28	39.64
Fees and subscription/inspection charges	58.51	68.80
Business promotion	26.34	17.06
Warranty expense (Refer Note 19.i)	707.06	556.51
Advances written off	-	55.03
Bad debts written off	-	61.96
Advances/earnest money deposit written off	44.47	0.85
Miscellaneous expenses	86.58	124.72
Total	4,477.07	5,845.46

Note 30.1: The Company has entered into various short-term cancellable lease agreements at a notice period up to three months for leased premises. Gross rental expenses aggregate to INR 184.56 Lakhs (March 31, 2018: INR 182.00 Lakhs).

Note 30.2 : Details of payment to auditors*

	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor		
Statutory audit fee	43.00	23.66
Audit fee for consolidated financial statements	10.00	10.00
Limited review fee	37.50	37.50
Certification fee	9.85	7.16
Other matter	2.00	6.00
Reimbursement of expenses	6.72	4.10
Total	109.07	88.42

*Excluding goods and service tax, as applicable.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
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Note 31

The Company has accumulated losses amounting INR 43,672.11 lakhs as at March 31, 2019 and is presently facing acute liquidity problems on account of delayed realization of trade receivables coupled with delays in commencement of commercial production at its biomass-based power generation plants. The management is evaluating various options and has entered into one-time settlement agreements with various lenders, including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Management believes that the Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations, no adjustments are required in the financial statements and accordingly, these have been prepared on a going concern basis.

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 32 : TAX EXPENSE</u>		
Current Tax		
Current tax expense	71.55	22.77
	71.55	22.77
Deferred Tax		
Deferred tax (credit)/expenses (Refer Note 8)	47.47	(2.01)
Tax expense	119.02	20.76

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(Loss) before tax	3,331.24	(11,456.18)
Corporate tax rate as per Income Tax Act, 1961	34.94%	34.61%
Tax on accounting profit	1,164.07	(3,964.75)
i) Tax effect on non deductible expenses/non taxable income	(9,274.89)	(953.28)
ii) Tax effect on impairment loss/property, plant & equipment written off	-	986.33
iii) Tax effect on temporary timing differences on which deferred tax not created	-	845.53
iv) Tax effect on losses of current year on which no deferred tax is created	9,979.52	3,168.27
v) Tax effect on temporary timing differences on which deferred tax was not created but now created in current year	(1,749.68)	-
vi) Effect of change in tax rates	-	(61.34)
Tax expense	119.02	20.76

Note 32.1: a) Detail of unused tax losses for which no deferred tax is recognised in balance sheet:

	As at March 31, 2019			As at March 31, 2018		
	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	2,507.61	867.83	March 31, 2022
Assessment year 2014-15	13,971.29	4,835.19	March 31, 2023	13,971.29	4,835.19	March 31, 2023
Assessment year 2015-16	15,307.92	5,297.76	March 31, 2024	15,307.92	5,297.76	March 31, 2024
Assessment year 2017-18	11,147.83	3,858.04	March 31, 2026	13,070.21	4,523.34	March 31, 2026
Assessment year 2018-19	5,000.04	1,730.41	March 31, 2027	7,508.16	2,598.42	March 31, 2027
Assessment year 2019-20	27,132.88	9,481.31	March 31, 2028	-	-	-
Total	75,067.57	26,070.55		52,365.19	18,122.54	

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
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- 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, 2019			As at March 31, 2018		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	8,306.46	2,902.61	Not applicable	6,880.72	2,381.28	Not applicable
Provision for doubtful debts	-	-	Not applicable	2,090.11	723.35	Not applicable
Allowance for write-down of inventories to net realisable value	-	-	Not applicable	353.06	122.19	Not applicable
Impairment loss	6,167.28	2,155.09	Not applicable	8,731.21	3,021.70	Not applicable
	14,473.74	5,057.70		18,055.10	6,248.51	

Note 33 : EARNINGS PER SHARE (EPS)

Both the basic and diluted earnings per share have been calculated using the Profit/(loss) attributable to shareholders of the Company as the numerator, i.e. no adjustments to profit/(loss) were necessary in year ended March 31, 2019 or March 31, 2018.

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, 2019	As at March 31, 2018
Weighted average number of shares used in basic earnings per share	176,119,858	149,354,839
Shares deemed to be issued for no consideration in respect of share-based payments	254,092	-
Weighted average number of shares used in diluted earnings per share	176,373,950	149,354,839

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

Profit/(loss) attributable to shareholders	INR in Lakhs	3,212.22	(11,476.94)
Weighted average number of equity shares outstanding during the year	Numbers	176,373,950	149,354,839
Nominal value of equity share	INR	10.00	10.00
Basic EPS	INR	1.82	(7.68)
Diluted EPS	INR	1.82	(7.68)

Note 34: Information about interest in subsidiaries, associates and joint venture

A) Interest in subsidiaries

The Company's interest and share in subsidiaries including step down subsidiaries.

No.	Name	Principal place of business	Proportion of ownership interest as at March 31, 2019	Proportion of ownership interest as at March 31, 2018
A	Subsidiary companies			
1	A2Z Infraservices Limited	India	93.83%	93.83%
2	A2Z Green Waste Management Limited (Refer Note 5.1.4)	India	-	47.89%
3	A2Z Powercom Limited	India	100.00%	100.00%
4	A2Z Powertech Limited	India	100.00%	100.00%
5	Mansi Bijlee & Rice Mills Limited	India	100.00%	100.00%
6	Magic Genie Services Limited	India	75.00%	75.00%
7	Chavan Rishi International Limited	India	100.00%	100.00%
8	Selligence Technologies Services Private Limited (Refer Note 5.1.2)	India	0.00%	80.00%



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
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No.	Name	Principal place of business	Proportion of ownership interest as at March 31, 2019	Proportion of ownership interest as at March 31, 2018
9	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	India	60.00%	60.00%
10	A2Z Waste Management (Nainital) Private Limited ^	India	-	48.00%
II	Step down subsidiaries			
	Subsidiaries of A2Z Infraservices Limited			
1	Ecogreen Envirotech Solutions Limited	India	49.00%	49.00%
2	A2Z Infraservices Lanka Private Limited **	Sri Lanka	100.00%	100.00%
B	Associates Companies			
	The Company's interest and share in associate companies			
I	Associate Companies (Refer Note 5.1.4)			
1	A2Z Green Waste Management Limited (Refer Note 5.1.4)	India	42.61%	-
2	A2Z Waste Management (Nainital) Private Limited ^	India	48.00%	-
II	Subsidiaries of A2Z Green Waste Management Limited (Refer Note 5.1.4)			
1	A2Z Waste Management (Aligarh) Limited	India	80.00%	80.00%
2	A2Z Waste Management (Moradabad) Limited	India	80.00%	80.00%
3	A2Z Waste Management (Meerut) Limited	India	80.00%	80.00%
4	A2Z Waste Management (Varanasi) Limited	India	80.00%	80.00%
5	A2Z Waste Management (Jaunpur) Limited	India	100.00%	100.00%
6	A2Z Waste Management (Badaun) Limited	India	100.00%	100.00%
7	A2Z Waste Management (Sambhal) Limited	India	100.00%	100.00%
8	A2Z Waste Management (Mirzapur) Limited	India	100.00%	100.00%
9	A2Z Waste Management (Balai) Limited	India	100.00%	100.00%
10	A2Z Waste Management (Fatehpur) Limited	India	100.00%	100.00%
11	A2Z Waste Management (Ranchi) Limited	India	100.00%	100.00%
12	A2Z Waste Management (Ludhiana) Limited	India	100.00%	100.00%
13	A2Z Waste Management (Dhanbad) Private Limited	India	100.00%	100.00%
14	Shree Balaji Pottery Private Limited	India	100.00%	100.00%
15	Shree Hari Om Utensils Private Limited	India	100.00%	100.00%
16	A2Z Waste Management (Jaipur) Limited	India	100.00%	100.00%
17	A2Z Mayo SNT Waste Management (Nanded) Private Limited	India	60.00%	60.00%
18	A2Z Waste Management (Ahmedabad) Limited	India	100.00%	100.00%
19	Earth Environment Management Services Private Limited	India	100.00%	100.00%
III	Subsidiary of A2Z Waste Management (Ludhiana) Limited			
1	Magic Genie Smartech Solutions Limited (w.e.f. December, 18, 2017)	India	100.00%	100.00%
2	Ecogreen Envirotech Solutions Limited (till March 31, 2018)	India	-	51.00%

^ The Company directly holds 48% (March 31, 2018 : 48%) of the share capital and 26% (March 31, 2018 : 26%) indirectly through its associate, A2Z Green Waste Management Limited.

** A2Z Infraservices Limited is initial shareholder by virtue of shares subscription arrangement with A2Z Infraservices Lanka Limited and has committed to make investment in the company.

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C) Interest in joint ventures

The Company's interest and share in joint ventures in the jointly controlled operations as at March 31, 2019 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(c).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(c).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(c).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(c).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(c).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(c).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(c).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(c).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. ('MPPKVCL'), Jabalpur for design, manufacture, supply, install, commission, operate and maintain Remote Metering of LT Consumers above 10 BHP.	See Note 34(c).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(c).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(c).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(c).1 below	*



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

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. (RRVPL), Jaipur for Design, Manufacture and Supply of materials for construction of 220KV/132KV transmission lines on turnkey basis.	See Note 34(c).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(c).2 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 Uralana 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 Haryana Vidyut Prasaran Nigam Limited.	See Note 34(c).1 below	*

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

Note 34(c).1: As per joint venture agreements, the scope and value of work of each partner has been clearly defined and accepted by the clients. The Company's share in assets, liabilities, income and expenses are duly accounted for in the accounts of the Company in accordance with such division of work and therefore does not require separate disclosure. However, joint venture partners are jointly and severally liable to clients for any claims in these projects.

Note 34(c).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

- A2Z Infraservices Limited
- A2Z Green Waste Management Limited (Till March 12, 2019)
- A2Z Powertech Limited
- A2Z Powercom Limited
- Selligence Technologies Services Private Limited (Under process of strike off w.e.f. October 31, 2018)
- Mansi Bijlee & Rice Mills Limited
- Chavan Rishi International Limited
- Magic Genie Services Limited
- A2Z Waste Management (Nainital) Private Limited (Till March 12, 2019)
- A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)

2 Associate companies

- A2Z Green Waste Management Limited (Associate w.e.f. March 13, 2019)
- A2Z Waste Management (Nainital) Private Limited (Associate w.e.f. March 13, 2019)

3 Subsidiaries of A2Z Green Waste Management Limited

- A2Z Waste Management (Meerut) Limited
- A2Z Waste Management (Moradabad) Limited
- A2Z Waste Management (Varanasi) Limited
- A2Z Waste Management (Aligarh) Limited
- A2Z Waste Management (Badaun) Limited
- A2Z Waste Management (Balai) Limited
- A2Z Waste Management (Fatehpur) Limited

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

- h) A2Z Waste Management (Jaunpur) Limited
- i) A2Z Waste Management (Mirzapur) Limited
- j) A2Z Waste Management (Ranchi) Limited
- k) A2Z Waste Management (Sambhal) Limited
- l) A2Z Waste Management (Dhanbad) Private Limited
- m) A2Z Waste Management (Ludhiana) Limited
- n) A2Z Waste Management (Jaipur) Limited
- o) A2Z Mayo SNT Waste Management (Nanded) Private Limited (Under process of strike off w.e.f. April 02, 2019)
- p) A2Z Waste Management (Ahmedabad) Limited
- q) Earth Environment Management Services Private Limited
- r) Shree Balaji Pottery Private Limited
- s) Shree Hari Om Utensils Private Limited
- 4 Subsidiaries of A2Z Waste Management (Ludhiana) Limited**
 - a) Magic Genie Smartech Solutions Limited (w.e.f. December 18, 2017)
- 5 Subsidiaries of A2Z Infraservices Limited**
 - a) Ecogreen Envirotech Solutions Limited (49% stake along with management control)
 - b) A2Z Infraservices Lanka Private Limited
- 6 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
 - g) M/s Shyama Power (India) Private Limited
 - h) M/s Sudhir Power Projects Limited
 - i) M/S Satya Builders
- 7 Key Management Personnel ('KMP')**
 - a) Mr. Amit Mittal (Managing Director)
 - b) Mr. Rajesh Jain (Chief Executive Officer and Whole time director)
 - c) Mr. Atul Kumar Agarwal (Company Secretary)
 - d) Dr. G.R. Nagendran (Chief Financial Officer till February 13, 2019)
 - e) Mr. Rajiv Chaturvedi (Chief Financial Officer w.e.f. February 14, 2019)
- 8 Directors**
 - a) Mrs. Dipali Mittal (Whole time director till August 14, 2017 and Non-Executive Director w.e.f. August 15, 2017)
 - b) Mr. Surender Kumar Tuteja (Non- executive independent director)
 - c) Dr. Ashok Kumar (Non- executive independent director)
 - d) Mr. Ashok Kumar Saini (Whole time director till November 30, 2018 and Non- executive director w.e.f. December 01, 2018)
 - e) Mr. Suresh Prasad Yadav (Non- executive independent director till July 24, 2017)
 - f) Mr. Gaurav Jain (Non-Executive Independent Director till September 01, 2017)
- 9 Relatives of Key Management Personnel**
 - a) Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)





Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

B. Transactions with related parties:

The following transactions were carried out with the related parties in the ordinary course of business:

	For the year ended March 31, 2019					For the year ended March 31, 2018				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
Sale of goods / services										
- A2Z Infraservices Limited	-	-	-	-	-	0.31	-	-	-	
- A2Z Waste Management (Ludhiana) Limited	1.08	-	-	-	-	11.02	-	-	-	
- Ecogreen Envirotech Solution Limited	2.10	-	-	-	-	-	-	-	-	
- A2Z Powercom Limited	692.65	-	-	-	-	-	-	-	-	
Sale of fixed assets										
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	1.91	-	-	-	
- A2Z Waste Management (Jaunpur) Limited	-	-	-	-	-	9.00	-	-	-	
Interest income										
- A2Z Green Waste Management Limited	821.69	48.07	-	-	-	741.43	-	-	-	
- A2Z Powertech Limited	-	-	-	-	-	0.17	-	-	-	
- A2Z Waste Management (Ludhiana) Limited	4.68	0.26	-	-	-	1.93	-	-	-	
- A2Z Waste Management (Jaipur) Limited	-	-	-	-	-	59.82	-	-	-	
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	-	-	-	-	-	66.57	-	-	-	
- Mansi Bijlee & Rice Mills Limited	33.99	-	-	-	-	38.14	-	-	-	
Liability Written Back										
- Richardson & Cruddas (1972) Limited	-	-	14.61	-	-	-	-	-	-	
Purchase of goods or services										
- A2Z Infraservices Limited	100.73	-	-	-	-	246.02	-	-	-	
- A2Z Waste Management (Ludhiana) Limited	179.32	-	-	-	-	-	-	-	-	
- Magic Genie Service Limited	-	-	-	-	-	0.10	-	-	-	
Purchase of fixed assets										
- Magic Genie Service Limited	-	-	-	-	-	1.70	-	-	-	
Rent expense										
- Sudha Mittal	-	-	-	-	-	5.28	-	-	5.36	
- Dipali Mittal	-	-	-	-	-	10.54	-	-	10.54	
- Chavan Rishi International Limited	30.00	-	-	-	-	30.97	-	-	-	
ESOP option to employees (Refer Note 5.1.3)										
- A2Z Green Waste Management Limited	0.50	-	-	-	-	(9.47)	-	-	-	
- A2Z Infraservices Limited	15.00	-	-	-	-	42.11	-	-	-	
- A2Z Waste Management (Ludhiana) Limited	1.54	-	-	-	-	0.02	-	-	-	
- A2Z Waste Management (Balia) Limited	0.23	-	-	-	-	(2.38)	-	-	-	

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2019					For the year ended March 31, 2018				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
- A2Z Waste Management (Meerut) Limited	0.78	-	-	-	-	4.05	-	-	-	
- Ecogreen Envirotech Solution Limited	0.77	-	-	-	-	-	-	-	-	
- Shree Hari Om Utensils Private Limited	0.77	-	-	-	-	-	-	-	-	
- A2Z Powercom Limited	0.78	-	-	-	-	4.57	-	-	-	
- Rajesh Jain	-	-	-	-	66.43	-	-	-	57.08	
- Ashok Kumar Saini	-	-	-	-	16.65	-	-	-	14.43	
- Gaurav Jain	-	-	-	-	0.86	-	-	-	(4.45)	
- Atul Kumar Agarwal	-	-	-	-	28.98	-	-	-	26.61	
Fund transferred / includes expenses incurred on behalf of related party										
- A2Z Green Waste Management Limited	0.77	-	-	-	-	10.78	-	-	-	
- A2Z Powercom Limited	1.56	-	-	-	-	7.04	-	-	-	
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	4.08	-	-	-	-	6.19	-	-	-	
- A2Z Waste Management (Ludhiana) Limited	70.92	-	-	-	-	-	-	-	-	
- Magic Genie Service Ltd.	-	-	-	-	-	-	-	-	-	
- A2Z Waste Management (Moradabad) Limited	-	12.74	-	-	-	-	-	-	-	
- Chavan Rishi International Limited	9.79	-	-	-	-	9.55	-	-	-	
Fund received / includes expenses incurred on behalf of Company										
- A2Z Infraservices Limited	25.83	-	-	-	-	-	-	-	-	
- Ecogreen Envirotech Solution Limited	3.17	-	-	-	-	-	-	-	-	
- Magic Genie Service Limited	0.78	-	-	-	-	-	-	-	-	
- Chavan Rishi International Limited	7.27	-	-	-	-	-	-	-	-	
Provision created/(reversed) for doubtful debts expense										
- UB Engineering Limited	-	-	(493.63)	-	-	248.05	-	-	-	
- SPIC-SMO	-	-	(339.97)	-	-	73.46	-	-	-	
Write off of trade receivables										
- UB Engineering Limited	-	-	1,189.09	-	-	-	-	-	-	
Provision created/write off of loans and advances										
- A2Z Powertech Limited	19.58	-	-	-	-	-	-	-	-	
- A2Z Waste Management (Jaipur) Limited	-	733.09	-	-	-	-	-	-	-	





Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2019					For the year ended March 31, 2018				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	1,074.51	-	-	-	-				-	
- Mansi Bijlee & Rice Private Limited	201.30	-	-	-	-				-	
- A2Z Waste Management (Mirzapur) Limited	-	95.00	-	-	-				-	
- A2Z Powercom Limited	700.54	-	-	-	-				-	
- A2Z Waste Management (Varanasi) Limited	-	340.42	-	-	-				-	
- A2Z Waste Management (Moradabad) Limited	-	20.22	-	-	-				-	
- A2Z Waste Management (Sambhal) Limited	-	130.23	-	-	-				-	
- A2Z Waste Management (Ahmadabad) Limited	-	150.00	-	-	-				-	
- A2Z Waste Management (Jaunpur) Limited	-	1.50	-	-	-				-	
Provision created for investments										
- A2Z Green Waste Management Limited	-	929.00	-	-	-				-	
- A2Z Waste Management (Nainital) Private Limited	-	2.40	-	-	-				-	
Loan given / advances given										
- A2Z Green Waste Management Limited	381.16	-	-	-	-	654.54	-	-	-	
- A2Z Waste Management (Varanasi) Limited	89.46	-	-	-	-		-	-	-	
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	35.40	-	-	-	-	68.93	-	-	-	
- A2Z Waste Management (Ludhiana) Limited	77.48	7.50	-	-	-		-	-	-	
- Mansi Bijlee & Rice Mills Limited	110.64	-	-	-	-	2.00	-	-	-	
- A2Z InfraserVICES Limited	571.80	-	-	-	-		-	-	-	
Amount recoverable										
- Rajesh Jain	-	-	-	-	-	16.50	-	-	-	
- Ashok Kumar Saini	-	-	-	-	-	10.50	-	-	-	
Loan / advances refunded										
- A2Z Powertech Limited	-	-	-	-	-		-	-	-	
- A2Z Green Waste Management Limited	604.09	-	-	-	-	74.00	-	-	-	
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	0.17	-	-	-	
- A2Z Waste Management (Jaunpur) Limited	-	7.50	-	-	-		-	-	-	
- A2Z InfraserVICES Limited	36.26	-	-	-	-		-	-	-	
- Amit Mittal	-	-	-	-	-	50.00	-	-	2.50	
- UB Engineering Limited	-	-	295.28	-	-		-	-	-	
- SPIC-SMO	-	-	425.19	-	-		-	-	-	

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2019					For the year ended March 31, 2018				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
<u>Imprest given during the year</u>										
- Atul Kumar Agarwal	-	-	-	-	5.23	-	-	-	-	-
- Rajesh Jain	-	-	-	-	0.02	-	-	-	-	0.41
- Ashok Kumar Saini	-	-	-	-	0.08	-	-	-	-	-
<u>Remuneration / sitting fee payable</u>										
- Rajesh Jain	-	-	-	-	-	-	-	-	-	18.00
- Ashok Kumar Saini	-	-	-	-	0.75	-	-	-	-	18.00
- Dipali Mittal	-	-	-	-	3.50	-	-	-	-	9.08
- Surender Kumar Tuteja	-	-	-	-	6.50	-	-	-	-	5.50
- Ashok Kumar	-	-	-	-	5.75	-	-	-	-	6.25
- Suresh Prasad Yadav	-	-	-	-	-	-	-	-	-	1.00
- Gaurav Jain	-	-	-	-	-	-	-	-	-	2.25
- Atul Kumar Agarwal	-	-	-	-	36.15	-	-	-	-	34.24
- G R Nagendran	-	-	-	-	21.92	-	-	-	-	29.24
- Rajiv Chaturvedi	-	-	-	-	4.00	-	-	-	-	-
<u>Sale of investment</u>										
- Star Transformers Private Limited	-	-	-	-	-	533.00	-	-	-	-



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year

	For the year ended March 31, 2019					For the year ended March 31, 2018				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
Loan / advances given										
- A2Z Green Waste Management Limited	-	372.63	-	-	-	592.86	-	-	-	
- A2Z Powertech Limited	-	-	-	-	-	19.58	-	-	-	
- A2Z Waste Management (Jaipur) Limited	-	-	-	-	-	733.09	-	-	-	
- A2Z Waste Management (Ludhiana) Limited	-	490.55	-	-	-	508.24	-	-	-	
- A2Z Waste Management (Ahmedabad) Limited	-	-	-	-	-	150.00	-	-	-	
- A2Z Waste Management (Dhanbad) Private Limited	-	230.56	-	-	-	230.56	-	-	-	
- A2Z Waste Management (Mirzapur) Limited	-	-	-	-	-	95.00	-	-	-	
- A2Z Waste Management (Moradabad) Limited	-	-	-	-	-	7.47	-	-	-	
- A2Z Waste Management (Ranchi) Limited	-	350.00	-	-	-	350.00	-	-	-	
- A2Z Waste Management (Sambhal) Limited	-	-	-	-	-	130.23	-	-	-	
- A2Z Waste Management (Varanasi) Limited	-	-	-	-	-	250.96	-	-	-	
- A2Z Waste Management (Jaunpur) Limited	-	-	-	-	-	9.00	-	-	-	
- Mansi Bijlee & Rice Mills Limited	-	-	-	-	-	90.65	-	-	-	
- Ecogreen Envirotech Solution Limited	-	-	-	-	-	0.68	-	-	-	
- A2Z Maintenance & Engineering Services Limited and Satya Builder - (AOP)	-	-	-	-	-	1,035.03	-	-	-	
Investment in equity shares										
- A2Z Green Waste Management Limited	-	40.39	-	-	-	1,089.40	-	-	-	
- A2Z Infraservices Limited	6,072.29	-	-	-	-	6,072.29	-	-	-	
- A2Z Powercom Limited	10.00	-	-	-	-	10.00	-	-	-	
- A2Z Powertech Limited	-	-	-	-	-	-	-	-	-	
- Selligence Technologies Services Private Limited	-	-	-	-	-	80.00	-	-	-	
- A2Z Waste Management (Nainital) Limited	-	-	-	-	-	2.40	-	-	-	
- Mansi Bijlee & Rice Mills Limited	5.00	-	-	-	-	5.00	-	-	-	
- Magic Genie Services Limited	6.00	-	-	-	-	6.00	-	-	-	
- Chavan Rishi International Limited	1,031.69	-	-	-	-	1,031.69	-	-	-	
- A2Z Waste Management (Jaipur) Limited	-	1.00	-	-	-	1.00	-	-	-	
Investment in shares - ESOP Scheme										
- A2Z Green Waste Management Limited	-	13.75	-	-	-	13.25	-	-	-	
- A2Z Powercom Limited	43.36	-	-	-	-	42.57	-	-	-	
- A2Z Infraservices Limited	65.43	-	-	-	-	50.42	-	-	-	
- A2Z Waste Management (Ludhiana) Limited	-	2.26	-	-	-	0.73	-	-	-	
- A2Z Waste Management (Merrut) Limited	-	28.11	-	-	-	27.33	-	-	-	

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year (Contd.)

	For the year ended March 31, 2019					For the year ended March 31, 2018				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
- A2Z Waste Management (Balia) Limited	-	12.11	-	-	-	11.88	-	-	-	
- Shree Hari Om Utensils Private Limited	-	0.77	-	-	-	-	-	-	-	
- Ecogreen Envirotech Solution Limited	0.77	-	-	-	-	-	-	-	-	
Trade receivable / advances recoverable										
- A2Z Green Waste Management Limited	-	1,288.62	-	-	-	1,287.85	-	-	-	
- A2Z Powercom Limited	-	-	-	-	-	1,005.44	-	-	-	
- UB Engineering Limited	-	-	6,776.67	-	-	-	8,268.39	-	-	
- SPIC-SMO	-	-	1,923.49	-	-	-	2,448.60	-	-	
- Karamtara Engineering Private Limited	-	-	84.27	-	-	-	84.27	-	-	
- A2Z Infraservices Limited	-	-	-	-	-	16.69	-	-	-	
- Atul Kumar Agarwal	-	-	-	-	-	-	-	-	-	
- Amit Mittal (Refer Note 35.3)	-	-	-	-	-	-	-	-	124.93	
- Rajesh Jain (Refer Note 35.4)	-	-	-	-	-	-	-	-	-	
- Ashok Kumar Saini (Refer Note 35.4)	-	-	-	-	-	-	-	-	-	
Security deposit paid										
- Chavan Rishi International Limited	11.11	-	-	-	-	10.03	-	-	-	
- A2Z Infraservices Limited	546.96	-	-	-	-	-	-	-	-	
Investment in preference shares (debt portion)										
- A2Z Green Waste Management Limited	-	6,685.50	-	-	-	5,851.64	-	-	-	
- Mansi Bijlee & Rice Mills Limited	272.54	-	-	-	-	238.54	-	-	-	
Investment in preference shares (equity portion)										
- A2Z Green Waste Management Limited	-	13,197.61	-	-	-	13,197.61	-	-	-	
- Mansi Bijlee & Rice Mills Limited	1,335.90	-	-	-	-	1,335.90	-	-	-	
Provision for doubtful debts/advances										
- UB Engineering Limited	-	-	2,700.05	-	-	-	3,193.68	-	-	
- SPIC-SMO	-	-	869.71	-	-	-	1,209.68	-	-	
- A2Z Green Waste Management Limited	-	877.17	-	-	-	877.17	-	-	-	
Provision created/write off of loans and advances										
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	1,074.51	-	-	-	-	-	-	-	-	
- Mansi Bijlee & Rice Mills Limited	201.30	-	-	-	-	-	-	-	-	
Remuneration payable										
- Rajesh Jain	-	-	-	-	-	-	-	-	7.15	
- Ashok Kumar Saini	-	-	-	-	-	-	-	-	8.57	
- Dipali Mittal	-	-	-	-	-	-	-	-	1.80	



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year (Contd.)

	For the year ended March 31, 2019					For the year ended March 31, 2018				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
- Surender Kumar Tuteja	-	-	-	-	5.85	-	-	-	2.93	
- Ashok Kumar	-	-	-	-	6.80	-	-	-	3.63	
- Suresh Prasad Yadav	-	-	-	-	0.90	-	-	-	0.90	
- Gaurav Jain	-	-	-	-	2.03	-	-	-	2.03	
- Atul Kumar Agarwal	-	-	-	-	6.85	-	-	-	6.87	
- G R Nagendran	-	-	-	-	5.67	-	-	-	16.03	
- Rajiv Chaturvedi	-	-	-	-	3.98	-	-	-	-	
Trade payable										
- A2Z Powercom Limited	-	-	-	-	-	5.36	-	-	-	
- A2Z Infraservices Limited	87.95	-	-	-	-	28.18	-	-	-	
- Chavan Rishi International Limited	84.52	-	-	-	-	54.64	-	-	-	
- Richardson & Cruddas (1972) Limited	-	-	-	-	-	-	14.61	-	-	
- Cobra Instalaciones Y Servicios, S.A	-	-	4.85	-	-	-	4.85	-	-	
- Magic Genie Service Limited	3.28	-	-	-	-	2.50	-	-	-	
- Dipali Mittal	-	-	-	-	7.12	-	-	-	0.79	
- Rajesh Jain	-	-	-	-	0.43	-	-	-	0.41	
- Sudha Mittal	-	-	-	-	4.75	-	-	-	3.96	
Guarantees given on behalf of subsidiaries/ associates (refer note 40(a))										
- A2Z Infraservices Limited	10,818.00	-	-	-	-	9,938.00	-	-	-	
- A2Z Green Waste Management Limited	-	25,025.00	-	-	-	25,325.00	-	-	-	
- A2Z Waste Management (Meerut) Limited	-	1,100.00	-	-	-	3,500.00	-	-	-	
- A2Z Waste Management (Moradabad) Limited	-	480.00	-	-	-	1,830.00	-	-	-	
- A2Z Waste Management (Aligarh) Limited	-	-	-	-	-	1,350.00	-	-	-	
- A2Z Waste Management (Varanasi) Limited	-	2,000.00	-	-	-	4,400.00	-	-	-	
- A2Z Waste Management (Ranchi) Limited	-	-	-	-	-	3,140.00	-	-	-	
- Ecogreen Envirotech Solutions Limited	-	-	-	-	-	700.00	-	-	-	
- A2Z Waste Management (Badaun) Limited	-	-	-	-	-	560.00	-	-	-	
- A2Z Waste Management (Jaunpur) Limited	-	-	-	-	-	220.00	-	-	-	
- A2Z Waste Management (Sambhal) Limited	-	-	-	-	-	550.00	-	-	-	
- A2Z Waste Management (Fatehpur) Limited	-	-	-	-	-	410.00	-	-	-	
- A2Z Waste Management (Mirzapur) Limited	-	-	-	-	-	560.00	-	-	-	
- A2Z Waste Management (Balia) Limited	-	-	-	-	-	420.00	-	-	-	
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	5,080.00	-	-	-	
- A2Z Waste Management (Jaipur) Limited	-	-	-	-	-	2,000.00	-	-	-	
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	580.00	-	-	-	-	580.00	-	-	-	

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 35.1: In the opinion of the management, the transactions reported herein are on arms' length basis.

Note 35.2: 'Details relating to persons referred to as key managerial personnel above:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Short term employee benefits	61.32	106.16
Defined contribution plan	-	0.40
Share-based payment expenses	112.92	93.67
Sitting fees	16.50	17.00
Total compensation paid/payable to key management personnel	190.74	217.23

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 Central Government has rejected the Company's application for the waiver of the excess remuneration so, paid amounting to INR 189.48 Lakhs which is being held in trust by him. Till date out of the excess remuneration paid INR 114.55 Lakhs has been received/adjusted from him and the balance outstanding as at March 31, 2019 is INR 74.93 Lakhs (March 31, 2018 INR 124.93 Lakhs). Further the said amount shall be recover from the Managing Director within time line as defined in the Companies Act, 2013.

Note 35.4: During the year ended March 31, 2019, the Company paid excess remuneration to Mr. Rajesh Jain and Mr. Ashok Kumar Saini amounting to INR 16.50 lakhs and INR 10.50 Lakhs respectively from the date of re-appointment to the date of receipt of abatement letter from Central Government in accordance with amended provision of section 197 read with Schedule V of Companies Act 2013. Therefore the remuneration paid is being held in trust by said directors. Further the said amount shall be recover from the said directors within timeline as defined in the Companies Act, 2013.

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 at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative liability	-	-	3,130.61	3,130.61
Total	-	-	3,130.61	3,130.61
As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative liability	-	-	1,810.00	1,810.00
Total	-	-	1,810.00	1,810.00

(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.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(iv) Valuation process and technique used to determine fair value

The fair value of derivative liability is estimated using Black Scholes technique. The significant unobservable inputs used in the fair value measurements are as shown below:-

	As at March 31, 2019	As at March 31, 2018
Significant unobservable inputs		
Volatility of underlying equity share market prices	58.03-67.60%	46.10-51.11%
Sensitivity*		
The sensitivity of profit or loss and equity to changes in volatility		
Volatility – increase by 5%	(3.80)	(72.08)
Volatility – decrease by 5%	3.07	69.33

* Holding all other variables constant

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, 2019		
	FVPL	FVOCI	Amortised cost
Financial assets			
Investments			
Preference shares	-	-	6,958.04
Trade receivables	-	-	89,474.71
Loans	-	-	2,711.75
Cash and cash equivalents	-	-	842.88
Other bank balances	-	-	-
Other financial assets	-	-	18,112.21
Total	-	-	118,099.59
Financial liabilities			
Borrowings	-	-	34,167.48
Trade payables	-	-	56,040.80
Other financial liabilities	3,130.61	-	8,356.45
Total	3,130.61	-	98,564.73

	As at March 31, 2018		
	FVPL	FVOCI	Amortised cost
Financial assets			
Investments			
Preference shares	-	-	6,090.18
Trade receivables	-	-	117,216.35
Loans	-	-	4,923.52
Cash and cash equivalents	-	-	1,097.71
Other bank balances	-	-	0.82
Other financial assets	-	-	27,723.62
Total	-	-	157,052.20
Financial liabilities			
Borrowings	-	-	88,977.42
Trade payables	-	-	57,735.69
Other financial liabilities	1,810.00	-	3,688.72
Total	1,810.00	-	150,401.83

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(ii) Risk management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Analysis of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Risk limits
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Risk limits
Market risk - security price	Investments in equity securities	Sensitivity analysis	Risk limits

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

A. Credit risk

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

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

The Company's receivables comprises of trade receivables. During the periods presented, the Company does not expect to receive future cash flows or recoveries from collection of cash flows from written off. The Company has certain trade receivables that have not been settled by the contractual due date, as given below:

	As at March 31, 2019	As at March 31, 2018
Not more than 30 days	12,572.13	30,105.84
More than 30 days but not more than 60 days	1,779.09	1,228.24
More than 60 days but not more than 90 days	7,119.46	407.49
More than 90 days	74,178.17	100,433.23
	95,648.85	132,174.81
Less: Provisions for impairment	(6,174.14)	(14,958.46)
Total	89,474.71	117,216.35

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 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.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
Balance as at the beginning of the year	14,958.46	14,010.97
Change in provisions		
Additional Provision	1,287.32	947.49
Reversal/Write-off	(10,071.64)	-
Balance as at the end of the year	6,174.14	14,958.46

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, 2019	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings (including estimated future interest)	31,101.47	3,612.66	235.60	42.36	34,992.08
Trade payables	56,040.80	-	-	-	56,040.80
Other financial liabilities	8,356.45	-	-	-	8,356.45
Derivative financial liabilities					
Other financial liabilities	3,130.61	-	-	-	3,130.61
Total	98,629.32	3,612.66	235.60	42.36	102,519.94

As at March 31, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings (including estimated future interest)	81,090.56	6,056.10	6,163.41	4,447.60	97,757.67
Trade payables	57,735.69	-	-	-	57,735.69
Other financial liabilities	3,688.72	-	-	-	3,688.72
Derivative financial liabilities					
Other financial liabilities	810.00	1,000.00	-	-	1,810.00
Total	143,324.97	7,056.10	6,163.41	4,447.60	160,992.08

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, 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Interest rate risk exposure

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

	As at March 31, 2019	As at March 31, 2018
Variable rate borrowing	23,524.17	68,288.37
Fixed rate borrowing	9,521.54	-
Total borrowings	33,045.71	68,288.37

Sensitivity

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

	As at March 31, 2018	As at March 31, 2017
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	(153.04)	(446.54)
Interest rates – decrease by 100 basis points (100 bps)	153.04	446.54

* 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 (USD), Ugandan Shillings, Tanzania 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, 2019			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Trade receivables	USD	40.40	69.32	2,800.80
	Zambian Kwacha	10.40	5.66	58.91
	Tanzania Shillings	59,393.67	0.03	1,776.46
Cash and cash equivalents	USD	6.37	69.32	441.33
	Uganda Shillings	429.32	0.02	7.96
	Zambian Kwacha	1.23	5.66	6.99
	Tanzania Shillings	5,206.01	0.03	155.71
Other financial assets	USD	1.98	69.32	137.42
Trade payables	USD	22.83	69.32	1,582.62
	Uganda Shillings	6,706.91	0.02	124.41
	Zambian Kwacha	0.85	5.66	4.81
	Tanzania Shillings	56,664.16	0.03	1,694.82

	As at March 31, 2018			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Trade receivables	USD	15.71	64.92	1,019.57
	Uganda Shillings	216.17	0.02	3.78
	Zambian Kwacha	10.40	6.79	70.60
Cash and cash equivalents	USD	3.60	64.92	233.86
	Uganda Shillings	1,263.25	0.02	22.09
	Zambian Kwacha	1.24	6.79	8.41



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2018			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Other financial assets	USD	17.46	64.92	1,133.15
	Uganda Shillings	18,625.58	0.02	325.76
	Zambian Kwacha	3.40	6.79	23.10
	Tanzania Shillings	1,846.90	0.03	52.90
Trade payables	USD	6.88	64.92	446.74
	Uganda Shillings	4,409.04	0.02	77.11
	Zambian Kwacha	0.85	6.79	5.77
Other financial liabilities	USD	11.23	64.92	729.01
	Uganda Shillings	1,091.37	0.02	19.09
	Zambian Kwacha	10.90	6.79	73.95

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, 2019	As at March 31, 2018
USD sensitivity		
INR/USD- increase by 6.82% (for previous year - 5%)	79.73	39.59
INR/USD- decrease by 6.82%(for previous year - 5%)	(79.73)	(39.59)
Uganda Shillings (UGX) sensitivity		
INR/UGX- increase by 6.05% (for previous year - 5%)	(4.58)	8.35
INR/UGX- decrease by 6.05% (for previous year - 5%)	4.58	(8.35)
Zambian Kwacha (ZMW) sensitivity		
INR/ZMW- increase by 12.26% (for previous year - 5%)	4.87	0.73
INR/ZMW- decrease by 12.26% (for previous year - 5%)	(4.87)	(0.73)
Tanzania Shillings sensitivity		
INR/TZS- increase by 6.41% (for previous year - 5%)	9.90	1.73
INR/TZS- decrease by 6.41% (for previous year - 5%)	(9.90)	(1.73)

* 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 share capital, security premium and all other equity reserves attributable to the equity holders of the Company.

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
Borrowings	34,992.08	88,977.42
Trade payables	56,040.80	57,252.91
Less: cash and cash equivalents	842.88	1,097.71
Net debt	90,189.99	145,132.62
Equity	64,775.29	61,336.63
Capital and net debt	154,965.28	206,469.25
Gearing ratio	58.20%	70.29%

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, 2019.

Note 39 : SEGMENT REPORTING

Segmental information

Business segments:

The Company has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108). The Company is operating into following segments :

- (i) Engineering service (ES)
- (ii) Power generation projects ('PGP')
- (iii) Others represents trading of goods, renting of equipment's and providing housekeeping

	For the year ended March 31, 2019			
	Engineering services	Power generation projects	Others	Total
Revenue				
Segment revenue	48,549.43	87.01	2,096.08	50,732.52
Other income	475.71	-	-	475.71
Total segment revenue	49,025.14	87.01	2,096.08	51,208.23
Cost				
Segment cost	(45,109.03)	(1,443.21)	(1,097.84)	(47,650.08)
Total segment cost	(45,109.03)	(1,443.21)	(1,097.84)	(47,650.08)
Segment operating profit/(loss)	3,916.11	(1,356.20)	998.24	3,558.15
Total reportable segment operating profit				3,558.15
Interest income				1,192.50
Interest expense				(3,647.21)
Exceptional item				2,690.55
Unallocable expenditure net off unallocable income				(462.75)
Profit before tax				3,331.24
Tax expense				
Current tax				71.55
Deferred tax (net)				47.47
Profit after tax				3,212.22
Reclassification of net actuarial gain on employee defined benefit obligations				35.32
Total comprehensive income for the year (comprising loss and other comprehensive income)				3,247.54



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As At March 31, 2019			
	Engineering services	Power generation projects	Others	Total
Assets				
Segment assets	123,672.01	23,828.91	2,364.92	149,865.84
Unallocable corporate assets	-	-	-	40,472.99
Total assets	123,672.01	23,828.91	2,364.92	190,338.83
Liabilities				
Segment liabilities	86,245.51	193.73	928.79	87,368.03
Unallocable corporate liabilities	-	-	-	38,195.51
Total liabilities	86,245.51	193.73	928.79	125,563.54
Capital expenditure	60.10	-	-	60.10
Depreciation	268.31	828.31	-	1,096.62
Provision for impairment/write off	-	4,200.00	-	4,200.00
Other non-cash expenditure				2,639.12
	For the year ended March 31, 2018			
	Engineering services	Power generation projects	Others	Total
Revenue				
Segment revenue	31,376.34	-	4,375.22	35,751.56
Other income	2,385.63	-	-	2,385.63
Total segment revenue	33,761.97	-	4,375.22	38,137.19
Cost				
Segment cost	(34,542.16)	(1,072.77)	(4,141.49)	(39,756.42)
Total segment cost	(34,542.16)	(1,072.77)	(4,141.49)	(39,756.42)
Segment operating profit/(loss)	(780.19)	(1,072.77)	233.73	(1,619.23)
Interest income				1,312.23
Interest expense				(12,394.62)
Exceptional item				1,828.89
Unallocable expenditure net off unallocable income				(583.45)
Loss before tax				(11,456.18)
Tax expense				
Current tax				22.77
Deferred tax credit				(2.01)
Loss after tax				(11,476.94)
Reclassification of net actuarial gain on employee defined benefit obligations				40.31
Total comprehensive income for the year (comprising loss and other comprehensive income)				(11,436.63)

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As At March 31, 2018			
	Engineering services	Power generation projects	Others	Total
Assets				
Segment assets	159,276.50	30,837.02	1,010.56	191,124.08
Unallocable corporate assets	-	-	-	42,684.22
Total assets	159,276.50	30,837.02	1,010.56	233,808.30
Liabilities				
Segment liabilities	81,588.64	203.45	1,593.36	83,385.45
Unallocable corporate liabilities	-	-	-	89,086.22
Total liabilities	81,588.64	203.45	1,593.36	172,471.67
Capital expenditure	5.94	29.68	-	35.62
Depreciation	399.24	884.09	1.37	1,284.70
Provision for Impairment	-	3,500.00	-	3,500.00
Other non-cash expenditure				3,578.35

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 from customers (having more than 10% of total revenue) during the year is INR 33,867.85 lakhs (March 31, 2018 INR 14,143.68 lakhs) arising from revenue from engineering services.

Note 40 : CONTINGENT LIABILITIES AND COMMITMENTS

a) The details of contingent liabilities are as follows:

	As at March 31, 2019	As at March 31, 2018
Corporate guarantees given to banks on account of facilities granted by said banks/financial institution to subsidiaries & associates [§]	40,003.00	60,563.00
Right to recompense (CDR Scheme)	5,521.87	9,951.43
Litigations under workmen compensation act*	39.23	37.38
Litigations with contractors and others*	308.29	180.24
Sales tax demand under dispute*	8,993.97	8,669.26
Income Tax demand under dispute**	2,792.10	2,790.80
	57,658.46	82,192.11

[§]In addition to the aforementioned, during financial year March 31, 2018, the Company executed an one time settlement (OTS) agreement with Standard Chartered Bank (SCB) (hereinafter "SCB OTS") after invocation of the corporate guarantees amounting Rs. 14,060.00 lakhs issued by the Company in favour of SCB for various subsidiaries of AGWML. In terms of the said agreements, in case of any defaults with the terms of SCB OTS, SCB has the right to reinstate the aforementioned guarantees on the Company.

*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 lakhs. During the year ended March 31, 2015 the Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Company. The Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters where the CIT(A) has not accepted the Company's contention. Additionally, the DCIT has also filed appeals with the ITAT



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

against the matters where the relief has been given to the Company. Further, during the year ended March 31, 2018, the Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of INR 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Company. During the year ended March 31, 2019, the Company has received orders from CIT (Appeals) squashing the penalty orders aggregating INR 477.71 lakhs out of the aforementioned and upholding the rest. The Company has filed appeals with the ITAT challenging the penalty orders for these assessment years in respect of the matters where the CIT(A) has not accepted the Company's contention. 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 the final decision on the matter, no further adjustment has been made in the standalone financial statements.

*** Pursuant to recent judgement by the Hon'ble Supreme Court of India dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, should include certain allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies and accordingly, the Company has not provided for any liability on account of this.

b) Commitments outstanding:

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

	As at March 31, 2019	As at March 31, 2018
Commitments	36,511.28	41,169.51
	36,511.28	41,169.51

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

Note 41 : DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

(a) Disaggregation of revenue into operating segments for the year ended March 31, 2019

Segment	Revenue as per Ind AS 115	Other Revenue	Total
Sale/rendering of services			
Revenue from engineering services	48,384.76	-	48,384.76
Revenue from sale of power	87.01	-	87.01
Revenue from operation and maintenance services	1,933.71	-	1,933.71
Revenue from professional services	157.55	-	157.55
Revenue from data processing services	140.40	-	140.40
Other operating revenues:			
Sale of traded goods	21.97	-	21.97
Duty drawback	-	7.12	7.12
Total	50,725.40	7.12	50,732.52

(b) Out of the total revenue recognised under IND AS-115 during the year, INR 50,616.42 lakhs is recognised over a period of time and INR 108.98 lakhs is recognised at a point in time.

(c) Movement in Expected Credit Loss during the year:

Particulars	Provision on trade receivables covered under Ind AS 115	Provision on contract assets
Opening balance as at April 1, 2018	14,958.46	1,713.99
Changes in allowance for expected credit loss:		
Provision/(reversal) of allowance for expected credit loss	1,287.32	164.52
Additional provision (net) towards credit impaired receivables	-	-
Write off as bad debts (Refer Note-37 (ii)(A))	(10,071.64)	(1,500.73)
Closing balance as at March 31, 2019	6,174.14	377.78

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(d) Contract balances:

(i) Movement in contract balances during the year:

Particulars	Trade Receivable*	Contract assets*	Contract liabilities
Opening balance as at April 1, 2018	117,216.35	22,630.50	7,758.00
Closing balance as at March 31, 2019	89,474.71	13,499.08	9,008.44
Net increase/(decrease)	(27,741.64)	(9,131.42)	1,250.44

*(Refer Note 42)

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to INR 730.70 Lakhs

(iii) Revenue recognised during the year from the performance obligation satisfied in previous year (arising out of contract modifications) amounts to INR Nil.

(e) Cost to obtain the contract :

(i) Amount of amortisation recognised in Profit and Loss during the year 2018-19: INR Nil

(ii) Amount recognised as assets as at March 31, 2019: INR Nil

(f) Reconciliation of contracted price with revenue during the year:

Opening contracted price of orders as at April 1, 2018*	349,173.09
Add:	
Fresh orders/change orders received (net)	17,379.43
Less:	
Orders completed during the year	30,112.02
Closing contracted price of orders as at March 31, 2019*	336,440.50
Total Revenue recognised during the year:	50,725.40
Less: Revenue out of orders completed during the year	2,380.36
Revenue out of orders under execution at the end of the year (I)	48,345.04
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	200,181.62
Balance revenue to be recognised in future viz. Order book (III)	87,913.84
Closing contracted price of orders as at March 31, 2019* (I+II+III)	336,440.50

*including full value of partially executed contracts.

(g) Remaining performance obligations:

The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows:

Particulars	Total	Expected conversion in revenue	
		Upto 1 Year	More than 1 Year
Transaction price allocated to remaining performance obligation	87,913.84	60,692.41	27,221.43

(h) The Company has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under the law/accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts. The Company does not have any derivative contracts at the end of the year.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 42 : EXCEPTIONAL ITEMS

	For the year ended March 31, 2019	For the year ended March 31, 2018
One time settlement with banks and financial institutions (Refer Note 42.1)	39,135.13	11,393.52
Liabilities written back	1,498.47	-
Impact of fair valuation of derivative liability on subsequent measurement (Refer Note 42.3)	(692.62)	-
Capital assets impaired/written off (Refer Note 3.1)	(4,200.00)	(3,500.00)
Trade receivable written off	(18,922.59)	-
Loans and advances provision/written off	(4,042.33)	-
Investment provision/written off	(931.40)	-
Contract revenue in excess of billing written off	(8,959.11)	(5,620.55)
Loss on control of subsidiary (Refer Note 42.2)	(195.00)	(444.08)
Total	2,690.55	1,828.89

Note 42.1: During the previous year ended, gain on one time settlement agreements with banks and financial institutions for borrowings pertains to excess of outstanding loan liabilities against the settlement consideration paid/to be paid under the settlement agreement entered by the Company.

Note 42.2: During the previous year ended, loss on control of subsidiary in previous year pertains to the loss incurred on the sale of entire shareholding in one of the subsidiary company i.e. Star Transformers Limited during the year. Consequently, Star Transformers Limited ceased to be a subsidiary of the Company.

Note 42.3: Derivative liability pertains to fair valuation of liability arising out of the embedded put option as per the settlement agreement and options agreement entered with Standard Chartered Bank and SICOM.

Note 43 : DISCLOSURE PURSUANT TO IND AS 7 "STATEMENT OF CASH FLOWS"-CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	Non- current borrowings (Including current maturities) (Refer Note 17 & Note 18)	Current borrowings (Refer Note 20)	Interest accrued on borrowings (Refer Note 18)	Total
Balance as at April 1, 2017	39,577.92	56,524.55	13,250.18	109,352.65
(a) Changes from financing cash flow	(2,717.80)	(333.66)	(3,306.12)	(6,357.58)
(b) Other changes				
(i) Reclassification within categories	4,427.34	(4,027.58)	(399.76)	-
(ii) Interest charge to statement of profit and loss	-	-	11,354.00	11,354.00
(iii) One time settlement				
Gain on one time settlement with banks of borrowing and financial institutions	(5,120.35)	(1,011.14)	(5,262.03)	(11,393.52)
Settled through issue of equity shares	(7,050.00)	(5,000.00)	-	(12,050.00)
Settled through derivative liability	(562.13)	(1,000.00)	(247.87)	(1,810.00)
Settled through fixed deposits	-	(118.13)	-	(118.13)

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	Non- current borrowings (Including current maturities) (Refer Note 17 & Note 18)	Current borrowings (Refer Note 20)	Interest accrued on borrowings (Refer Note 18)	Total
Balance as at March 31, 2018	28,554.98	45,034.04	15,388.40	88,977.42
(a) Changes from financing cash flow	(9,644.71)	(1,534.59)	(575.61)	(11,754.91)
(b) Other changes				
(i) Reclassification within categories	-	4.53	(4.53)	-
(ii) Interest charges to statement of profit and loss	-	-	1,720.95	1,720.95
(iii) Reversal of interest liability	-	-	(78.44)	(78.44)
(iv) One time settlement (Refer Note 42.1)				
Gain on one time settlement with banks of borrowing and financial institutions	(7,049.58)	(19,662.83)	(12,422.72)	(39,135.13)
Settled through fixed deposits	-	(1,123.61)	-	(1,123.61)
(v) Fair valuation of borrowings	(410.74)	-	-	(410.74)
Balance as at March 31, 2019	11,449.95	22,717.54	4,028.05	38,195.54

Note 44 : 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 and hence the Company is not required to spend any amount towards CSR activities for the year ended March 31, 2019 and March 31, 2018.

Note 45 :

Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year.

Note 46 : POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the March 31, 2019 reporting date and the date of authorisation May 23, 2019.

Note 47 : AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended March 31, 2019 (including comparatives) were approved by the board of directors on May 23, 2019.

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

Sd/-
Neeraj Sharma
Partner
Membership No. 502103

Place: Gurugram
Date : May 23, 2019

For and on behalf of the Board of Directors

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

Sd/-
Rajiv Chaturvedi
Chief Financial Officer

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

Sd/-
Atul Kumar Agarwal
Company Secretary



Independent Auditor's Report

To the Members of A2Z Infra Engineering Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

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') and its associates, which comprise the Consolidated Balance Sheet as at 31 March 2019, 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.
2. 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 and associates except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in note 50 to the accompanying consolidated financial statements, where the Holding Company's 'Non-current financial liability - borrowings', 'Current financial liability - borrowings' and 'Other current financial liabilities' include balances aggregating to Rs. 216.46 lakhs, Rs. 11,618.85 lakhs and Rs. 538.10 lakhs respectively as at 31 March 2019 pertaining to borrowings from certain banks ('Lenders') which have been classified as non-performing assets and in respect of which the Holding Company has not recognised interest for the year ended 31 March 2019 aggregating to Rs. 1,595.92 lakhs. Such amount is determined by the management, basis terms of the agreements with Lenders, but in the absence of sufficient appropriate evidence to substantiate such estimate of the management, we are unable to comment on the adjustments, that would be required to the carrying value of these balances on account of changes, and its consequential impact, on the consolidated financial statements.
4. As stated in note 51 to the accompanying consolidated financial statements, the Holding Company had entered into settlement agreement(s) ('Agreements') with certain banks/

asset reconstruction company ('the Lenders') during the year ended 31 March 2018 and 31 March 2019. As at 31 March 2019, the Holding Company delayed payments in respect of certain deferred instalments which were due and payable pursuant to these settlements. Further, the management is in negotiations/ reconciliations with certain other lenders to settle its existing obligations. Pending confirmations from the Lenders and in the absence of the requisite information, we are unable to comment on the impact of such delays and ongoing negotiations/ reconciliations, if any, on the accompanying consolidated financial statements.

5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 paragraph 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

6. We draw attention to note 52 to the accompanying consolidated financial statements, which indicates that the Holding Company has accumulated net losses of Rs. 43,672.10 lakhs as at 31 March 2019 and, as of that date the Holding Company has made defaults in repayment of borrowings from banks as detailed in note 17.9, 21.3 and 51 up till 31 March 2019. These conditions along with other matters as set forth in such note, indicate the existence of material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, in view of the ongoing discussions relating to restructuring of its borrowings and other debts with the lenders which includes binding One Time Settlement (OTS) offers made by the Holding Company, better financial performance as a result of favorable business conditions expected in future, and other mitigating factors mentioned in the aforementioned note, the management is of the view that the going concern basis of accounting is appropriate for preparation of the accompanying consolidated financial statements. Our report is not modified in respect of this matter.

The above assessment of the Holding Company's ability to continue as going concern is, by its nature, considered as a key audit matter in accordance with SA 701. Our audit work included, but was not limited to, the following procedures:

- Obtained understanding of the management's process

for identifying all events or conditions that could impact the Holding Company's ability to continue as a going concern, and the process to assess the corresponding mitigating factors existing against each such event or condition;

- Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management;
- Tested the appropriateness of the key assumptions in the cash flow projections for next 12 months and the aforementioned mitigating factors by considering our understanding of the business, past performance of the Holding Company, external data and market conditions apart from discussing these assumptions with the management;
- Reconciled the cash flow projections to future business plans and restructuring plan of the Holding Company as approved by the management;
- Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management;
- Reviewed communications with the lenders for the settlement, the minutes of meetings of lenders, etc. with respect to the status of OTS offer; and
- Evaluated the appropriateness of the disclosures made in the consolidated financial statements in respect of

going concern basis of accounting in accordance with applicable accounting standards.

Emphasis of Matters

7. We draw attention to note 42.2 of the accompanying consolidated financial statement which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Holding Company against which management and the assessing authorities have filed appeals with relevant Income-tax authorities. The final out come of these matters is presently unascertainable. Our opinion is not modified in respect of this matter.

Key Audit Matters

8. Key audit matters are those matters that, in our professional judgment 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 and associates, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
9. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern sections, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

Valuation of investment in and other dues from the associate company

As disclosed in note 6.2 to the accompanying consolidated financial statements, the Holding Company has investment in equity shares and preference shares of A2Z Green Waste Management Limited, its associate company, (on erstwhile subsidiary company) amounting to Rs. 983.14 lakhs and Rs. 19,883.11 lakhs respectively. Such investment in the aforesaid associate company is accounted as per the equity method specified in Ind AS 28 'Investment in Associates and Joint Ventures'. The Holding Company also has other current financial assets (net of impairment) and current financial assets loan receivable aggregating to Rs.411.51 lakhs and Rs. 372.63 lakhs as at 31 March 2019, from the aforesaid associate company. The Holding Company assesses the recoverable amount of the investment when impairment indicators exist by comparing the fair value (less costs of disposal) and carrying amount of the investment as on the reporting date.

The aforesaid associate has incurred loss during the year ended 31 March 2019, and as at the year end, the consolidated net worth of such company is fully eroded, which indicates potential impairment of the investment in the associate.

The aforesaid investment is not traded in the market and its fair value has been determined by a management appointed independent valuation specialist using discounted cash flow ('DCF') method. The process of computation of fair valuation for investment in associate company using DCF method is complex and requires estimation and judgement around

How our audit addressed the key audit matter

Our audit procedures were focused on obtaining sufficient appropriate audit evidence that the carrying value of investment in associate company is not materially misstated. These procedures included, but were not limited to, the following:

We obtained an understanding of the management's processes and controls for determining the fair valuation of investment. We performed the following procedures:

- Assessed the qualification and objectivity of the management-appointed independent valuation specialist to determine the fair value of investment;
- Assessed the appropriateness of valuation methodology used for the fair valuation computation with the help of an auditor's expert and tested the mathematical accuracy of management's model;
- Reconciled the cash flow projections to the business plans approved by the Holding Company's management;
- Evaluated management's assessment of underlying assumptions used for the cash flow projections including the implied growth rates, considering evidence available to support these assumptions and our understanding of the business;
- Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate;
- Evaluated the sensitivity analysis performed by



<p>assumptions used therein. The key assumptions underpinning management's assessment of the fair valuation include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure.</p> <p>During the year ended 31 March 2019, pursuant to a share purchase agreement the Holding Company has transferred certain equity shares of the investee company to an external buyer (refer note 6.1.2 for details). Based on the aforementioned sale transaction, the Holding Company has lost control of AGWML and has reclassified it as on associate in accordance with Ind AS 28 'Investments in Associates and Joint Ventures' and Ind AS 110 'Consolidated Financial Statements'</p> <p>Considering the materiality of the amounts involved, complexity, and management judgement involved in assessment of impairment losses to be recognised, if any, on the carrying value of investment in, and loan receivable from, the associate company, this matter has been considered to be a key audit matter for current year's audit.</p> <p>Emphasis of Matter</p> <p>Considering this matter is fundamental to the understanding of the users of consolidated financial statements, we draw attention to note 6.2 of the accompanying consolidated financial statement, regarding the Holding Company's investment in and dues receivable from the associate company.</p>	<p>management in respect of the key assumptions such as discount and growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the fair value calculation;</p> <ul style="list-style-type: none"> • Tested the impairment made during the year by inspecting the equity share sale agreement for transfer of part shareholding during the year; and • Evaluated the appropriateness of disclosures in relation to investment in associate company and related impairment indicators. <p>We also obtained written representations from management and those charged with governance on whether the significant assumptions used in valuation of the investment in the associate company are considered reasonable.</p>
<p>Utilisation of input tax credit and levy of interest on service tax:</p> <p>As disclosed in note 20.1 to the accompanying consolidated financial statements, the Holding Company has current assets in respect of input tax credit amounting to Rs. 1,144.62 lakhs as at 31 March 2019. There exists uncertainty relating to utilisation of such input tax credit and levy of interest on service tax with respect to service tax liability determined by the Holding Company as described in note 20.1 to the accompanying consolidated financial statements. Based on the terms of the contract with the customers/vendors and independent legal opinion, the management believes that the service tax liability outstanding, including interest thereon, if any, is recoverable from the customer of the Holding Company, and further that the Holding Company would be able to avail the existing input tax credit recognized on services received by the Holding Company from the sub-contractors, for settlement of such service tax liability.</p> <p>Evaluation of management's assessment of payment of interest on the service tax liability and utilization of service tax input, required a detailed analysis of the appropriate statutory provisions and required application of material judgement in interpretation of law.</p> <p>Accordingly, considering the materiality of amounts and significance of management judgement involved, this matter was also identified as one of the areas which required significant auditor attention and a matter which was of most significance in the current year audit.</p> <p>Emphasis of Matter</p> <p>Considering this matter is fundamental to the understanding of the users of consolidated financial statements, we draw attention to note 20.1 of the accompanying consolidated</p>	<p>Our audit in relation to assessment of input tax credit and levy of interest on service tax as at reporting date included, but were not limited to, the following procedures:</p> <ul style="list-style-type: none"> • Evaluated the design, and tested the operating effectiveness of the controls that the Holding Company has established in relation to assessing recoverability of amounts of service tax from the customers including interest thereon and utilisation of input tax credit; • Obtained an understanding of the current period developments in the matter from the management and corroborated such understanding from relevant underlying documents; • Tested the appropriateness and mathematical accuracy of the underlying calculations for the input tax credit and indirect tax receivables recognised by the management with respect to services received from sub-contractors; • Inspected the correspondence between the Holding Company and the customer, for reimbursement to the Holding Company for any possible cash outflow that arise on account of the service tax liability; • Obtained an independent legal opinion from the management's external tax experts on the likely outcome of the case, the status of the matter and the magnitude of the potential exposure involved; • Evaluated management's assessment on the likely outcome and potential magnitude of the aforementioned matter; and • Evaluated that the disclosures made by the management are in accordance with applicable accounting standards.

<p>financial statement, regarding uncertainties relating to utilization of input tax credit and levy of interest on service tax.</p>	
<p>Impairment assessment of carrying value of certain power generation plants of the Company classified as property, plant and equipment and Capital Work in Progress (CWIP):</p> <p>As at 31 March 2019, the Holding Company has power generation plants and CWIP relating to such plants, with carrying values of Rs 8,550.81 lakhs and Rs 14,156.80 lakhs, respectively, as disclosed in note 3 of the accompanying consolidated financial statements.</p> <p>In accordance with Ind AS 36, Impairment of assets, such property plant and equipment and CWIP balances are tested for impairment when impairment indicators exist at the cash generating unit level, whereby the carrying amount of the cash generating unit (including goodwill) is compared with the recoverable amount of the cash generating unit.</p> <p>The recoverable amount is determined on the basis of the value in use which is the present value of future cash flows of the cash generating unit. The present value is determined using discounted cash flow model. In the current year, the management identified that impairment indicators existed for the power plants owing to significant delay in commencement of commercial production. Accordingly, the management performed a fair valuation of such assets with the help of an external valuation expert, and based on such valuation, recognised an impairment charge of Rs. 4,200 lakhs during the year ended 31 March 2019.</p> <p>The aforesaid assessment of the fair valuation and determination of the impairment charge required management to exercise significant judgement in respect of assumptions and estimates involved in forecasting future cash flows, including extension of the concession period of such power generation plants. These assumptions also include useful life of assets, achievement of certain operating capacity, discount rates, implied growth rates, etc.</p> <p>Changes in the management forecasts or assumptions can impact the assessment of the discounted cash flows and consequently, the valuation of such power plants and impairment charge determined by the management.</p> <p>A significant amount of audit effort was also required in this matter, particularly as some of these assumptions are dependent on the economic factors and trading conditions in the markets in which the Holding Company operates which involves high estimation uncertainty. Considering the significance of the amounts involved, degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of power generating plants as a key audit matter.</p> <p>Emphasis of Matter</p> <p>Considering this matter is fundamental to the understanding of the users of consolidated financial statements, we draw attention to note 3.1 of the accompanying consolidated financial statements, which describes the aforesaid significant estimates and assumptions, used by the management for determining recoverable amount of the aforesaid cogeneration power plants, with respect to the impairment assessment in accordance with the requirements of Ind AS 36.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process for identifying impairment indicators as well as determining the appropriate methodology to carry out impairment testing for the carrying value of the cogeneration power plants; • Assessed the experience, professional competence and objectivity of the management expert involved for carrying out the valuation of the said assets; • Reconciled the cash flow projections to the business plans approved by the Holding Company's management; • Assessed the appropriateness of the significant underlying assumptions used for cash flow projections including extension of the concession period, plant operating levels, implied growth rates etc. considering the evidence available to support these assumptions and our understanding of the business and industry including comparison to economic and industry forecasts, where appropriate; • Evaluated the discount rate used with the help of an auditor's valuation expert, including the underlying parameters such as risk free rate, market risk premium and the beta factor) basis the publicly available information; • Performed a sensitivity analysis for reasonably possible changes in the sales growth, discount rate applied and the long-term growth rate; • Tested the mathematical accuracy of the management's working; and • Assessed the appropriateness of the Holding Company's description of the accounting policy as stated in note 2.3, and the disclosures related to property, plant and equipment, in accordance with the applicable accounting standards.



Uncertainties relating to recoverability of contract revenue in excess of billing (other financial assets), and trade receivables

The Holding Company, as at 31 March 2019, has contract revenue in excess of billing (other financial assets) and trade receivable of Rs 13,499.08 lakhs and Rs. 89,474.71 lakhs, respectively, and has written off contract revenue in excess of billing and trade receivables of Rs. 8,959.11 lakhs and Rs 18,922.59 lakhs respectively during the current year, as detailed in note 43 to the accompanying consolidated financial statements.

Owing to the nature of operations of the Holding Company and related customer profiles, the Holding Company has significant receivable balances and contract revenue in excess of billing, that are long outstanding since the performance of the contract work by the Holding Company. There are risks that not all these receivable balances will be recovered in full.

The management assesses recoverability of these balances through evaluation of the ageing of accounts receivable and unbilled revenue, prior collection experience, and customer's financial conditions, to ascertain the ultimate collectability of these receivables, which involves significant management judgements and estimates.

Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation, and significant management judgements involved in the assessment of recoverability of long outstanding dues, this area is considered as a key audit matter for the current year audit.

Our audit work included, but was not limited to, the following:

- Obtained an understanding of the management's process for assessing the recoverability of contract revenue in excess of billing (other current assets), and trade receivables, the computation of provisioning and write-offs against these receivables, and related accounting policies adopted by the management;
- Discussed with the management regarding steps taken for recovering the amounts and tested the design, implementation and operating effectiveness of the controls that the Holding Company has established in relation to revenue recognition and allowance for contract revenue in excess of billing and trade receivables;
- Assessed the reasonability of judgements exercised and estimates made by the management in recognition of the contract revenue in excess of billing validating them with corroborating evidence;
- Tested the accuracy of ageing of contract revenue in excess of billing and trade receivables at year end on a sample basis;
- Enquired about the ongoing reconciliations with the customers for conversion of contract revenue in excess of billing into trade receivables for the balance receivables not written off;
- Verified contractual arrangements to support management's position on the tenability of the receivables and recoverability of the balance receivables not written off;
- Evaluated the management's assessment of credit risk with respect to such receivables basis the past trends for significant long outstanding receivables; and
- Ensured appropriateness of disclosures made in the consolidated financial statements with respect to the contract revenue in excess of billing, trade receivables and provisioning thereof.

Recognition of contract revenue, margin and contract costs

Refer note 24 for details of revenue recognized during the year. The Holding Company's revenue primarily arises from construction contracts, which is recognised as per the accounting policy described in note 2.3 to the accompanying consolidated financial statements, and which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations.

Effective 1 April 2018, the Holding Company has adopted Ind AS 115 Revenue from Contracts with Customers using the cumulative catch-up transition method. Accordingly, the Holding Company recognises revenue and margins based on the stage of completion which is determined on the basis of the proportion of value of goods or services transferred as at the Balance Sheet date, relative to the value of goods or services promised under the contract. All the projects of the Holding Company satisfy the criteria for recognition of revenue over time (using the percentage of completion method) since the control of the overall asset (property/ site / project) lies with the customer who directs the Holding Company. Further, the Holding

Our audit of the recognition of contract revenue, margin and contract costs, and related receivables and liabilities included, but were not limited to, the following:

- Evaluated the appropriateness of the Holding Company's accounting policy for revenue recognition from construction contracts in accordance with Ind AS 115, 'Revenue from Contracts with Customers';
- Assessed the design and implementation of key controls, over the recognition of contract revenue and margins, and tested the operating effectiveness of these controls;
- For a sample of contracts, tested the appropriateness of amount recognized as revenue by evaluating key management judgements inherent in the determining forecasted contract revenue and costs to complete that drive the accounting under the percentage of completion method by performing following procedures:
 - reviewed the contract terms and conditions;
 - evaluated the identification of performance obligation of the contract;

Company has assessed that it does not have any alternate use of these assets.

The recognition of contract revenue, contract costs and the resultant profit/loss therefore rely on the estimates in relation to forecast contract revenue and the total cost. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims and liquidated damages as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes.

Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the consolidated financial statements.

- evaluated the appropriateness of management's assessment that performance obligation was satisfied over time and consequent recognition of revenue using percentage of completion method;
- obtained an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; and
- assessed the ability of the Company to deliver contracts within budgeted timelines and exposures, if any, to liquidated damages for late delivery.
- Assessed that the disclosures made by the management with respect to revenue recognised during the year and adoption of new accounting standard for revenue recognition, are in accordance with applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

10. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

11. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements 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 changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/ management of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding of the assets of the 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 consolidated 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.

12. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
13. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

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

14. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to



influence the economic decisions of users taken on the basis of these consolidated financial statements.

15. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associates (covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

19. We did not audit the financial statements of 32 subsidiaries and 4 branches, whose financial statements reflects total assets of Rs. 45,885.04 lakhs and net assets of Rs. 8,809.92 lakhs as at 31 March 2019, total revenues of Rs. 50,930.95 lakhs and cash in flows Rs. 53.68 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 974.83 lakhs for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of 22 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates 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 and associates, is based solely on the reports of the other auditors.

Further, these 4 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 financial information 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.

Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other

auditors, referred to in paragraph 19, on separate financial statements of the subsidiaries and associates, we report that the Holding Company has not paid the managerial remuneration to its directors in accordance with the provisions of and limits laid down under section 197 read with Schedule V of the Act and however, its subsidiary companies and associate companies covered under the Act has paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

21. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, and associates, we report, to the extent applicable, that:

- a) we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion section, 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, except for the possible effects of the matters described in paragraph 3 and paragraph 4 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company;
- c) except for the matter described in paragraph 3 and 4 of the Basis for Qualified Opinion section, 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 / the other auditors, 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) except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- f) the matters described in paragraphs 3, 4, 7 and paragraph 9 of the Emphasis of Matters/Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Holding Company;
- g) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies

covered under the Act, none of the directors of the Group companies and its associate companies covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- h) the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 and paragraph 4 of the Basis for Qualified Opinion section with respect to the Holding Company;
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies and associate companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- j) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates as detailed in note 42 to the consolidated financial statements;
 - ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 45(h) to the consolidated financial statements;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate companies during the year ended 31 March 2019;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Neeraj Sharma
Partner
Membership No.:502103

Place : Gurugram
Date : 23 May 2019



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 2019

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 A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the 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 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 and its associate 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 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 and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies and associate companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the Guidance Note.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to 32 subsidiary companies, which are companies covered under

the Act, whose financial statements reflect total assets of Rs. 35,842.65 lakhs and net assets of Rs. 7,858.42 lakhs as at 31 March 2019, total revenues of Rs. 37,119.54 lakhs and net cash outflows amounting to Rs. 365.47 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 974.89 lakhs for the year ended 31 March 2019, in respect of 22 associate companies, which are companies covered under the Act, whose IFCoFR have not been audited by us. The IFCoFR in so far as it relates to such subsidiary companies and associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its

subsidiary companies and its associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and associate companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Place : Gurugram
Date : 23 May 2019

Neeraj Sharma
Partner
Membership No.:502103



Consolidated Balance Sheet as at March 31, 2019

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

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	12,297.58	27,818.79
Capital work-in-progress	3	14,235.49	30,879.67
Investment Property	4	229.72	-
Goodwill	5	4,291.23	4,291.98
Other Intangible assets	5	19.08	19.73
Intangible assets under development	5	73.42	73.42
Investments accounted for using the equity method	6	22,553.55	-
Financial assets:			
Loans	7	157.90	635.89
Other financial assets	8	2,494.51	2,954.27
Deferred tax assets (net)	9	6,944.58	7,147.02
Non-current tax assets (net)	10	6,084.72	5,911.38
Other non-current assets	11	327.06	6,518.49
		69,708.84	86,250.64
Current Assets:			
Inventories	12	420.01	1,798.08
Financial assets:			
Trade receivables	13	98,317.68	130,916.48
Cash and cash equivalents	14	1,287.87	1,908.19
Other bank balances	15	116.83	1,016.30
Loans	7	8,998.60	609.50
Other financial assets	8	21,707.00	36,035.39
Other current assets	11	14,426.29	11,517.13
Assets held for sale	40	2,534.55	24,319.02
		147,808.83	208,120.09
		217,517.67	294,370.73
EQUITY AND LIABILITIES:			
Equity:			
Equity share capital	16	17,611.99	17,611.99
Other equity		50,939.97	19,583.46
Equity attributable to equity holders of the Company			
Non-controlling interests		126.27	(13,326.53)
Total Equity		68,678.23	23,868.92
Liabilities:			
Non-current liabilities:			
Financial liabilities:			
Borrowings	17	3,659.07	36,702.77
Other financial liabilities	18	8.74	1,000.00
Long term provisions	19	1,650.81	399.21
Deferred tax liabilities (net)	9	16.67	8.48
Other non-current liabilities	20	0.94	12,703.08
		5,336.23	50,813.54
Current liabilities:			
Financial liabilities:			
Borrowings	21	29,815.71	64,096.94
Trade payables	22		
Total outstanding dues of micro and small enterprises		42.36	49.63
Total outstanding dues of creditors other than micro and small enterprises		64,456.37	73,960.21
Other financial liabilities	18	21,746.92	54,556.15
Other current liabilities	20	27,234.95	26,042.17
Short term provisions	19	138.27	977.40
Current tax liabilities (net)	23	68.63	5.77
		143,503.21	219,688.27
		217,517.67	294,370.73

Summary of significant accounting policies

2

Summary of significant accounting policies and other explanatory information are an integral part of the financial statements.

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

For **Walker Chandiok & Co LLP**

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Neeraj Sharma

Partner

Membership No. 502103

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary

Place : Gurugram

Date : May 23, 2019



Consolidated Statement of Profit and Loss for the Period ended March 31, 2019

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

	Note No.	For the period ended March 31, 2019	For the year ended March 31, 2018
Revenue:			
Revenue from operations	24	86,870.11	70,853.82
Other income	25	1,932.96	4,310.47
Total revenue		88,803.07	75,164.29
Expenses:			
Cost of materials consumed	26	47,827.75	35,817.12
Purchases of stock-in-trade	27	-	2,602.17
Change in inventories	28	(0.58)	294.55
Employee benefits expense	29	26,246.58	26,501.06
Finance costs	30	5,977.90	20,599.69
Depreciation and amortisation expenses	31	2,698.67	3,264.75
Other expenses	32	7,036.18	8,149.34
Total expenses		89,786.50	97,228.68
Loss before exceptional items and tax		(983.43)	(22,064.39)
Less: Loss share from associate accounted through equity method		(974.83)	-
Exceptional items	43	31,344.07	13,557.23
Profit/(Loss) before tax		29,385.81	(8,507.16)
Tax expense	33		
Current tax		518.24	190.85
Tax expense relating to prior years		-	1.39
Deferred tax (net)		144.43	45.01
		662.67	237.25
Profit/ (Loss) for the year		28,723.14	(8,744.41)
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
a) Remeasurement of defined benefit obligations		272.94	71.26
b) Income tax relating to items that will not be reclassified to profit or loss		(73.88)	-
		199.06	71.26
Total comprehensive income for the year (comprising profit/ (loss) and other comprehensive income)		28,922.20	(8,673.15)
profit/ (Loss) is attributable to:			
Equity holders of the Company		30,504.83	(11,060.39)
Non-controlling interests		(1,781.69)	2,315.98
Other comprehensive income is attributable to:			
Equity holders of the Company		195.02	53.97
Non-controlling interests		4.04	17.29
Total comprehensive income is attributable to:			
Equity holders of the Company		30,699.85	(11,006.42)
Non-controlling interests		(1,777.65)	2,333.27
Earning/ (Loss) per equity share (INR) :	34		
(Nominal value of shares INR 10)			
Basic		17.32	(7.41)
Diluted		17.30	(7.41)

Summary of significant accounting policies 2

Summary of significant accounting policies and other explanatory information are an integral part of the financial statements.

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

For Walker Chandio & Co LLP

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Neeraj Sharma

Partner

Membership No. 502103

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary

Place : Gurugram

Date : May 23, 2019



Consolidated Statement of Changes in Equity for the year ended March 31, 2019

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

	Note No.	Number of shares	Amount
A. Equity share capital:			
Issued, subscribed and fully paid up			
Equity shares of INR 10 each			
Balance as at April 1, 2017	16	144,949,469	14,494.95
Issue of equity share capital		31,170,389	3,117.04
Balance as at March 31, 2018	16	176,119,858	17,611.99
Issue of equity share capital		-	-
Balance as at March 31, 2019	16	176,119,858	17,611.99
B. Other equity:			
Attributable to equity holders of the Company			
		Reserves and Surplus	
		Equity component of compound financial instruments	
		Securities premium	
		Capital reserve	
		General reserve	
		Employee stock option plan reserve	
		Retained earnings	
		Total other equity	
		Non-controlling interests	
		Total	
Balance as at April 1, 2017		- 80,399.52	14.57
Profit/ (Loss) for the year		-	-
Other comprehensive income (net of tax)		-	-
Total comprehensive income		-	-
Transfer from Employee stock option plan reserve on lapse		-	-
Transfer from Employee stock option plan reserve on exercise		- 106.50	-
Adjustment on account of disposal of subsidiary (Refer Note 44)		-	-
Expenses for increase in authorised share capital		-	-
Transactions with owners in their capacity as owners:			
Employee stock option plan (ESOP) expense		-	-
Issue of equity shares		- 9,080.54	-
Balance as at March 31, 2018		- 89,586.56	14.57
Profit/ (Loss) for the year		-	-
Other comprehensive income (net of tax)		-	-
Total comprehensive income		-	-
Transfer from Employee stock option plan reserve on lapse		-	-
Adjustment on account of loss of control of subsidiary (Refer Note 44)	465.54	-	-
Transactions with owners in their capacity as owners:			
Employee stock option plan (ESOP) expense		-	-
Balance as at March 31, 2019		465.54	89,586.56

Summary of significant accounting policies

Summary of significant accounting policies and other explanatory information are an integral part of the financial statements.

This is the consolidated statement of changes in equity referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Neeraj Sharma

Partner

Membership No. 502103

For and on behalf of the Board of Directors

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary

Place : Gurugram

Date : May 23, 2019

Consolidated Cash Flow Statement for the year ended March 31, 2019

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flows from operating activities:		
Net profit /(loss) before tax and non-controlling interest (after exceptional items)	29,385.81	(8,507.16)
Adjustments :		
Exceptional items	(31,344.07)	(13,557.23)
Share of loss of associates	(974.83)	-
Depreciation and amortisation expense	2,698.67	3,264.75
Interest expense	5,341.87	19,880.44
Interest income	(433.62)	(536.16)
(Profit)/ Loss on sale of property, plant and equipment	(25.79)	130.83
Provision for contract revenue in excess of billing	164.52	242.29
Provision for impairment in value of investment	-	1.00
Provision for bad and doubtful advances	260.40	1,240.36
Provision for bad and doubtful debts	1,287.32	947.49
Provision for/ (Reversal of) warranty	707.06	(46.69)
Unrealised foreign exchange fluctuation loss	-	(4.75)
Advances/ earnest money deposit written off	579.19	76.16
Liability written back	(336.28)	(2,936.59)
Allowance for write-down of inventories to net realisable value	-	384.84
Bad debts written off	34.11	61.96
Actuarial gain/ loss on gratuity	272.94	71.26
Recognition of share based payments at fair value	191.12	196.22
Subsidy amortised	(586.17)	(698.31)
Rental income	(91.82)	(11.58)
Operating profit before working capital changes	7,130.43	199.13
Net changes in working capital		
Change in inventories	(15.23)	215.99
Change in trade receivables	(2,338.39)	1,670.29
Change in loans	(11,431.70)	(99.19)
Change in other financial assets	4,404.78	(7,842.00)
Change in other assets	(2,575.16)	(897.83)
Change in trade payables	(490.15)	(3,146.13)
Change in other financial liabilities	5,790.85	964.30
Change in other liabilities	9,896.09	13,676.47
Change in provisions	(315.61)	27.37
Net changes in working capital:	2,925.48	4,569.27
Net cash generated from operations	10,055.91	4,768.40
Current taxes paid (net of refunds)	(1,725.47)	(1,221.68)
Net cash generated from operating activities	8,330.44	3,546.72



Consolidated Cash Flow Statement for the year ended March 31, 2019

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
B Cash flow from investing activities:		
Payments for property, plant and equipment (including capital work in progress)	(271.54)	(670.04)
Purchase for intangible asset	(18.08)	(0.66)
Proceeds from sale of Property, plant and equipment	25.79	71.55
(Outflow due to)/ Proceeds from loss of control	(31.67)	57.64
Fixed deposits (placed)/ matured (net)	282.15	72.00
Rental income	91.82	11.58
Interest received	431.11	836.07
Net cash from investing activities	509.58	378.14
C Cash flow from financing activities:		
Proceeds from issuance of equity share capital	-	89.40
Proceeds from securities premium	-	58.18
Expenses for increase in authorised share capital	-	(60.00)
(Repayment of)/ Proceeds from long term borrowings (net)	(10,612.01)	(3,292.94)
Proceeds/ (Repayment of) from short term borrowings (net)	2,451.11	(393.92)
Interest paid	(1,299.44)	(4,603.91)
Net cash used in financing activities	(9,460.34)	(8,203.19)
Net decrease in cash and cash equivalents (A+B+C)	(620.32)	(4,278.33)
Cash and cash equivalents at the beginning of the year	1,908.19	6,186.52
Cash and cash equivalents at the end of the year	1,287.87	1,908.19
Reconciliation of cash and cash equivalents as per the cash flow statement.	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents as per above comprises of the following :		
a. Cash in hand	1.83	5.04
b. Balances with banks		
- in current account	1,284.04	1,730.11
- cheques in hand	-	100.00
- in fixed deposit account (less than 3 month maturity)	2.00	73.04
	1,287.87	1,908.19

Note: All figures in brackets are outflows.

Summary of significant accounting policies and other explanatory information are an integral part of financial statements.

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Neeraj Sharma

Partner

Membership No. 502103

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/-

Rajiv Chaturvedi

Chief Financial Officer

Sd/-

Atul Kumar Agarwal

Company Secretary

Place: Gurugram

Date : May 23, 2019

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

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 include:

- i) Engineering services mainly 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.
- 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 and
- 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, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements").

The Group has uniformly applied the accounting policies during the period presented.

2.2 Use of estimates and judgments

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

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

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

Significant management judgements

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



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

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 Input method (percentage completion method) in accounting for its revenue from construction services. The use of percentage-of-completion method requires the Group to estimate costs expended to date as a proportion of the total costs to be expended. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and output.
- **Contract Estimates** – The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- **Recoverability of claims** – The Group has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.
- **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available.

2.3 Significant accounting policies

a) Principles of consolidation

Subsidiary

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

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.

Associates

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.

Joint Arrangements

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

The Group has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue Recognition". The Group has applied Ind AS 115 using the cumulative catch-up transition method and impact of transition to Ind AS 115 has been adjusted against the Retained Earnings as at April 1, 2018, if any. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Group expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

- a) Determining the revenue to be recognised in case of performance obligation satisfied over a period of time. Revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

- b) Determining the estimated losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

i. Revenue from engineering services

Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Impairment loss (termed as provision for foreseeable losses) is recognised in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the group expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations). In addition, the Group recognises impairment loss (termed as provision for expected credit loss in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

Contract revenue earned in excess of billing has been reflected under "Other financial assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the Balance Sheet. As the outcome of the contracts cannot be measured reliably during the early stages of the project, contract revenue is recognised only to the extent of costs incurred in the statement of profit and loss unless the actual cost reaches a minimum threshold of 10% of total estimated cost of the project.

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

ii. Revenue from operation and facility maintenance services

Revenue from maintenance contracts and renting of equipment's are recognised over the period of the contract as and when services are rendered in accordance with the terms of the respective contract.

iii. Income from municipal and solid waste management

Revenue from municipal and solid waste management are recognised over the period of the contract as and when services are rendered in accordance with the terms of the respective contract.

iv. Income from professional and data processing services

Income from professional and data processing services is recognized as and when the customer receives the benefit of the group's performance and the Group has an enforceable right to payment for services transferred.

v. Revenue from sale of goods

Revenue is recognised when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contracts for sale of goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the Group does not have either explicit or implicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the Group has either explicit or implicit right of payment considering legal precedents, performance obligation is considered as satisfied over a period of time and revenue is recognized over time. The Group collects goods and service tax (GST) (as applicable) on behalf of the government and, therefore, these are not economic benefits flowing to the Group.

vi. Interest

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

vii. 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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

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.

ii. Subsequent measurement

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

Particulars	Useful life (Straight line method)
Building	10-60 years
Office equipment	5 years
Plant and equipment	8-25 years
Computers	3-6 years
Furniture and fixtures	8-10 years
Vehicles	8-10 years
Leasehold land	Over the lease term on straight line basis.

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

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

e) Intangible assets

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



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

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 Group is 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 between the present value and the nominal value of deposit is 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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

ii. Classification and subsequent measurement of financial assets

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

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

❑ Debt instruments at amortised cost

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

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

❑ Debt instruments at fair value through other comprehensive income

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

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

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

❑ Debt instruments at fair value through profit or loss

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

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

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

❑ Equity instruments

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

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

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



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

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.

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 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) Equity shares

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

this reserve to retained earnings when the relevant obligations are derecognised.

d) Employee stock option plan reserves

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

f) Equity component of compound financial instrument

The Group had issued Zero Coupon Debentures(ZCD) having coupon rate of 0.01% . This being compound financial instrument and accordingly represents equity component of ZCDs on split of compound financial instrument.

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.

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.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

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;
- 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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

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 disposal groups) 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 from 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 recognise contingent liabilities but it is disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

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' state insurance. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2. Defined benefit plans: The liability 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 are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Group determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

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 Group has four operating/reportable segments, i.e., **engineering services, Power generation projects, Facility Management Services, Municipal Solid Waste Management, and others** represents trading of goods and renting of equipment's.

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

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

No asymmetrical allocations have been applied between segments

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
- 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.

2.4 Standards issued but not yet effective

Amendment to Ind AS 116, Leases

On March 30, 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Group is evaluating the requirements of the amendment and the effect on the group financial



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019

statements is being evaluated.

Amendment to Ind AS 19, Employee benefits

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is April 1, 2019. The Group is evaluating the requirements of the amendments and their impact on the group financial statements.

Amendment to Ind AS 12, Income taxes

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Group is evaluating the requirements of the amendments and their impact on the group financial statements.

Amendment to Ind AS 19, Employee benefits

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is April 1, 2019. The Group is evaluating the requirements of the amendments and their impact on the group financial statements.

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Group is evaluating the requirements of the amendments and their impact on the group financial statements.

Amendment to Ind AS 109, Financial instruments

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after April 1, 2019. The Group is evaluating the requirements of the amendments and their impact on the group financial statements.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 3 : PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

	Freehold 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, 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
Additions	-	-	1.39	-	289.90	1.05	43.29	10.70	20.59	366.92	918.65
Disposals/adjustment	(38.11)	-	(0.09)	-	(23.24)	-	(539.67)	-	-	(601.11)	(5,576.55)
Loss of control of subsidiary(Refer Note 44)	(95.25)	-	(4.94)	(226.81)	(334.09)	(3.89)	(21.54)	-	(0.87)	(687.39)	-
Assets held for sale (Refer Note 40)	-	-	3.44	2,736.03	967.81	1.67	76.78	-	9.51	3,795.24	-
Balance as at March 31, 2018	716.15	73.47	971.87	14,471.45	21,770.08	538.04	9,112.56	2,227.57	837.83	50,719.02	39,610.88
Additions	-	-	0.64	-	127.11	0.21	1.60	-	16.57	146.13	369.78
Disposals/adjustment	-	-	-	-	(9.89)	-	(190.20)	-	-	(200.09)	-
Loss of control subsidiary(Refer Note 44)	(46.46)	-	(60.59)	(7,392.10)	(5,725.23)	(28.09)	(7,170.20)	(2,212.77)	(138.87)	(22,774.31)	(13,113.96)
Assets held for sale (Refer Note 40)	-	-	-	(2,831.16)	-	-	-	-	-	(2,831.16)	-
Transfer to investment property	(15.01)	-	-	(211.58)	(14.49)	(83.39)	-	-	(6.92)	(331.39)	-
Balance as at March 31, 2019	654.68	73.47	911.92	4,036.61	16,147.58	426.77	1,753.76	14.80	708.61	24,728.20	26,866.70
Depreciation and impairment:											
Balance as at April 1, 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
Depreciation **	-	-	7.65	523.29	1,425.71	37.46	1,133.50	156.71	12.01	3,296.33	-
Impairment (Refer Note 3.1)	-	-	-	154.73	494.72	-	0.55	-	-	650.00	2,850.00
Disposals/adjustment	-	-	(0.10)	-	(12.44)	-	(386.19)	-	-	(398.73)	-
Loss of control of subsidiary(Refer Note 44)	-	-	(4.87)	(38.48)	(110.25)	(1.99)	(13.60)	-	(0.77)	(169.96)	-
Assets held for sale (Refer Note 40)	-	-	3.44	439.76	351.48	1.51	57.19	-	9.39	862.77	-
Balance as at March 31, 2018	-	73.47	964.85	2,770.31	8,148.21	419.21	7,593.84	2,119.77	810.57	22,900.23	8,731.21
Depreciation **	-	-	5.53	467.53	1,351.09	23.26	834.19	47.87	6.24	2,735.71	-
Impairment (Refer Note 3.1)	-	-	-	71.41	228.33	-	0.25	-	-	299.99	3,900.00
Disposals	-	-	-	-	(6.39)	-	(173.56)	-	-	(179.95)	-
Loss of control of subsidiary(Refer Note 44)	-	-	(60.52)	(1,544.44)	(2,436.65)	(24.62)	(6,580.08)	(2,156.95)	(137.69)	(12,940.95)	-
Assets held for sale (Refer Note 40)	-	-	-	(296.61)	-	-	-	-	-	(296.61)	-
Transfer to Investment property	-	-	-	(24.16)	(5.90)	(50.82)	-	-	(6.92)	(87.80)	-
Balance as at March 31, 2019	-	73.47	909.86	1,444.04	7,278.69	367.03	1,674.64	10.69	672.20	12,430.62	12,631.21
Net carrying amount:											
Balance as at March 31, 2019	654.68	-	2.06	2,592.57	8,868.89	59.74	79.12	4.11	36.41	12,297.58	14,235.49
Balance as at March 31, 2018	716.15	-	7.02	11,701.14	13,621.87	118.83	1,518.72	107.80	27.26	27,818.79	30,879.67

** Current year depreciation includes INR 69.64 lakhs (March 31, 2018: INR 79.49 lakhs) 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 Build, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2019, 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 Holding Company has also entered into arbitration proceedings with the sugar mills for the extension of the concession period. 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 of INR 4,200.00 lakhs (previous year : INR 3,500.00 lakhs) in carrying value of these assets during the year ended March 31, 2019. 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 for the year ended March 31, 2019 amounting to INR 4,200.00 lakhs (previous year : INR 3,500.00 lakhs), INR 3,900 lakhs (previous year : INR 2,850.00 lakhs) pertains to, two power plants, which were yet to be capitalised and INR 300.00 lakhs (previous year : INR 650.00 lakhs) is for a power plant which has already been capitalised. This has been recognised in the statement of profit and loss under the head exceptional items during the year ended March 31, 2019. The recoverable amount of all three cogeneration power plants is based on value in use and 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 are discounted at a rate of 13.21% (previous year 16.28%) on a post-tax basis.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 3.2: Contractual commitments

The amount of contractual commitments for the purchase of property, plant and equipment (including capital work in progress) is disclosed in Note 42(b).

Note 3.3: Property, plant and equipment are pledged as collateral for borrowings from banks (Refer Note 17 and Note 21).

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, 2019	As at March 31, 2018
Buildings under construction	190.04	3,030.86
Power plant equipment's under erection	13,723.03	32,064.73
Borrowing costs capitalised	5,716.51	9,263.88
Other expenses (directly attributable to construction/erection of assets)		
Employee benefit expense	2,664.34	3,039.55
Depreciation	334.80	540.36
Other directly attributable expenses (including trial/test run expenses)	4,237.98	6,761.81
Less:- Revenue recognised during trial run period	-	(447.52)
Less:- Impairment (Refer Note 3.1)	(12,631.21)	(8,731.21)
Less:- Classified as held for sale (Refer Note 40)	-	(14,642.79)
Total	14,235.49	30,879.67

Note 4: INVESTMENT PROPERTY

Details of the Group's Investment property and their carrying amounts are as follows:

	Freehold land	Buildings	Plant and Equipment	Furniture and fixtures	Office equipment	Total
Gross carrying amount:						
Balance as at April 1, 2017	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at March 31, 2018	-	-	-	-	-	-
Transfer from property, plant and equipment	15.01	211.58	14.49	83.39	6.92	331.39
Additions	-	-	-	-	-	-
Disposals/adjustment	-	-	-	-	-	-
Balance as at March 31, 2019	15.01	211.58	14.49	83.39	6.92	331.39
Depreciation and impairment:						
Balance as at April 1, 2017	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Disposals/adjustment	-	-	-	-	-	-
Balance as at March 31, 2018	-	-	-	-	-	-
Transfer from property, plant and equipment	-	24.16	5.90	50.82	6.92	87.80
Depreciation	-	3.48	1.03	9.36	-	13.87
Disposals/adjustment	-	-	-	-	-	-
Balance as at March 31, 2019	-	27.64	6.93	60.18	6.92	101.67
Net carrying amount:						
Balance as at March 31, 2019	15.01	183.94	7.56	23.21	-	229.72
Balance as at March 31, 2018	-	-	-	-	-	-

Note:

(i) Fair Value of Investment Property as on March 31, 2019 INR 592.55 lakhs (Previous year Nil).

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(ii) Amount recognized in statement of profit and loss for investment properties

Particulars	For the year ended March 31, 2019
Rental income	154.10
Less: direct operating expenses that generated rental income	-
Less: direct operating expenses that did not generate rental income	22.89
Profit from leasing of investment properties before depreciation	131.21
Less: depreciation expense	13.87
Profit from leasing of investment properties after depreciation	117.34

(iii) Fair value hierarchy and valuation technique

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognized professional qualification and recent experience in the location and category of the property being valued. The subsidiary company obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3.

Note 5 : 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 5.5)
Gross carrying amount:			
Balance as at April 1, 2017	879.67	73.42	4,977.90
Additions	0.66	-	-
Loss of control of subsidiary (Refer Note 44)	(0.61)	-	(685.92)
Balance as at March 31, 2018	879.72	73.42	4,291.98
Additions	18.08	-	-
Disposals/adjustment	-	-	-
Loss of control of subsidiary (Refer Note 44)	(73.53)	-	(0.75)
Balance as at March 31, 2019	824.27	73.42	4,291.23
Amortisation and impairment:			
Balance as at April 1, 2017	812.41	-	-
Amortisation	47.91	-	-
Loss of control of subsidiary (Refer Note 44)	(0.33)	-	-
Balance as at March 31, 2018	859.99	-	-
Amortisation	18.73	-	-
Disposals/adjustment	-	-	-
Loss of control of subsidiary (Refer Note 44)	(73.53)	-	-
Balance as at March 31, 2019	805.19	-	-
Net carrying amount:			
Balance as at March 31, 2019	19.08	73.42	4,291.23
Balance as at March 31, 2018	19.73	73.42	4,291.98

** Intangible assets under development includes software under implementation.

Note 5.1: The Group does not have any outstanding contractual commitments to purchase any items of intangible assets

Note 5.2: Intangible assets are pledged as collateral for borrowings from banks/ financial institutions (Refer Note 17 and Note 21).

Note 5.3: All amortisation is included in depreciation and amortisation expenses.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 5.5: 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, 2019	As at March 31, 2018
(i) Facility management services (FMS)	3,578.10	3,578.10
(ii) Power generation projects (PGP)	0.12	0.12
(iii) Municipal solid waste management (MSW)	-	0.75
(iv) Others	713.01	713.01
	4,291.23	4,291.98

The Group performed its annual impairment test for years ended March 31, 2019. 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, 2019, the recoverable amount of the CGUs are higher than 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 17.34% (Previous year 17.62%).

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 equipment's, 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 other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
Note 6 : INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Carrying amount		
I. Investments in equity instruments	15,394.67	-
II. Investments in preference shares (Debt portion)	7,139.41	-
III. Investments in debentures (Debt portion)	19.47	-
Total	22,553.55	-
Note 6.1 Details of investments:		
I. Investment in equity instruments [Valued at cost]:		
Associate companies [Unquoted]:		
a. In fully paid-up equity shares :		
9,693,987 equity shares of INR 10 each, fully paid up in A2Z Green Waste Management Limited	969.40	-
10,000 equity shares of INR 10 each, fully paid up in A2Z Waste Management (Jaipur) Limited	1.00	-
24,000 equity shares of INR 10 each fully paid up in A2Z Waste Management (Nainital) Private Limited	2.40	-
	972.80	-
b. Investment in preference shares (Equity portion)		
171,200,000 fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Green Waste Management Ltd.	13,197.61	-
1,800,000 fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Waste Management (Ludhiana) Ltd.	1,487.74	-
1,521,713 fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Waste Management (Ludhiana) Ltd.	125.77	-
	14,811.12	-
c. Investment in debentures (Equity portion)		
1,475,000 fully paid-up, Zero Coupon debenture of INR 10 each in A2Z Green Waste Management Ltd.	1,461.04	-
	1,461.04	-
d. Investment in associate, other than in shares (Refer Note 6.1.1)	56.00	-
	56.00	-
Less: (Loss) share from associate accounted through equity method	(974.88)	-
Less: Provision for impairment in value of non-current investments	(931.41)	-
	15,394.67	-
II. Investment in preference shares (Debt portion) [Valued at amortised cost]:		
Subsidiary companies [Unquoted]:		
171,200,000 fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Green Waste Management Limited	6,685.50	-
1,800,000 fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Waste Management (Ludhiana) Limited	418.53	-
1,521,713 fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Waste Management (Ludhiana) Limited	35.38	-
	7,139.41	-



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
III. Investment in debentures (Debt portion) [Valued at amortised cost]:		
1,475,000 fully paid-up, Zero Coupon debenture of INR 10 each in A2Z Green Waste Management Limited	19.47	
	19.47	-
Aggregate amount of unquoted investments	23,484.96	-
Aggregate amount of impairment in value of investment	931.41	-

Note 6.1.1 Investment in associates, other than in shares, represents employee stock option granted to employees of associates.

Note 6.1.2 Till March 12, 2019, the Group held 10,893,987 shares (47.89 % of total issued share capital) of A2Z Green Waste Management Limited (AGWML) and together with Devdhar Trading and Consultants Private Limited (DTCPL) (a promoter group company) controlled AGWML. On March 12, 2019, the Company sold 1,200,000 shares out of the total holding (5.28% of the total share capital of AGWML) losing its control over the aforementioned company and its subsidiaries and therefore investment in AGWML has been accounted for as an associate in accordance with Ind AS 28 'Investments in Associates and Joint Ventures'.

Further the Group held 48% of share capital and 26% indirectly through its subsidiary AGWML till March 12, 2019 in A2Z Waste Management (Nainital) Private Limited (AWMNPL). On March 12, 2019, since the Company lost its control over AGWML, hence losing control over the AWMNPL and therefore investment in AWMNPL has been accounted for as an associate in accordance with Ind AS 28 'Investments in Associates and Joint Ventures'.

Additionally the Group held control over A2Z Waste Management (Jaipur) Limited (AWMJL) and A2Z Waste Management (Ludhiana) Limited (AWMLL) indirectly through its subsidiary AGWML till March 12, 2019. On March 12, 2019, since the Company lost its control over AGWML, hence losing control over the AWMJL and AWMLL and therefore investment in AWMJL and AWMLL has been accounted for as an associate in accordance with Ind AS 28 'Investments in Associates and Joint Ventures'.

Note 6.2 The Holding Company, as at March 31, 2019, has non-current investments (net of impairment) amounting to INR 19,937.25 lakhs (previous year : INR 20,151.90 lakhs), other current financial assets (net of impairment) amounting to INR 411.51 lakhs (previous year : INR 410.73 lakhs) and current financial assets-loan amounting to INR 372.63 lakhs (previous year : INR 592.85 lakhs) in its associate company A2Z Green Waste Management Limited ('AGWML') which has holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited together with its subsidiaries is referred to as A2Z Green Waste Management Group). While A2Z Green Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2019 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of A2Z Green Waste Management Group. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.

Note 6.3 The management has committed to provide continued operational and financial support to its subsidiaries/associates for meeting their working capital and other financial requirements and based upon approved future projections of the subsidiaries/associates, believes that no impairment exist in excess of the provision already created and accordingly, no further adjustment is considered necessary in respect of carrying value of investments.

Note 6.4 The Group does not have any quoted investments.

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

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
<u>Note 7 : LOANS</u>				
[Unsecured considered good, unless otherwise stated]				
Security deposits				
Considered good	699.27	157.90	521.72	635.89
Significant increase in credit risk	-	-	-	-
Credit impaired	178.77	-	178.77	-
Less : Provisions for impairment	(178.77)	-	(178.77)	-
	699.27	157.90	521.72	635.89
Loan to employees	6.34	-	19.35	-
Loans to associate companies (Refer Note 7.1 and Note 7.2)	8,292.99	-	-	-
Loans to others	-	-	43.00	-
Loans receivables which have significant increase in credit risk	-	-	-	-
Loans - credit impaired	-	-	-	-
Interest accrued but not due from others	-	-	25.43	-
Total	8,998.60	157.90	609.50	635.89

Note 7.1 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances to in nature of loans:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year
Associates:				
A2Z Green Waste Management Limited	7,216.07	7,438.99	-	-
A2Z Waste Management (Ludhiana) Limited	490.55	669.87	-	-
A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56	-	-
A2Z Waste Management (Ranchi) Limited	350.00	350.00	-	-
Magic Genie Smartech Solutions Limited	5.81	5.81	-	-
	8,292.99	8,695.23	-	-



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 7.2 : Disclosure pursuant to section 186(4) of the Companies Act 2013:

Nature of the transactions (loans given/investment made/ guarantee given/security provided) #	As at March 31, 2019	As at March 31, 2018
(A) Loan and advances:		
Associates:		
A2Z Green Waste Management Limited	7,216.07	-
A2Z Waste Management (Ludhiana) Limited	490.55	-
A2Z Waste Management (Dhanbad) Private Limited	230.56	-
A2Z Waste Management (Ranchi) Limited	350.00	-
Magic Genie Smartech Solutions Limited	5.81	-
Total	8,292.99	-
(B) Guarantees:*		
Associates:		
A2Z Green Waste Management Limited	25,025.00	-
A2Z Waste Management (Merrut) Limited	1,100.00	-
A2Z Waste Management (Moradabad) Limited	480.00	-
A2Z Waste Management (Varanasi) Limited	2,000.00	-
	28,605.00	-

All transactions are in ordinary course of business

* Also Refer Note 42 (a)

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
<u>Note 8 : OTHER FINANCIAL ASSETS</u>				
[Unsecured, considered good unless otherwise stated]				
Deferred purchase consideration against sale of investment				
Considered doubtful	-	146.00	-	146.00
Less: Provisions for doubtful assets	-	(146.00)	-	(146.00)
	-	-	-	-
Earnest money deposit				
Considered good	1,503.51	-	5,044.76	141.48
Considered doubtful	-	-	100.00	-
Less: Provisions for doubtful earnest money deposit	-	-	(100.00)	-
	1,503.51	-	5,044.76	141.48

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
Other assets				
Considered good*#	3,448.83	499.38	5,316.50	503.82
Considered doubtful	302.94	99.00	260.29	99.00
Less: Provisions for doubtful assets	(302.94)	(99.00)	(260.29)	(99.00)
	3,448.83	499.38	5,316.50	503.82
Contract revenue in excess of billing (Refer Note 8.1)				
Considered Good	16,275.93	-	25,161.49	-
Considered doubtful	377.78	-	1,713.99	-
Less: Provisions for doubtful assets	(377.78)	-	(1,713.99)	-
	16,275.93	-	25,161.49	-
Amount recoverable from associates				
Considered good	463.35	-	-	-
Considered doubtful	877.12	-	-	-
Less: Provisions for doubtful assets	(877.12)	-	-	-
	463.35	-	-	-
Subsidy receivable (Refer Note 20.2)	-	-	490.20	-
Interest accrued on fixed deposits	15.38	-	22.44	-
Bank deposits with more than 12 months maturity **	-	1,995.13	-	2,308.97
Total	21,707.00	2,494.51	36,035.39	2,954.27

*Includes amount due from a director of the Company-
Mr Amit Mittal (Refer Note 36.3)

74.93 - 124.93 -

#Includes amount due from a director of the Company-
Mr Rajesh Jain (Refer Note 36.4)

16.50 - - -

\$Includes amount due from a director of the Company-
Mr Ashok Kumar Saini (Refer Note 36.4)

10.50 - - -

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

Note 8.1: Contract revenue in excess of billing, pertain to revenue recognized by the Holding Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Holding Company in accordance with the terms implicit in the contract. The delay in billing these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussion with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to recover the amounts owing to completion of certain administrative and contractual matters, the current carrying value is representative of the amount considered realisable.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	Disposal of subsidiary (Refer Note 44)	Credit/ (Charge) to statement of profit and loss	As at March 31, 2018	Disposal of subsidiary (Refer Note 44)	Credit/ (Charge) to statement of profit and loss	As at March 31, 2017
Note 9 : DEFERRED TAX							
a) Deferred tax assets (net)							
Deferred tax liabilities							
Depreciation	553.09	-	49.60	503.49	44.73	(150.13)	698.35
Provision for upfront costs on borrowings	-	-	-	-	-	(21.16)	21.16
	553.09	-	49.60	503.49	44.73	(171.29)	719.51
Deferred tax assets							
Unabsorbed losses and depreciation	18.81	-	(82.65)	101.46	-	40.41	61.05
Provision for doubtful advances and other receivables	3,430.76	-	1,952.20	1,478.56	-	429.25	1,049.31
Provision for doubtful debts and unbilled receivables	1,629.46	-	(3,594.22)	5,223.68	-	(654.28)	5,877.96
Other provisions for expense allowance on payment basis under income tax act (net)	2,418.64	-	1,590.64	828.00	-	(7.48)	835.48
MAT credit entitlement	-	-	(18.81)	18.81	-	-	-
	7,497.67	-	(152.84)	7,650.51	-	(192.10)	7,823.80
Total	6,944.58	-	(202.44)	7,147.02	44.73	(20.81)	7,104.29
b) Deferred tax liabilities (net)							
Deferred tax liabilities							
Depreciation	56.54	(7.93)	12.22	52.25	-	52.25	-
	56.54	(7.93)	12.22	52.25	-	52.25	-
Deferred tax assets							
Unabsorbed losses and depreciation	24.15	-	(3.65)	27.80	-	27.80	-
Other provisions for expense allowance on payment basis under income tax act (net)	-	(0.25)	-	0.25	-	0.25	-
MAT credit entitlement	15.72	-	-	15.72	-	-	-
	39.87	(0.25)	(3.65)	43.77	-	28.05	-
Total	16.67	(7.68)	15.87	8.48	-	(24.20)	-

	As at March 31, 2019	As at March 31, 2018
Note 10 : NON-CURRENT TAX ASSETS (NET)		
Advance tax (net of provision)	6,084.72	5,911.38
Total	6,084.72	5,911.38

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
<u>Note 11 : OTHER ASSETS</u>				
[Unsecured, considered good unless otherwise stated]				
Capital advances				
Considered good	-	302.68	-	6,147.77
Considered doubtful	-	10.16	-	21.41
Less: Provision for doubtful advances	-	(10.16)	-	(21.41)
	-	302.68	-	6,147.77
Other advances				
Considered good	4,176.76	-	2,855.03	-
Considered doubtful	781.83	-	1,590.82	-
Less: Provision for doubtful advances	(781.83)	-	(1,590.82)	-
	4,176.76	-	2,855.03	-
Prepaid expenses	257.28	24.38	380.60	109.36
Balances with government authorities	9,992.25	-	8,281.50	261.36
Total	14,426.29	327.06	11,517.13	6,518.49

	As at March 31, 2019	As at March 31, 2018
<u>Note 12 : INVENTORIES</u>		
[Valued at lower of cost or net realisable value]		
Project stores and spares (Including material in transit of INR Nil) (March 31, 2018: INR 14.24 Lakhs)	420.01	409.39
Finished goods	-	1,388.69
Total	420.01	1,798.08

Note 12.1 : Inventories with a value of INR 394.13 lakhs (March 31, 2018 INR 784.90 lakhs) are carried at net realisable value, this being lower than cost. During the year ended March 31, 2019, INR Nil (March 31, 2018 INR 2,813.46 lakhs) was charged to the statement of profit and loss for decrease in net realisable value.

Note 12.2 : Inventories are pledged as collateral for borrowings from banks (Refer Note 17 & Note 21)

	As at March 31, 2019	As at March 31, 2018
<u>Note 13 : TRADE RECEIVABLES</u>		
Trade receivables - (Unsecured):		
From other than related parties		
Considered good	92,721.34	124,602.86
Credit impaired	2,953.51	11,035.04
	95,674.85	135,637.90
From related parties		
Considered good	5,596.34	6,313.62
Credit impaired	3,569.76	4,403.36
	9,166.10	10,716.98
Trade Receivables which have significant increase in credit risk	-	-
Less: Provision for impairment (Refer Note 13.4)	(6,523.27)	(15,438.40)
Total	98,317.68	130,916.48



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 13.1 : Trade receivables include retention money of INR 47,846.64 lakhs (March 31, 2018 INR 61,188.54 lakhs) 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 Holding Company has engaged major / principal sub-contractors for executing certain projects wherein cash flows under these projects are earmarked for payments to these sub-contractors through designated account. Accordingly, cash-flows arising out of realization from debtors amounting to INR 55,203.23 lakhs are charged to above said contractors/ respective banks who have provided the required non fund limits for these projects. The same is approved by the lenders in joint lenders meeting (JLM).

Note 13.3 : All trade receivables are short-term. The effect of any difference between the effective interest rate applied and the estimated current market rate is not significant. Allowance for credit losses has been recorded accordingly within other expenses, and is based on the expected credit loss methodology. The doubtful trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

Note 13.4 : The movements in the provision for impairment is presented below:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance as at the beginning of the year	15,438.40	14,778.39
Changes in provision:		
Add: Additional Provision	1,287.32	947.49
Less: Write-off /(Reversal)	10,071.64	(287.48)
Less: Disposal of subsidiary	130.81	-
Balance as at the end of the year	6,523.27	15,438.40

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, 2019	As at March 31, 2018
<u>Note 14 : CASH AND CASH EQUIVALENTS</u>		
Balances with banks (Refer Note 14.1)	1,286.04	1,803.15
Cheques in hand	-	100.00
Cash in hand	1.83	5.04
Total	1,287.87	1,908.19
Note 14.1 Balances with banks include:		
i Balance in current account	1,284.04	1,730.11
ii Balances with Banks in deposits account having original maturity of less than three months	2.00	73.04
	1,286.04	1,803.15

	As at March 31, 2019	As at March 31, 2018
<u>Note 15 : OTHER BANK BALANCES</u>		
Fixed deposit with bank having original maturity of more than three months less than a year [^]	116.83	1,015.48
Unpaid dividend account[*]	-	0.82
Total	116.83	1,016.30

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

[^] Fixed deposits with banks held as margin money for issue of bank guarantees and as debt service reserve account against term loans from banks.

[*] The Group can utilise these balances only towards settlement of the respective unpaid dividend account and the same has been transferred to Investor Education and Protection Fund in the current year. (Refer Note 18)

	Number of Shares	Amount
Note 16 : EQUITY SHARE CAPITAL		
(i) Authorised share capital		
Equity shares of INR 10 each		
Balance as at April 1, 2017	160,000,000	16,000.00
Changes in equity share capital	80,000,000	8,000.00
Balance as at March 31, 2018	240,000,000	24,000.00
Changes in equity share capital	-	-
Balance as at March 31, 2019	240,000,000	24,000.00
(ii) Issued, subscribed and fully paid up		
Equity Shares of INR 10 each		
Balance as at April 1, 2017	144,949,469	14,494.95
Issue of equity share capital	31,170,389	3,117.04
Balance as at March 31, 2018	176,119,858	17,611.99
Issue of equity share capital	-	-
Balance as at March 31, 2019	176,119,858	17,611.99

(iii) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:-

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	176,119,858	17,611.99	144,949,469	14,494.95
Add: Shares issued during the year				
Under employee stock option plan scheme (Refer Note 16 (vi))	-	-	894,005	89.40
Under One Time Settlement agreements (Refer Note 16 (vii))	-	-	30,276,384	3,027.64
Balance as at the end of the year	176,119,858	17,611.99	176,119,858	17,611.99

(iv) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (v) No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2019.
- (vi) During the year ended March 31, 2019, the Company has allotted Nil equity shares (March 31, 2018 894,005 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.
- (vii) During the year ended March 31, 2019, the Company has allotted Nil equity shares (March 31, 2018: 30,276,384 equity shares) of face value of INR 10 each at an issue price of INR 39.80 in pursuant to One Time Settlement Agreements ("OTS Agreements") with certain lenders ("the Lenders") on a preferential basis.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(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 29.

(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, 2019		As at March 31, 2018	
	Number of shares held	Holding	Number of shares held	Holding
Amit Mittal	27,350,601	15.53%	27,907,301	15.85%
Mestric Consultants Private Limited	22,200,000	12.61%	22,200,000	12.61%
Standard Chartered Bank	12,562,815	7.13%	12,562,815	7.13%
Edelweiss Asset Reconstruction Company Limited as representative of EARC Trust SC299	11,432,161	6.49%	11,432,161	6.49%
	73,545,577	41.76%	74,102,277	42.08%

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Note 17: NON-CURRENT BORROWINGS*				
Carried at amortised cost - secured				
Debentures (Refer Note 17.2)	-	-	2,000.00	-
Term loans				
From banks (Refer Note 17.3 and Note 17.9)	6,542.43	1,545.03	13,854.19	10,524.10
From financial institution (Refer Note 17.4 and Note 17.9)	2,503.70	1,005.91	3,960.00	18,808.04
Working capital term loans				
From banks (Refer Note 17.5 and Note 17.9)	129.60	305.30	1,701.62	2,815.32
Funded interest term loans				
From banks (Refer Note 17.6, 17.7 and Note 17.9)	789.57	796.63	3,669.06	4,555.31
Carried at amortised cost - Unsecured				
Debt portion of debentures (Refer Note 17.8)	-	6.20	-	-
Total	9,965.30	3,659.07	25,184.87	36,702.77

* Refer Note 50 and 51

Note 17.1: Restructuring of borrowings under Corporate Debt Restructuring Scheme (CDR Scheme):

The Corporate Debt Restructuring (CDR) proposal to re-structure the debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme") of the Holding Company, having January 01, 2013 as the "cut-off date", was approved by the CDR Cell vide its Letter of Approval (LOA) dated December 28, 2013 as further modified dated February 03, 2014. From the "cut-off date" the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR Scheme.

Details of terms of repayment for the non-current borrowings and security provided in respect of 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, a subsidiary company, issued fully convertible 150 debentures of INR 100.00 lakhs 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 previous 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:

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

- (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).

A2Z Green Waste Management Limited has ceased to be subsidiary w.e.f March 12, 2019.

Note 17.3: Term loans from banks:

- 1) Term loans from banks amounting to INR 199.67 lakhs (March 31, 2018 INR 1,560.13 lakhs) 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 Fazilka, Nakodar and Morinda in the state of Punjab.
 - (ii) Second charge ranking pari passu on present and future current assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
 - (iii) Second charge ranking pari passu on both present and future current assets, as well as fixed assets of Company other than assets exclusively financed to other lenders.
- 2) Term loans from banks amounting to INR 525.22 lakhs (March 31, 2018 INR 1,273.28 lakhs) having interest rate from 10.15% - 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.
- 3) Term loans from bank amounting to INR 5,194.35 lakhs (March 31, 2018 INR 4,400.26 lakhs), pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of cash credit facilities. For SCB, it is repayable in 12 instalments and the first instalment shall be due in July 2018, carrying Nil interest rate till September 30, 2019 and 13% per annum thereafter and for SBI, the amount has to be paid within 90 days from the date of settlement which is May 14, 2019. (Refer Note: 43.1)
- 4) 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 Nil (March 31, 2018 INR 437.29 lakhs) 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 instalments. A2Z Green Waste Management Limited has ceased to be subsidiary w.e.f March 12, 2019.
- 5) Term loan from bank in case of A2Z Green Waste Management Limited, for Kanpur power project aggregating to INR Nil (March 31, 2018 INR 2,850.00 lakhs) 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 instalments commencing from March 31, 2017. A2Z Green Waste Management Limited has ceased to be subsidiary w.e.f March 12, 2019.
- 6) Term loan from bank in case of A2Z Green Waste Management Limited, for power project at Kanpur aggregating to INR Nil (March 31, 2018 INR 3,369.42 lakhs) 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 instalments commencing from April 1, 2015. A2Z Green Waste Management Limited has ceased to be subsidiary w.e.f March 12, 2019.
- 7) Term loan from bank in case of A2Z Green Waste Management Limited, for MSW Project at Indore aggregating to INR Nil (March 31, 2018 INR 1,276.06 lakhs) 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



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over the receivables of the aforesaid project and further secured by corporate guarantee of the Company. Repayable in 14 equal quarterly instalments.

- 8) Term loan from bank in case of subsidiaries of A2Z Green Waste Management Limited, amounting to INR Nil (March 31, 2018 INR 3,359.81 lakhs) 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 instalments.

Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during year.

- 9) Term loan outstanding of INR 2,168.22 lakhs (March 31, 2018 INR 3,135.42 lakhs), in case of A2Z Infraserivces 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.

- 10) Term loan from Yes Bank amounting to INR Nil (March 31, 2018 INR 2,716.62 lakhs), in case of Mansi Bijlee & Rice Mills Limited, is repayable in 4 structured Instalments starting after a moratorium 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 Guarantee of Mr. Amit Mittal (Managing Director) of the Company to remain valid during the entire tenor of Yes bank facilities.

The subsidiary company has defaulted in repayment of loan and hence, the same is reclassified as current borrowing.

Note 17.4: Term loans from financial institution:

- 1) Term loan amounting to INR Nil (March 31, 2018 INR 14,188.04 lakhs), 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 pari-passu charge on all assets (movable and immovable) of Kanpur project.
- (ii) First pari-passu charge on all the future cash flows including book-debts, receivables, commissions, revenues of whatsoever nature, intangibles, goodwill of Kanpur Project.
- (iii) First pari-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 pari-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 pari-passu pledge of 51% shares of EEMSPL. The loan is repayable within 52 quarterly instalments after a moratorium period of two years. First instalment will be due in June 2019.

A2Z Green Waste Management Limited has ceased to be subsidiary w.e.f March 12, 2019.

- 2) Term loan from bank amounting to INR 3,509.61 lakhs (March 31, 2018 INR 8,580.00 lakhs) 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.

Note 17.5 : Working Capital Term Loan :

Working capital term loans from bank amounting to INR 434.90 lakhs (March 31, 2018 INR 4,516.94 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly instalments. First instalment was due in March 2015.

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.

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- (ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

During the current year pursuant to a One Time Settlement (OTS) agreement entered with the bank, SBI WCTL has been settled and the amount has to be paid within 90 days from the date of settlement which is May 14, 2019.

Note 17.6 : Funded Interest Term Loan -1 (EPC) :

Funded interest term loans from bank amounting to INR 1,274.96 lakhs (March 31, 2018 INR 7,913.13 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 25 quarterly instalments. First instalment was due in March 2015. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable of INR 1,598.53 lakhs (March 31, 2018 INR 1,598.53 lakhs) in favour of Edelweiss Assets Reconstruction Company Limited.

The above loan is secured against:

- (i) First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders.
- (ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

During the current year pursuant to a One Time Settlement (OTS) agreement entered with the bank, SBI FITL has been settled and the amount has to be paid within 90 days from the date of settlement which is May 14, 2019.

Note 17.7 : Funded Interest Term Loan -2 (EPC) :

Funded interest term loans from bank amounting to INR 311.24 lakhs (March 31, 2018 INR 311.24 lakhs) as per CDR Scheme are repayable in single instalment, which will due in March 2021.

The above loan is secured against:

- (i) First charge pari passu on both present and future current asset as well as fixed assets of the EPC business other than assets exclusively charged to lenders.
- (ii) Second charge pari passu on both current assets and fixed assets of the 3 biomass power plant projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
- (iii) Second charge pari passu on land property first charged to DBS and SCB given for term loan.

Note 17.8 Debt portion of debentures

Zero coupon debentures issued by A2Z Powertech Limited (subsidiary company) of INR 470 lakhs issued to A2Z Green Waste Management Limited on September 30, 2016 till October 1, 2046. This being compound financial instrument, the same has been discounted and debt portion is shown as borrowing in the group financial statement.

Note 17.9: The Group has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

	As at March 31, 2019	As at March 31, 2018
Banks:		
- Principal		
0-3 Months	46.15	948.81
3-6 Months	-	356.59
6-12 Months	138.45	2,824.10
> 12 months	76.60	9,780.33
-Interest		
0-3 Months	1.39	2,406.04
3-6 Months	-	463.23
6-12 Months	2.22	1,536.86
> 12 months	10.44	7,997.39
Financial institutions:		
- Principal		
6-12 Months	-	2,000.00



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Note 18 : OTHER FINANCIAL LIABILITIES				
Current maturities of long term debt (Refer Note 17 and Note 51)	9,965.30	-	25,184.87	-
Derivative liability (Refer Note 37)	3,130.61	-	810.00	1,000.00
Interest accrued on borrowings (Refer Note 50)	4,191.06	-	22,243.79	-
Interest accrued on others	1,146.47	-	107.98	-
Unpaid dividends [*]	-	-	0.82	-
Book overdrafts	229.57	-	413.49	-
Security deposits received	3,041.25	8.74	3,120.06	-
Payable against purchase of property, plant and equipment: dues of micro and small enterprises (Refer Note 22.1)	-	-	382.99	-
Payable against purchase of property, plant and equipment: dues of creditors other than micro and small enterprises	42.66	-	1,846.41	-
Payable to others	-	-	445.74	-
Total	21,746.92	8.74	54,556.15	1,000.00

[*] The amounts due to be transferred to Investor Education and Protection fund have been duly transferred.

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Note 19 : PROVISIONS				
Provision for employee benefits				
Provision for gratuity (Refer Note 19.ii)	23.81	819.73	886.47	222.90
Provision for compensated leave absences	16.35	-	19.88	-
Others				
Provision for tax on proposed dividend	-	-	0.43	-
Provision for Liquidated damages (Refer Note 19.i)	-	-	-	24.28
Provision for warranty (Refer Note 19.i)	98.11	831.08	70.62	152.03
Total	138.27	1,650.81	977.40	399.21

Movements in provisions:

i) Movement in provisions for warranty/liquidated damages during the financial year as follows:	Liquidated damages	Warranty
As at April 1, 2017	-	288.13
Charged/ (credited) to profit /loss		
Additional provision recognized	24.28	23.61
Unused amount reversed	-	(94.58)
Unwinding of discount	-	23.52
Amount used during the year	-	(18.03)
As at March 31, 2018	24.28	222.65
Charged/ (credited) to profit /loss		
Additional provision recognized	-	707.06
Unused amount reversed	(24.28)	(47.90)
Unwinding of discount	-	38.54
Amount used during the year	-	8.84
As at March 31, 2019	-	929.19

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

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. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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 Group's defined benefit obligation (DBO) and plan assets, i.e. the gratuity plan, to the amounts presented in the statement of financial position for each of the reporting periods is presented below:

Assets and liability (Balance sheet position)

	As at March 31, 2019	As at March 31, 2018
Present value of obligation	913.81	1,190.92
Fair value of plan assets	(70.27)	(81.55)
Net asset / (liability)	843.54	1,109.37

Expenses recognised during the year

	For the year ended March 31, 2019	For the year ended March 31, 2018
In statement of profit and loss	136.68	123.80
In other comprehensive income	(272.94)	(71.26)
Total expenses recognized during the year	(136.26)	52.54

Defined benefit obligation

The details of the Group's DBO are as follows:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of obligation as at the beginning	1,190.92	1,168.70
Current service cost	101.90	86.34
Past service cost	-	57.99
Interest expense	40.95	83.67
Re-measurement or actuarial (gain) / loss arising from:		
- change in financial assumptions	(3.28)	(8.66)
- experience adjustments	(270.56)	(63.77)
On account of disposal of subsidiary	(32.62)	(5.34)
Benefits paid	(113.50)	(128.01)
Present value of obligation as at the year end	913.81	1,190.92



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Bifurcation of net liability

	As at March 31, 2019	As at March 31, 2018
Current liability	23.81	886.47
Non-current liability	819.73	222.90
Net liability	843.54	1,109.37

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, 2019	For the year ended March 31, 2018
Fair value of plan assets as at the beginning	81.55	94.53
Interest income	6.17	6.92
Employer's contribution	116.93	12.00
Benefits paid	(113.50)	(30.73)
Return on plan assets (excluding amount recognised in net interest expense)	(0.84)	(1.17)
On account of disposal of subsidiary	(20.04)	-
Fair value of plan assets as at the year end	70.27	81.55

Expenses recognised in the profit and loss statement

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	101.90	86.34
Past service cost	-	57.99
Benefit paid	-	(97.28)
Net interest cost / (income) on the net defined benefit liability / (asset)	34.78	76.75
Expenses recognised in the statement of profit and loss	136.68	123.80

Other comprehensive income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gains) / losses		
- change in financial assumptions	(3.28)	(8.66)
- experience variance (i.e. Actual experience vs assumptions)	(270.56)	(63.77)
Return on plan assets (excluding amount recognised in net interest expense)	0.84	1.17
Share of other comprehensive income- associate	0.06	-
Components of defined benefit costs recognised in other comprehensive income	(272.94)	(71.26)

Financial assumptions

The principal financial assumptions used in the valuation are shown in the table below:

	As at March 31, 2019	As at March 31, 2018
Discount rate (per annum)	7.65-7.80%	7.65-7.80%
Salary growth rate (per annum)	5.00%	5.00%

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Demographic assumptions

	As at March 31, 2019	As at March 31, 2018
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Withdrawal rates, based on service years: (per annum)		
4 and below years	2-20%	2-20%
Above 4 years	2-10%	2-10%

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation (Base)	913.81	1,190.92

	As at March 31, 2019		As at March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,051.13	800.04	1,360.24	1,051.36
(% change compared to base due to sensitivity)	15.03%	(12.45%)	14.22%	(11.72%)
Salary Growth Rate (- / + 1%)	796.96	1,052.81	1,047.33	1,362.44
(% change compared to base due to sensitivity)	(12.79%)	15.21%	(12.06%)	14.40%
Attrition Rate (- / + 50%)	941.95	876.14	1,205.01	1,169.44
(% change compared to base due to sensitivity)	3.08%	(4.12%)	1.18%	(1.81%)
Mortality Rate (- / + 10%)	911.81	914.05	1,189.60	1,192.25
(% change compared to base due to sensitivity)	(0.22)%	0.03%	(0.11%)	0.11%

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.

The following payments are expected contributions to the defined benefit plan in future years:

	As at March 31, 2019	As at March 31, 2018
Within the next 12 months [next annual reporting period]	41.20	68.40
Between 2 and 5 years	190.39	236.39
Between 5 and 10 years	320.51	406.47
Beyond 10 years	2,955.59	3,127.79
Total expected payments	3,507.69	3,839.05

The average duration of the defined benefit plan obligation at the end of reporting period is 7-18 years (March 31, 2018 7-23 years).



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
Note 20 : OTHER LIABILITIES				
Advance purchase consideration against sale of property, plant and equipment	21.00	-	36.20	-
Advances from customers	7,402.46	-	6,084.84	-
Billing in excess of contract revenue	1,641.57	-	1,732.12	-
Statutory dues payable (Refer Note 20.1)	18,086.47	-	18,119.51	-
Other payables				
Subsidy (Refer Note 20.2)	-	-	-	11,023.78
Lease equalisation reserve	-	-	-	1,679.30
Others	83.45	0.94	69.50	-
Total	27,234.95	0.94	26,042.17	12,703.08

Note 20.1: In financial year 2016-17, the Holding Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities ('the Authority') regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Holding Company has received response to its application wherein the Authority has opined that entire project is covered within the ambit of the service tax. Accordingly, the Holding Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Holding Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Holding Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.

Note 20.2: Government grants are related to setup of Collection, Transportation and Processing of Municipal and Solid waste at various locations in India. There are no unfulfilled conditions or other contingencies attached to these grants. The group did not benefit directly from any other forms of government assistance.

	As at March 31, 2019	As at March 31, 2018
Note 21 : CURRENT BORROWINGS*		
Carried at amortised cost		
Secured borrowings from banks (Refer Note 21.1 and Note 21.3)		
Working capital loans	5,569.99	6,460.76
Cash credit facilities	20,301.29	49,536.06
Term loans	2,689.56	-
Other borrowings	737.58	3,981.36
Unsecured borrowings (Refer Note 21.2 and Note 21.3)		
From others	-	4,118.76
From related parties (Refer Note 36 C)	517.29	-
Total	29,815.71	64,096.94

* Refer Note 50 and Note 51

Note 21.1: Working capital loans from banks and other secured loans

- 1 a) The working capital loans of INR 5,569.99 lakhs (March 31, 2018 INR 5,571.50 lakhs) and cash credit facilities of INR 16,409.97 lakhs (March 31, 2018 INR 38,562.17 lakhs) from banks are secured against whole of the assets (both current as well as fixed) of the Company, namely stock of raw material, stock in process, semi-finished and finished goods, stores

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

and spares (consumable stores and spares), bills receivables and book debts and all other movables and fixed assets (except fixed assets exclusively financed by other lenders) both present and future stored or to be stored at the Company's godown, premises and division at O-116, First Floor Shopping mall, Arjun Marg, DLF City Phase - I, Gurugram or wherever else the same may be by way of first pari - passu charge amongst the consortium members. The charge is also additionally secured by first charge over 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) Land measuring 6.065 Hectare, Village Mandela Chhota, Tehsil Fatehpur, District Seekar, Rajasthan;
 - (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 Hari Om 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.
- Pursuant to a One Time Settlement (OTS) agreement entered with the bank, HSBC WCTL has been settled and the amount has to be paid within 12 months from the date of settlement which is March, 2019 (Refer Note: 43.1).
2. The Cash credit facility of INR Nil (March 31, 2018 INR 1,393.96 lakhs), 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 Infrservices Limited held by the Company.
 - (vi) Second pari passu charge on entire movable fixed assets of A2Z Green Waste Management Limited.
 - (vii) Second pari passu charge on entire movable fixed assets of Nanded and Ahmedabad projects of A2Z Green Waste Management Limited.
 - (viii) Exclusive Charge on fixed assets of A2Z Powercom Limited.
 3. Cash credit facility from banks amounting to INR 3,891.32 lakhs (March 31, 2018 INR 3,929.58 lakhs), in case of A2Z Infrservices 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.
 4. Cash credit facility from bank aggregating to INR Nil (March 31, 2018 : INR 4,882.52 lakhs), 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, Firozabad, 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).



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5. Cash Credit facility from bank aggregating to INR Nil (March 31, 2018 : INR 767.84 lakhs), 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.
6. Working capital demand loan from bank aggregating to INR Nil (March 31, 2018 INR 889.26 lakhs) in case of A2Z Green Waste Management 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 & Muzaffarnagar MSW plant. First charge over the receivables pertaining and exclusive charge over the current asset of the borrower pertaining to its Kanpur & Muzaffarnagar MSW plant and further secured by corporate guarantee of the Company.
7. Term loan from Yes Bank amounting to INR 2,689.56 lakhs (March 31, 2018 Nil), in case of Mansi Bijlee & Rice Mills Limited, is repayable in 4 structured Instalments starting after a moratorium 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 Guarantee of Mr. Amit Mittal (Managing Director) of the Company to remain valid during the entire tenor of Yes bank facilities.
 The subsidiary company has defaulted in repayment of loan and hence, the same is reclassified as current borrowing.
8. Other borrowings amounting to INR 737.58 lakhs (March 31, 2018 INR 3888.39 lakhs) pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of cash credit facilities. The same is repayable in 11 instalments and the first instalment was due in April 2018.
As per the OTS arrangement all existing securities, guarantees and legal documents shall remain in full force and effective till the discharge of the settlement amount (Refer Note 17.3.3, Note 17.5, Note 17.6 and Note 21.1.1).

Note 21.2: The unsecured borrowing from others and related parties is repayable on demand and having an interest rate of 10.75% - 24.00 % per annum.

Note 21.3: The Group has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

	As at March 31, 2019	As at March 31, 2018
Banks:		
-Principal		
0-3 Months	1,816.01	-
3-6 Months	150.00	-
6-12 Months	2,000.00	-
> 12 months	8,181.27	9,900.26
-Interest		
0-3 Months	172.38	2,009.30
3-6 Months	135.50	614.62
6-12 Months	333.91	2,101.60
> 12 months	4,719.02	6,653.73
Financial institutions:		
-Principal		
0-3 Months	2,820.99	-
3-6 Months	50.00	-
6-12 Months	2,225.00	-
-Interest		
0-3 Months	13.28	-
3-6 Months	8.03	-
6-12 Months	5.18	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
<u>Note 22: TRADE PAYABLES</u>		
Total outstanding dues of micro and small enterprises (Refer Note 22.1)	42.36	49.63
Total outstanding dues of creditors other than micro and small enterprises	64,456.37	73,960.21
Total	64,498.73	74,009.84

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, 2019	As at March 31, 2018
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	16.02	112.54
- interest amount	14.15	85.07
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	26.34	320.08
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

* The information has been given in respect of such vendors to the extent they could be identify as "Micro, Small & Medium Enterprises" on the basis of information available with the Company.

	As at March 31, 2019	As at March 31, 2018
<u>Note 23: CURRENT TAX LIABILITIES</u>		
Current tax liabilities (net of advance tax)	68.63	5.77
	68.63	5.77



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 24 : REVENUE FROM OPERATIONS*</u>		
Sale/rendering of services		
Revenue from engineering services	49,223.16	33,779.72
Revenue from facility management services	26,622.23	26,594.16
Revenue from collection and transportation of municipal solid waste	8,366.07	5,434.64
Revenue from sale of power	87.01	-
Revenue from operation and maintenance services	1,974.03	1,261.12
Revenue from professional services	157.55	76.26
Revenue from data processing services	140.40	523.28
Sale of products		
Compost sale	90.03	176.83
Miscellaneous sale	179.32	-
Other operating revenues:		
Sale of traded goods	21.97	3,004.89
Duty drawback	7.12	1.56
Scrap sale	1.22	1.36
Total	86,870.11	70,853.82

* Refer Note 45

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 25 : OTHER INCOME</u>		
Interest income:		
on fixed deposits	202.97	291.97
on income tax refund	-	5.85
on others	230.65	238.34
Other non-operating income		
Rental income	91.82	11.58
Foreign exchange fluctuation (net)	32.77	4.75
Subsidy amortised	586.17	698.31
Provisions/liabilities written back	336.28	2,936.59
Profit from sale of property, plant and equipment	25.79	-
Miscellaneous	426.51	123.08
Total	1,932.96	4,310.47

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 26 : COST OF MATERIALS CONSUMED</u>		
Opening inventory - project	-	827.61
Opening inventory - raw material	409.39	188.27
Add: Raw material purchased *	22,928.58	12,807.58
Add: Material purchased for execution of projects	244.95	357.11
Less: Recovery from contractors	-	75.14
Less: Project inventory transferred to held for sale	-	-
Less: Closing inventory - Disposal of subsidiary	5.59	-
Less: Closing inventory - raw material	394.13	-
Less: Closing inventory - project	25.88	409.39
Material consumed	23,157.32	13,696.04
Freight and cartage	517.90	397.49
Sub contractor / erection expenses	17,243.38	12,350.85
Electricity expenses	-	1.46
Labour charges	147.70	143.53
Fabrication expenses	11.07	0.56
Site expenditure	1,367.18	1,297.63
Deduction and demurrage	393.40	296.23
Technical consultancy for projects	2,012.40	4,449.64
Power plant running expenses	346.50	-
MSW collection charges / fuel charges	-	0.58
Consumables / stores and spares	2.20	40.28
Other direct cost	2,628.70	3,142.83
Total	47,827.75	35,817.12

* During the year, the Group has received an amount of INR 15.01 lakhs (March 31, 2018 INR 16.55 lakhs) as insurance claim from the insurance company during the year.

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 27 : PURCHASES OF STOCK-IN-TRADE</u>		
Purchases of stock-in-trade [*]	-	2,602.17
Total	-	2,602.17
[*] Details of purchases of stock-in-trade under broad heads:		
Cables / GI Wire / GSS Wire	-	1,478.31
Steel / Galvanised Steel / M S Angle / M S Channel / TMT Bars/Conductors	-	1,124
Total	-	2,602.17

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 28 : CHANGE IN INVENTORIES</u>		
Opening inventory of work in progress	-	8.72
Opening inventory of finished goods	1,388.69	1,040.32
Opening Finished goods held for sale	-	3,148.34
Less: Finished goods written off	-	2,460.40
Less: On account of disposal of subsidiary	1,389.27	53.74
Less: Closing inventory of finished goods	-	1,388.69
Increase/ (Decrease) in inventory	(0.58)	294.55



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 29 : EMPLOYEE BENEFITS EXPENSE		
Salaries and bonus including directors' remuneration	23,186.03	23,494.60
Contribution to provident and other funds (Refer Note 29.1)	2,615.95	2,597.54
Gratuity (Refer Note 19 ii)	136.68	123.80
Compensated absences benefits	0.72	5.05
Share-based payments (Refer Note 29.2)	191.12	196.22
Staff welfare expenses	116.08	83.85
Total	26,246.58	26,501.06

Note 29.1 : Defined contribution plan

The Group has certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basic salary as per regulations. The contribution are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards the defined contribution plan is INR 2,615.95 lakhs (March 31, 2018 INR 2,597.54 lakhs)

Note 29.2 : 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.

(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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(e) A2Z Employees Stock Option Plan, 2013 & 2014 (Regrant)

The Nomination and remuneration Committee in its meeting held on August 17, 2017 has regranted 17,60,000 stock options (7,88,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 9,72,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) 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 36.90 each which is NSE closing market price on August 16, 2017 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

(f) A2Z Employees Stock Option Plan, 2018

The members of the Company vide special resolution at the Annual General Meeting held on September 29, 2018 had approved the A2Z Employees Stock Option Plan, 2018. The ESOP Compensation Committee in its meeting held on October 24th, 2018 has granted 38,00,000 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 10.00 each . The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of four 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
Outstanding as at April 1, 2017	175,900	314.13	10,005	10.35	605,000	19.95
Granted	-	-	-	-	-	-
Lapsed/Forfeited	55,350	314.13	-	-	122,000	19.95
Exercised	-	-	10,005	10.35	214,000	19.95
Outstanding as at March 31, 2018	120,550	314.13	-	10.35	269,000	19.95
Granted	-	-	-	-	-	-
Lapsed/Forfeited	42,750	314.13	-	-	-	-
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2019	77,800	314.13	-	10.35	269,000	19.95
Exercisable at March 31, 2018	120,550	314.13	-	10.35	269,000	19.95
Exercisable at March 31, 2019	77,800	314.13	-	10.35	269,000	19.95

	ESOP 2014 plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013 & 2014 (Regrant I) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018 Plan (Number of shares)	Programme weighted average exercise price per share
Outstanding as at April 1, 2017	2,945,000	15.50	-	-	-	-
Granted	-	-	1,760,000	39.40	-	-
Lapsed/Forfeited	360,000	15.50	-	-	-	-
Exercised	670,000	15.50	-	-	-	-
Outstanding as at March 31, 2018	1,915,000	15.50	1,760,000	39.40	-	-
Granted	-	-	-	-	3,800,000	6.09
Lapsed/Forfeited	-	-	490,000	39.40	-	-
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2019	1,915,000	15.50	1,270,000	39.40	3,800,000	6.09
Exercisable at March 31, 2018	1,915,000	15.50	1,760,000	39.40	-	-
Exercisable at March 31, 2019	1,915,000	15.50	1,270,000	39.40	3,800,000	6.09



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

The following table lists the inputs to the models used for the plans as at March 31, 2019

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant I) Plan	ESOP 2018 Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015	August 17, 2017	October 24, 2018
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018	August 16, 2020	October 23, 2021
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48	INR 39.40	INR 10.40
Volatility	34.93%	65.19%	67.05%	65.50%	50.14%	61.62%
Option life	10 years	6 years	8 years	8 years	8 years	8 years
Dividend yield	2.25%	0%	0%	0%	0%	0%
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%	6.74%	7.38%
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 11.15	INR 24.81	INR 6.09
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50	INR 36.90	INR 10.00
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018	August 17, 2020	October 24, 2021
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023	August 16, 2025	October 23, 2026
Weighted average remaining contractual life (In Years)	-	0.85	2.36	3.37	5.48	4.60
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

The following table lists the inputs to the models used for the plans as at March 31, 2018:

	ESOP 2010 Plan	ESOP 2013-I Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant I) Plan	ESOP 2018 Plan
Grant date	June 2, 2010	February 3, 2014	July 3, 2014	July 6, 2015	August 17, 2017	-
Vesting period ends	June 1, 2015	February 2, 2015	July 2, 2017	July 5, 2018	August 16, 2020	-
Share price at date of grant	INR 221.75	INR 7.23	INR 14.52	INR 10.48	INR 39.40	-
Volatility	34.93%	65.19%	67.05%	65.50%	50.14%	-
Option life	10 years	6 years	8 years	8 years	8 years	-
Dividend yield	2.25%	0%	0%	0%	0%	-
Risk-free investment rate	7.45%	8.90%	8.64%	8.19%	6.74%	-
Fair value at grant date	INR 58.23	INR 7.23	INR 14.52	INR 11.15	INR 24.81	-
Exercise price at date of grant	INR 314.13	INR 10.35	INR 19.95	INR 15.50	INR 36.90	-
Exercisable from	June 2, 2015	February 3, 2015	July 3, 2017	July 6, 2018	August 17, 2020	-
Exercisable till	June 1, 2020	February 2, 2020	July 2, 2022	July 5, 2023	August 16, 2025	-
Weighted average remaining contractual life (In Years)	0.17	1.85	3.36	4.37	6.48	-
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 30 : FINANCE COSTS</u>		
Interest expense [*] [^]	5,341.87	19,880.44
Other borrowing costs		
Bank commission & charges	636.03	719.25
Total	5,977.90	20,599.69
[*] The break up of interest expense into major heads is given below:		
On term loans	666.75	7,107.74
On other bank loans	2,145.02	8,422.53
On loan from others	217.38	3,131.08
On others	2,312.72	1,219.09
Total	5,341.87	19,880.44

[^] Refer Note 50

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 31 : DEPRECIATION AND AMORTISATION EXPENSES</u>		
Depreciation of property, plant and equipment (Refer Note 3)	2,666.07	3,216.84
Depreciation of investment property (Refer Note 4)	13.87	-
Amortisation of intangible assets (Refer Note 5)	18.73	47.91
Total	2,698.67	3,264.75

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 32 : OTHER EXPENSES</u>		
Electricity	180.26	97.10
Rent (Refer Note 32.1)	512.24	556.84
Rates and taxes	90.21	415.55
Freight outward expenses	31.75	57.59
Insurance	370.64	236.75
Repair and maintenance		
- Building	8.04	0.16
- Plant & machinery	13.38	11.85
- Vehicles	34.35	43.59
- Others	111.02	194.69
Brokerage	1.25	0.55
Travelling expenses	894.74	1,156.58
Communication expenses	44.35	83.73
Printing and stationery	60.99	76.85
Legal and Professional fees	862.82	957.81
Director sitting fees	16.92	37.24
Payment to auditors (Refer Note 32.2)	125.97	105.84
Loss on sale of Property, plant and equipment	-	130.83
Impairment loss on current investment	-	1.00
Provision for contract revenue in excess of billing	164.52	242.29



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 32 : OTHER EXPENSES (contd...)</u>		
Provision for bad and doubtful debts	1,287.32	1,240.36
Allowances for write down of inventories to net realisable value	-	353.06
Tender expenses	10.89	42.74
Fees and subscription / inspection charges	107.91	81.65
Business promotion expenses	40.20	54.69
Watch and ward expenses	31.16	43.31
Warranty expense	707.06	556.51
Bad debts written off	34.11	61.96
Provision for bad and doubtful advance	260.40	947.49
Assets written off	579.19	76.16
Liquidated damages	260.81	-
Miscellaneous expenses	193.68	284.57
Total	7,036.18	8,149.34

Note 32.1 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 512.24 lakhs (March 31, 2018 INR 556.84 lakhs).

Note 32.2 : Details of payment to auditors*

	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor		
Statutory audit fee	58.93	40.00
Tax audit fee	0.72	0.85
Audit fee for consolidated financial statements	10.00	10.00
Limited review fee	37.50	37.50
Certification fee	9.85	7.16
Other matter	2.00	6.00
Reimbursement of expenses	6.97	4.33
	125.97	105.84

* Excluding goods and service tax, as applicable.

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Note 33 : TAX EXPENSE</u>		
Current tax expense	518.24	190.85
Tax expense/ (reversal) relating to prior years	-	1.39
Deferred tax charge (Refer Note 9)	144.43	45.01
Tax expense	662.67	237.25

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(Loss) before tax	29,385.81	(8,507.16)
Corporate tax rate as per income tax act, 1961	34.94%	34.61%
Tax on accounting profit	10,268.58	(2,944.16)
i) Tax effect on non deductible expenses/ non-taxable income	(9,207.39)	(6,595.06)
ii) Tax effect on impairment loss/property, plant & equipment written off	-	986.33
iii) Tax effect on disposal of subsidiary	(8,921.23)	-
iv) Tax effect on temporary timing differences on which deferred tax not created	2.10	1,865.75
v) Tax effect on temporary differences on which no deferred tax was not created but now created in current year	(1,749.68)	-
vi) Tax effect on losses of current year on which no deferred tax is created	9,980.55	5,792.24
vii) Tax effect on other adjustment	-	1.39
viii) Effect of change/different tax rate	289.74	1,130.76
Tax expense	662.67	237.25

Note 33.1: a) Detail of unused tax losses for which no deferred tax is recognised in balance sheet:

	As at March 31, 2019			As at March 31, 2018		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Tax losses						
Assessment Year 2011-12	-	-	-	495.32	127.54	March 31, 2020
Assessment Year 2012-13	195.88	50.92	March 31, 2021	1,919.81	494.34	March 31, 2021
Assessment Year 2013-14	2,786.38	940.30	March 31, 2022	3,120.80	1,025.72	March 31, 2022
Assessment Year 2014-15	14,054.10	4,856.72	March 31, 2023	14,433.99	4,954.33	March 31, 2023
Assessment Year 2015-16	15,585.85	5,370.02	March 31, 2024	19,533.85	6,385.90	March 31, 2024
Assessment Year 2016-17	83.06	21.50	March 31, 2025	149.43	38.47	March 31, 2025
Assessment Year 2017-18	11,525.22	3,955.95	March 31, 2026	17,934.90	5,776.01	March 31, 2026
Assessment Year 2018-19	5,371.71	1,826.79	March 31, 2027	17,167.51	5,085.88	March 31, 2027
Assessment Year 2019-20	27,230.49	9,506.69	March 31, 2028	-	-	-
	76,832.69	26,528.89		74,755.61	23,888.19	

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, 2019			As at March 31, 2018		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	8,432.53	2,902.61	Not applicable	19,189.27	5,550.74	Not applicable
Impairment loss	6,167.28	2,155.09	Not applicable	8,731.21	3,021.70	Not applicable
Other temporary differences	145.76	37.90	Not applicable	6,405.15	1,865.75	Not applicable
	14,745.57	5,095.60		34,325.63	10,438.19	



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 34: EARNINGS PER SHARE (EPS)

Both the basic and diluted earnings per share have been calculated using the Profit/(loss) attributable to equity holders of the parent as the numerator, i.e. no adjustments to profit/loss were necessary in year ended March 31, 2019 or March 31, 2018.

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, 2019	As at March 31, 2018
Weighted average number of shares used in basic earnings per share	176,119,858	149,354,839
Shares deemed to be issued for no consideration in respect of share-based payments	254,092	-
Weighted average number of shares used in diluted earnings per share	176,373,950	149,354,839

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

Profit/(Loss) attributable to equity holders of the company	INR in lakhs	30,504.83	(11,060.39)
Weighted average number of equity shares outstanding during the year	Numbers	176,119,858	149,354,839
Nominal value of equity share	INR	10.00	10.00
Basic EPS	INR	17.32	(7.41)
Diluted EPS	INR	17.30	(7.41)

Note 35: INTEREST IN JOINT VENTURES

The Group's interest and share in joint ventures in the jointly controlled operations as at March 31, 2019 are as follows:

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation
1	M/s UB Engineering Limited (UBEL)	Jointly controlled operations	A Joint Venture Agreement effective from June 18, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Maharashtra State Electricity Transmission Company Limited for Design, Manufacture and Supply of all materials, execution of relevant civil works, erection, testing and commissioning of new 220KV Sub-station at Airoli, Sonkhar & Vasai and 132 KV Substation at Jam, Patur, Ghatanji, Wardha, Akola, Pandharkawda, Elichpur and Kundalwadi on turnkey basis.	See Note 35(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 35(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 35(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 35(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 Wagooora-Budgam Zainakot Transmission Line in Kashmir Valley.	See Note 35(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 35(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 35(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	See Note 35(a).1 below	*

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
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			& stringing of ACSR PANTHER Conductor, Testing and Commissioning of Transmission lines from Badampora – Bandipora and from Lassipora – Sopan.		
9	M/s Linkwell Telesystems Private Limited	Jointly controlled operations	Joint Venture Agreement effective from August 9, 2008. The principal activity of the Venture is to bid jointly and enter into contract with Madhya Pradesh Poorva Kshetra Vidyut Vitaran Co. Ltd. ('MPPKVVCL'), Jabalpur for design, manufacture, supply, install, commission, operate and maintain Remote Metering of LT Consumers above 10 BHP.	See Note 35(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 35(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 35(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 35(a).1 below	*
13	M/S Richardson & Cruddas (1972) Limited	Jointly controlled operations	Joint Venture agreement effective from September 19, 2008. The principal activity of the venture is to bid for tender and enter into contract with Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RRVPLN), Jaipur for Design, Manufacture and Supply of materials for construction of 220KV/132KV transmission lines on turnkey basis.	See Note 35(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 35(a).1 and Note 35(a). 2 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 Haryana Vidyut Prasaran Nigam Limited.	See Note 35(a).1 below	*

One of the subsidiaries (till March 12, 2019), A2Z Green Waste Management Limited had entered into following Joint Venture Agreements:

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation
16	M/s Ram Engineering & Construction Co.# M/s Bhumika Transport# M/s Karnataka Compost Development Corporation#	Jointly Controlled Operations	Joint venture agreement with M/s Ram Engineering & Construction Co. and M/s Bhumika Transport effective from February 6, 2008 and M/s Karnataka Compost Development Corporation effective from March 3, 2008. The principal activity of the venture is Collection, segregation, storage, transportation of solid waste to site, construction of waste processing system, composting, treatment of leachate and integrated landfill facility including supply and installation of all equipments and accessories required to handle municipal solid waste in various cities of Uttar Pradesh on turnkey basis as well Build, Own, Operate, Transfer contract for operation and maintenance.	See Note 35(a).1 below	*
17	Eco Save System (P) Ltd. (Representative of Burn Environmental and Technologies Pvt. Ltd.)#	Jointly Controlled Operations	Joint venture agreement effective from March 20, 2008. The principal activity of the venture is to bid for tender and take support in technical, plant engineering, installation, operations, maintenance and management of various municipal solid waste to compost projects in state of Uttar Pradesh.	See Note 35(a).1 below	*
18	M/s Maccaferri Environmental Solutions Private Limited#	Jointly Controlled Operations	Joint venture agreement effective from February 15, 2008. The principal activity of the venture is to bid for tender and enter into contract for Collection, segregation, storage, transportation of solid waste to site, construction of waste processing system, composting, treatment of leachate and integrated landfill facility including supply and installation of all equipments and accessories required to handle municipal solid waste on National Level on turnkey basis as well Build, Own, Operate, Transfer contract for operation and maintenance.	See Note 35(a).1 below	*

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

till March 12, 2019



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 35(a).1: As per joint venture agreements, the scope and value of work of each partner has been clearly defined and accepted by the clients. The Company's share in assets, liabilities, income and expenses are duly accounted for in the accounts of the Company in accordance with such division of work and therefore does not require separate disclosure. However, joint venture partners are jointly and severally liable to clients for any claims in these projects.

Note 35(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.

Note 36 : RELATED PARTY TRANSACTIONS

Disclosure of Related parties /related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

A Name of the related parties and nature of the related party relationship:

1 Associate Companies

- a) A2Z Green Waste Management Limited (Associate w.e.f. March 13, 2019)
- b) A2Z Waste Management (Nainital) Private Limited (Associate w.e.f. March 13, 2019)

2 Subsidiaries of A2Z Green Waste Management Limited

- a) A2Z Waste Management (Merrut) Limited
- b) A2Z Waste Management (Moradabad) Limited
- c) A2Z Waste Management (Varanasi) Limited
- d) A2Z Waste Management (Aligarh) Limited
- e) A2Z Waste Management (Badaun) Limited
- f) A2Z Waste Management (Baliala) Limited
- g) A2Z Waste Management (Fatehpur) Limited
- h) A2Z Waste Management (Jaunpur) Limited
- i) A2Z Waste Management (Mirzapur) Limited
- j) A2Z Waste Management (Ranchi) Limited
- k) A2Z Waste Management (Sambhal) Limited
- l) A2Z Waste Management (Dhanbad) Private Limited
- m) A2Z Waste Management (Ludhiana) Limited
- n) A2Z Waste Management (Jaipur) Limited
- o) A2Z Mayo SNT Waste Management (Nanded) Private Limited (Under process of strike off w.e.f. April 02, 2019)
- p) A2Z Waste Management (Ahmedabad) Limited
- q) Earth Environment Management Services Private Limited
- r) Shree Balaji Pottery Private Limited
- s) Shree Hari Om Utensils Private Limited

3 Subsidiaries of A2Z Waste Management (Ludhiana) Limited

- a) Magic Genie Smartech Solutions Limited (w.e.f. December 18, 2017)

4 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 Maccaferri Environment Solutions Private Limited (till March 12, 2019)
- g) M/s Satya Builders
- h) M/s Linkwell Telesystems Private Limited
- i) M/s Bhumika Transport (till March 12, 2019)
- j) M/s Eco Save Systems Private Limited (till March 12, 2019)
- k) M/s Shyama Power (India) Private Limited

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

- l) M/s Sudhir Power Projects Limited
- m) M/s Ram Engineering & Construction Co. (till March 12, 2019)
- n) M/s Karnataka Compost Development Corporation (till March 12, 2019)

5 Key Management Personnel ('KMP')

- a) Mr. Amit Mittal (Managing Director)
- b) Mr. Rajesh Jain (Chief Executive Officer and Whole time director)
- c) Mr. Atul Kumar Agarwal (Company Secretary)
- d) Dr. G.R. Nagendran (Chief Financial Officer till February 13, 2019)
- e) Mr. Rajiv Chaturvedi (Chief Financial Officer w.e.f. February 14, 2019)

6 Directors

- a) Mrs. Dipali Mittal (Whole time director till August 14, 2017 and Non-Executive Director w.e.f. August 15, 2017)
- b) Mr. Surender Kumar Tuteja (Non- executive independent director)
- c) Dr. Ashok Kumar (Non- executive independent director)
- d) Mr. Ashok Kumar Saini (Whole time director till November 30, 2018 and Non- executive director w.e.f. December 01, 2018)
- e) Mr. Suresh Prasad Yadav (Non- executive independent director till July 24, 2017)
- f) Mr. Gaurav Jain (Non-Executive Independent Director till September 01, 2017)

7 Relative of Key Management Personnel

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

8 Enterprise in control of relatives of Key Management Personnel

- a) Devdhar Trading & Consultants Private Limited



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

B. Transactions with related parties during the year

The following transactions were carried out with the related parties in the ordinary course of business:

	For the year ended March 31, 2019				For the year ended March 31, 2018		
	Joint Ventures	Associate Companies	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Enterprise in control of Relatives of KMP	Joint Ventures	KMP/ Relative of KMP
Services Rendered:-							
- A2Z Green Waste Management Limited	-	0.68	-	-	-	-	-
Interest income							
- A2Z Green Waste Management Limited	-	81.63	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	3.02	-	-	-	-	-
- Devdhar Trading and Consultants Private Limited	-	-	1.37	-	1.82	-	-
Interest expense							
- A2Z Green Waste Management Limited	-	0.09	-	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	2.87	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	0.14	-	-	-	-	-
Liability Written Back							
- Richardson & Cruddas (1972) Ltd.	14.61	-	-	-	-	-	-
Rent expense / equipment hiring charges							
- Dipali Mittal	-	-	-	10.54	-	-	10.54
- Sudha Mittal	-	-	-	5.28	-	-	5.36
Rent income							
- A2Z Green Waste Management Limited	-	0.12	-	-	-	-	-
Fund transferred (includes expenses incurred on behalf of others)							
- A2Z Waste Management (Moradabad) Limited	-	12.74	-	-	-	-	-
- A2Z Green Waste Management Limited	-	13.33	-	-	-	-	-
Fund received (includes expenses incurred on behalf of the Company)							
- A2Z Green Waste Management Limited	-	7.00	-	-	-	-	-
ESOP expenses							
- Rajesh Jain	-	-	-	66.43	-	-	57.08
- Ashok Kumar Saini	-	-	-	16.65	-	-	14.43
- Gaurav Jain	-	-	-	0.86	-	-	(4.45)
- Atul Kumar Agarwal	-	-	-	28.98	-	-	26.61
Provision created/(reversed) on doubtful debts expense							
- UB Engineering Limited	(493.63)	-	-	-	-	248.05	-
- SPIC-SMO	(339.97)	-	-	-	-	73.46	-
Write off of Trade Receivables							
- UB Engineering Limited	1,189.09	-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019				For the year ended March 31, 2018		
	Joint Ventures	Associate Companies	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
Write off of Loans and advances							
- A2Z Waste Management (Jaipur) Limited	-	733.09	-	-	-	-	-
- A2Z Waste Management (Mirzapur) Limited	-	95.00	-	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	340.42	-	-	-	-	-
- A2Z Waste Management (Moradabad) Limited	-	20.22	-	-	-	-	-
- A2Z Waste Management (Sambhal) Limited	-	130.23	-	-	-	-	-
- A2Z Waste Management (Ahmedabad) Limited	-	150.00	-	-	-	-	-
- A2Z Waste Management (Jaunpur) Limited	-	1.50	-	-	-	-	-
Provision created for investments							
- A2Z Green Waste Management Limited	-	929.00	-	-	-	-	-
- A2Z Waste Management (Nainital) Private Limited	-	2.40	-	-	-	-	-
Loan and advances given							
- UB Engineering Limited	-	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	7.50	-	-	-	-	-
- Magic Genie Smartech Solutions Limited	-	5.80	-	-	-	-	-
Amount paid and recoverable							
- Rajesh Jain	-	-	-	16.50	-	-	-
- Ashok Kumar Saini	-	-	-	10.50	-	-	-
Loan and advances refunded							
- A2Z Waste Management (Jaunpur) Limited	-	7.50	-	-	-	-	-
- UB Engineering Limited	295.28	-	-	-	-	-	-
- SPIC-SMO	425.19	-	-	-	-	-	-
- Amit Mittal	-	-	-	50.00	-	-	2.50
Imprest Given during the year							
- Atul Kumar Agarwal	-	-	-	5.23	-	-	-
- Rajesh Jain	-	-	-	0.02	-	-	0.41
- Ashok Kumar Saini	-	-	-	0.08	-	-	-
Remuneration							
- Dipali Mittal	-	-	-	27.50	-	-	24.11
- Rajesh Jain	-	-	-	16.00	-	-	18.00
- Ashok Kumar Saini	-	-	-	0.75	-	-	18.00
- Amit Mittal	-	-	-	48.00	-	-	48.00
- Surender Kumar Tuteja	-	-	-	6.50	-	-	5.50



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019				For the year ended March 31, 2018		
	Joint Ventures	Associate Companies	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
- Ashok Kumar	-	-	-	6.45	-	-	6.25
- Suresh Prasad Yadav	-	-	-	-	-	-	1.00
- Gaurav Jain	-	-	-	-	-	-	2.25
- GR Nagendran	-	-	-	21.92	-	-	29.24
- Atul Kumar Agarwal	-	-	-	36.15	-	-	34.24
- Rajiv Chaturvedi	-	-	-	4.00	-	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Joint Ventures	Associate Companies	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Joint Ventures	Enterprise in control of Relatives of KMP
Investment in Equity shares						
- A2Z Green Waste Management Limited	-	40.40	-	-	-	-
- A2Z Waste Management (Jaipur) Limited	-	1.00	-	-	-	-
Investment in preference shares/debentures (Debt Portion)						
- A2Z Green Waste Management Limited	-	6,704.97	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	453.91	-	-	-	-
Investment in preference shares/debentures (Equity Portion)						
- A2Z Green Waste Management Limited	-	14,658.65	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	1,613.51	-	-	-	-
Investment in shares(ESOP scheme)						
- A2Z Green Waste Management Limited	-	12.75	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	28.11	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	2.26	-	-	-	-
- A2Z Waste Management (Balia) Limited	-	12.11	-	-	-	-
- Shri Hari Om Utensils Private Limited	-	0.77	-	-	-	-
Non-current borrowing(Debt portion of preference shares)						
- A2Z Green Waste Management Limited	-	6.20	-	-	-	-
Other Equity(Equity portion of preference shares)						
- A2Z Green Waste Management Limited	-	465.55	-	-	-	-
Current Borrowings						
- A2Z Waste Management (Merrut) Limited	-	486.50	-	-	-	-
- A2Z Green Waste Management Limited	-	8.70	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	22.09	-	-	-	-
Interest payable(Other financial liabilities)						
- A2Z Waste Management (Merrut) Limited	-	102.95	-	-	-	-
- A2Z Green Waste Management Limited	-	1.41	-	-	-	-
Trade receivable / other recoverable						
- UB Engineering Limited	6,776.67	-	-	-	8,268.39	-
- SPIC-SMO	1,923.49	-	-	-	2,448.60	-
- Karamtara Engineering Private Limited	84.27	-	-	-	84.27	-
- Devdhar Trading and Consultants Private Limited	-	-	-	-	-	13.00
- Satya Builders	51.44	-	-	-	51.44	-



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019				For the year ended March 31, 2018		
	Joint Ventures	Associate Companies	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
- A2Z Waste Management (Mirzapur) Limited	-	4.33	-	-	-	-	-
- A2Z Waste Management (Ballia) Limited	-	9.02	-	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	15.73	-	-	-	-	-
- A2Z Green Waste Management Limited	-	1,584.86	-	-	-	-	-
- A2Z Waste Management (Ballia) Limited	-	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	0.01	-	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	2.67	-	-	-	-	-
- A2Z Waste Management (Mirzapur) Limited	-	-	-	-	-	-	-
- A2Z Waste Management (Fatehpur) Limited	-	2.12	-	-	-	-	-
- A2Z Waste Management (Aligarh) Limited	-	56.92	-	-	-	-	-
- A2Z Waste Management (Badaun) Ltd	-	1.57	-	-	-	-	-
- A2Z Waste Management (Sambhal) Ltd.	-	2.00	-	-	-	-	-
- A2Z Waste Management (Dhanbad) Pvt. Ltd	-	0.82	-	-	-	-	-
- A2Z Waste Management (Moradabad) Ltd	-	0.74	-	-	-	-	-
- A2Z Waste Management(Jaunpur) Ltd.	-	(10.47)	-	-	-	-	-
- Magic Genie Smartech Solutions Limited	-	0.41	-	-	-	-	-
- Rajesh Jain	-	-	-	16.50	-	-	-
- Amit Mittal	-	-	-	74.93	-	-	124.93
- Ashok Kumar Saini	-	-	-	10.58	-	-	-
Security Deposit received							
- A2Z Green Waste Management Limited	-	1.50	-	-	-	-	-
Provision for doubtful debts							
- UB Engineering Limited	2,700.05	-	-	-	3,193.68	-	-
- SPIC-SMO	869.71	-	-	-	1,209.68	-	-
- A2Z Green Waste Management Limited	-	877.17	-	-	-	-	-
Remuneration payable / sitting fee payable							
- Dipali Mittal	-	-	-	11.23	-	-	5.58
- Rajesh Jain	-	-	-	1.40	-	-	7.15
- Ashok Kumar Saini	-	-	-	0.68	-	-	8.57
- Amit Mittal	-	-	-	5.88	-	-	2.90
- Surender Kumar Tuteja	-	-	-	5.85	-	-	2.93
- Ashok Kumar	-	-	-	6.80	-	-	3.63

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019				For the year ended March 31, 2018		
	Joint Ventures	Associate Companies	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP
- Suresh Prasad Yadav	-	-	-	0.90	-	-	0.90
- Gaurav Jain	-	-	-	2.03	-	-	2.03
- GR Nagendran	-	-	-	5.67	-	-	16.03
- Atul Kumar Agarwal	-	-	-	6.85	-	-	6.87
- Rajiv Chaturvedi	-	-	-	3.98	-	-	-
Short term loans and advances							
- Bhumika Transport	-	-	-	-	20.00	-	-
- A2Z Green Waste Management Limited	-	7,216.07	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	490.55	-	-	-	-	-
- A2Z Waste Management (Dhanbad) Private Limited	-	230.56	-	-	-	-	-
- A2Z Waste Management (Ranchi) Limited	-	350.00	-	-	-	-	-
- Magic Genie Smartech Solutions Limited	-	5.81	-	-	-	-	-
Other current assets							
- Devdhar Trading and Consultants Private Limited	-	-	-	-	-	3.55	-
Trade payable							
- Eco Save Systems (P) Limited	-	-	-	-	4.93	-	-
- Richardson & Cruddas (1972) Ltd.	-	-	-	-	14.61	-	-
- Cobra Instalaciones Y Servicios, S.A	4.85	-	-	-	4.85	-	-
- Dipali Mittal	-	-	-	7.12	-	-	489.85
- Amit Mittal	-	-	-	-	-	-	2,214.15
- Devdhar Trading and Consultants Private Limited	-	-	-	-	-	119.55	-
- Sudha Mittal	-	-	-	4.75	-	-	3.96
- Rajesh Jain	-	-	-	0.43	-	-	-
- Bhumika Transport	-	-	-	-	0.07	-	-
- A2Z Green Waste Management Limited	-	31.75	-	-	-	-	-
Guarantees given on behalf of associates							
- A2Z Green Waste Management Limited	-	25,025.00	-	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	1,100.00	-	-	-	-	-
- A2Z Waste Management (Moradabad) Limited	-	480.00	-	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	2,000.00	-	-	-	-	-



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 36.1: In the opinion of the management, the transactions reported herein are on arms' length basis.

Note 36.2: Details relating to persons referred to as key managerial personnel above:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Short term employee benefits	148.23	168.29
Defined contribution plan	1.84	1.30
Share-based payment transactions	112.92	93.67
Sitting fees	17.20	17.00
Total compensation paid/payable to key management personnel	280.19	280.26

Note 36.3: Due to unexpected change in the profitability of the Holding 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. Subsequently the Central Government has rejected the Company's application for the waiver of the excess remuneration so paid amounting to INR 189.48 Lakhs which is being held in trust by the Managing Director. Out of the entire excess remuneration paid INR 114.55 Lakhs has been received/adjusted from the Managing Director and the balance outstanding as at March 31, 2019 is INR 74.93 Lakhs (March 31, 2018 INR 124.93 Lakhs). Further the said amount shall be recoverable from the Managing Director within time line as defined in the Companies Act, 2013 i.e. on or before September, 2020.

Note 36.4: During the year ended March 31, 2019, the Holding Company paid excess remuneration to Mr. Rajesh Jain and Mr. Ashok Kumar Saini amounting to INR 16.50 lakhs and INR 10.50 Lakhs respectively from the date of re-appointment to the date of receipt of abatement letter from Central Government in accordance with amended provision of section 197 read with Schedule V of Companies Act 2013. Therefore the amount paid is being held in trust by directors. Further the said amount shall be recoverable from the said Directors within time line as defined in the Companies Act, 2013 i.e. on or before September, 2020.

Note 37: 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 at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative liability	-	-	3,130.61	3,130.61
Total financial liabilities	-	-	3,130.61	3,130.61
As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative liability	-	-	1,810.00	1,810.00
Total financial liabilities	-	-	1,810.00	1,810.00

(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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(iv) Valuation process and technique used to determine fair value

The fair value of derivative liability is estimated using Black Scholes technique. The significant unobservable inputs used in the fair value measurements are as shown below:-

	As at March 31, 2019	As at March 31, 2018
Significant unobservable inputs		
Volatility of underlying equity share market prices	58.03-67.60%	46.10-51.11%
Sensitivity*		
The sensitivity of profit or loss and equity to changes in volatility		
Volatility – increase by 5%	(3.80)	(72.08)
Volatility – decrease by 5%	3.07	69.33
* Holding all other variables constant		

Note 38 : 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, 2019		
	FVPL	FVOCI	Amortised cost
Financial assets			
Investments			
Preference shares and debentures	-	-	7,158.88
Trade receivables	-	-	98,317.68
Loans	-	-	9,156.50
Cash and cash equivalents	-	-	1,287.87
Other bank balances	-	-	116.83
Other financial assets	-	-	24,201.51
Total	-	-	140,239.27
Financial liabilities			
Borrowings	-	-	33,474.78
Trade payables	-	-	64,498.73
Other financial liabilities	3,130.61	-	18,625.05
Total	3,130.61	-	116,598.56
	As at March 31, 2018		
	FVPL	FVOCI	Amortised cost
Financial assets			
Trade receivables	-	-	130,916.48
Loans	-	-	1,245.39
Cash and cash equivalents	-	-	1,908.19
Other bank balances	-	-	1,016.30
Other financial assets	-	-	38,989.66
Total	-	-	174,076.02
Financial liabilities			
Borrowings	-	-	148,228.37
Trade payables	-	-	74,009.84
Other financial liabilities	1,810.00	-	6,317.49
Total	1,810.00	-	228,555.70



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(ii) Risk management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Analysis of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting	Risk limits
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Risk limits
Market risk - security price	Investments in equity securities	Sensitivity analysis	Risk limits

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

A. Credit risk

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

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

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

	As at March 31, 2019	As at March 31, 2018
Not more than 30 days	16,098.55	32,751.40
More than 30 days but not more than 60 days	3,221.93	3,650.04
More than 60 days but not more than 90 days	7,425.37	1,311.88
More than 90 days	78,095.10	108,641.56
	104,840.95	146,354.88
Less: Provision for impairment	(6,523.27)	(15,438.40)
	98,317.68	130,916.48

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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
Balance as at the beginning of the year	15,438.40	14,778.39
Changes in provision		
Additional provision	1,287.32	947.49
Reversal of provision	(10,071.64)	(287.48)
Disposal of subsidiary	(130.81)	-
Balance as at the end of the year	6,523.27	15,438.40

The credit risk for other financial assets is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings. However, specific provision is made in case a particular receivable is considered to be non-recoverable.

B. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

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

As at March 31, 2019	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings (including estimated future interest)	40,605.61	4,530.87	235.60	512.36	45,884.44
Trade payables	64,498.73	-	-	-	64,498.73
Other financial liabilities	8,651.01	-	-	-	8,651.01
Derivative financial liabilities					
Other financial liabilities	3,130.61	-	-	-	3,130.61
Total	116,885.96	4,530.87	235.60	512.36	122,164.79

As at March 31, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings (including estimated future interest)	123,079.34	10,389.14	9,968.05	19,159.91	162,596.44
Trade payables	74,009.84	-	-	-	74,009.84
Other financial liabilities	6,317.49	-	-	-	6,317.49
Derivative financial liabilities					
Other financial liabilities	810.00	1,000.00	-	-	1,810.00
Total	204,216.67	11,389.14	9,968.05	19,159.91	244,733.77

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, 2019, 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.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Interest rate risk exposure

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

	As at March 31, 2019	As at March 31, 2018
Variable rate borrowing	33,918.54	117,695.91
Fixed rate borrowing	9,521.54	-
Total	43,440.08	117,695.91

Sensitivity

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

	As at March 31, 2019	As at March 31, 2018
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	(221.79)	(769.61)
Interest rates – decrease by 100 basis points (100 bps)	221.79	769.61

* Holding all other variables constant

(b) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar (USD), Ugandan Shillings, Tanzania 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.

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, 2019			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Trade receivables	USD	40.40	69.32	2,800.80
	Zambian Kwacha	10.40	5.66	58.91
	Tanzania Shillings	59,393.67	0.03	1,776.46
Cash and cash equivalents	USD	6.37	69.32	441.43
	Uganda Shillings	429.32	0.02	7.96
	Zambian Kwacha	1.23	5.66	6.99
	Tanzania Shillings	5,206.01	0.03	155.71
Other financial assets	USD	1.98	69.32	137.42
Trade payables	USD	22.83	69.32	1,582.62
	Uganda Shillings	6,706.91	0.02	124.41
	Zambian Kwacha	0.85	5.66	4.81
	Tanzania Shillings	56,664.16	0.03	1,694.82
	As at March 31, 2018			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Trade receivables	USD	15.71	64.92	1,019.57
	Uganda Shillings	216.17	0.02	3.78
	Zambian Kwacha	10.40	6.79	70.64

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2018			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Cash and cash equivalents	USD	3.60	64.92	233.86
	Uganda Shillings	1,263.25	0.02	22.09
	Zambian Kwacha	1.24	6.79	8.41
Other financial assets	USD	17.46	64.92	1,133.15
	Uganda Shillings	18,625.58	0.02	325.76
	Zambian Kwacha	3.40	6.79	23.10
	Tanzania Shillings	1,846.90	0.03	52.90
Trade payables	USD	6.88	64.92	446.74
	Uganda Shillings	4,409.04	0.02	77.11
	Zambian Kwacha	0.85	6.79	5.77
Other financial liabilities	USD	11.23	64.92	729.01
	Uganda Shillings	1,091.37	0.02	19.09
	Zambian Kwacha	10.90	6.79	73.95

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, 2019	As at March 31, 2018
USD sensitivity		
INR/USD- increase by 6.82% (for previous year - 5%)	79.73	39.53
INR/USD- decrease by 6.82%(for previous year - 5%)	(79.73)	(39.53)
UGX sensitivity		
INR/UGX- increase by 6.05% (for previous year - 5%)	(4.58)	8.35
INR/UGX- decrease by 6.05% (for previous year - 5%)	4.58	(8.35)
ZMW sensitivity		
INR/ZMW- increase by 12.26% (for previous year - 5%)	4.87	0.73
INR/ZMW- decrease by 12.26% (for previous year - 5%)	(4.87)	(0.73)
TZS sensitivity		
INR/TZS- increase by 6.41% (for previous year - 5%)	9.90	1.73
INR/TZS- decrease by 6.41% (for previous year - 5%)	(9.90)	(1.73)

* Holding all other variables constant

Note 39 : CAPITAL MANAGEMENT POLICIES AND PROCEDURES

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, 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.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018
Borrowings	47,631.14	148,228.37
Trade payables	64,498.73	74,009.84
Less: cash and cash equivalents	(1,287.87)	(1,908.19)
Net debt	110,842.00	220,330.02
Equity	68,551.96	37,195.45
Capital and net debt	179,393.96	257,525.47
Gearing ratio	61.79%	85.56%

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, 2019

Note 40 : DISCLOSURE PURSUANT TO IND AS-105 "NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS"

- 1) The group has following group of assets recognised as held for sale as at March 31, 2019 and March 31, 2018.

Assets/Group of assets	Reportable segment
Building (Refer Note 40.4)	Engineering services
Contract for laying and maintenance of Optical fibre cable (Refer Note 40.2 and 40.3)	Power generation plant

- 2) During the year ended March 31, 2016, one of the subsidiary company, namely A2Z Green Waste Management Limited (AGWML) has entered into a framework agreement with one of the lenders ('the Lender') for settlement of its various debt obligations. The terms of settlement would include transfer of two waste management projects located at Kanpur and Indore to the Lender and is subject to execution of definitive agreements and necessary approvals from its stakeholders. The assets and liabilities to be transferred to the buyer shall be identified on the execution of the "Business Transfer Agreement" with the Lender. Pending execution of such agreement and in line with the provisions of Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" the management has identified specific assets related to both the projects and disclosed them as 'Assets held for sale' in the consolidated financial statements.

During the year ended March 31, 2018, AGWML has renegotiated the terms of the aforementioned agreement and basis the revised terms under discussion with the Lender, AGWML now intends to transfer only the plant located at Kanpur.

Till March 12, 2019, the Company held 47.89 % of total issued share capital of A2Z Green Waste Management Limited and together with the Devdhar Trading and Consultants Private Limited (DTCPL) (A promoter group company) controlled AGWML. On March 12, 2019, the Company has sold its 5.28% equity holding of the AGWML losing its control over the aforementioned company and its subsidiaries and therefore investment in AGWML has been accounted for as an associate.

- 3) During the year ended March 31, 2018, A2Z Powercom Limited, a subsidiary company, has entered into a Memorandum of Understanding (MoU) with one of the customers wherein it has agreed to short close certain contracts being executed by A2Z Powercom Limited for the customer and transfer all the assets and liabilities pertaining to the projects to the customer. Definitive agreement for the aforementioned transaction is yet to be executed.

During the current year, these assets have been transferred to customer and therefore, there is no assets held for sale.

- 4) The management has decided to sell two floors at Location Medanta Medicity premises, Sector 38, NH-8, Gurugram pursuant to which the advertisement for the sale of these mentioned flats was given on November 23, 2018. The building are carried at book value in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" being lower than the fair value less cost to sell.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

5) The details of group of disposable assets classified as held for sale are as under:

	As at March 31, 2019	As at March 31, 2018
Non-current assets		
Property, plant and equipment	2,534.55	8,001.50
Capital work in progress	-	14,642.79
	2,534.55	22,644.29
Current assets		
Inventories	-	287.24
Trade receivables	-	152.57
Contract in excess of billing	-	4,555.80
	-	4,995.61
Total	2,534.55	27,639.90
Current Liabilities		
Trade payable	-	145.35
Advance from customer	-	2,757.96
Security deposit	-	417.57
	-	3,320.88
	2,534.55	24,319.02

Note 41 : SEGMENT REPORTING

Segmental information

Business segments:

The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108). The Group is operating into following segments :

- Engineering Service (ES)
- Facility Management Services (FMS)
- Municipal Solid Waste Management (MSW)
- Power Generation Projects ('PGP')
- Others represents trading of goods, renting of equipments, manufacturing of electrical equipment and operation and maintenance services, etc.

	For the year ended March 31, 2019						
	Engineering Services	Facility Management Services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Revenue							
Segment revenue	49,287.15	26,663.77	8,635.42	87.01	2,196.76	-	86,870.11
Other income	538.65	136.14	721.01	-	103.56	-	1,499.36
Intersegment revenue	695.83	106.80	179.32	-	62.28	1,044.23	-
Total segment revenue	50,521.63	26,906.71	9,535.75	87.01	2,362.60	1,044.23	88,369.47
Cost							
Segment cost	(46,703.50)	(25,504.89)	(9,784.28)	(1,446.77)	(1,413.39)	(1,044.23)	(83,808.60)
Total segment cost	(46,703.50)	(25,504.89)	(9,784.28)	(1,446.77)	(1,413.39)	(1,044.23)	(83,808.60)
Segment operating profit/ (loss)	3,818.13	1,401.82	(248.53)	(1,359.76)	949.21	-	4,560.87



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2019						
	Engineering Services	Facility Management Services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Total reportable segment operating profit							4,560.87
Interest income							433.60
Interest expense							(5,977.90)
Share of loss of associates							(974.83)
Exceptional Item (Refer Note 43)							31,344.07
Profit before tax							29,385.81
Tax expense							
Current tax							518.24
Deferred tax (net)							144.43
Tax expense relating to prior years							-
Loss after tax							28,723.14
Reclassification of net actuarial gain on employee defined benefit obligations							199.06
Total comprehensive income for the year (comprising loss and other comprehensive income)							28,922.20

	As at March 31, 2019						
	Engineering Services	Facility Management Services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Assets							
Segment assets	123,515.05	15,536.88	1,828.61	24,421.98	4,045.66	8,663.81	160,684.37
Unallocable corporate assets	-	-	-	-	-	-	56,833.30
Total assets	123,515.05	15,536.88	1,828.61	24,421.98	4,045.66	8,663.81	217,517.67
Liabilities							
Segment liabilities	91,415.15	12,284.91	2,166.46	211.17	1,949.89	4,708.38	103,319.20
Unallocable corporate liabilities	-	-	-	-	-	-	45,520.24
Total liabilities	91,415.15	12,284.91	2,166.46	211.17	1,949.89	4,708.38	148,839.44
Capital expenditure	61.15	73.44	381.32	-	-	-	515.91
Depreciation	1,128.60	176.54	1,361.22	-	32.31	-	2,698.67
Provision for impairment/Write off	4,200.00	-	-	-	-	-	4,200.00
Other non-cash expenditure							2,574.21

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2018						
	Engineering Services	Facility Management Services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Revenue							
Segment revenue	32,998.73	26,678.55	5,592.39	-	5,584.15	-	70,853.82
Other income	2,385.63	302.93	1,038.83	-	46.92	-	3,774.31
Intersegment revenue	-	269.42	-	-	62.40	331.82	-
Total segment revenue	35,384.36	27,250.90	6,631.22	-	5,693.47	331.82	74,628.13
Cost							
Segment cost	(36,138.50)	(26,273.63)	(8,065.70)	(1,073.99)	(5,408.99)	(331.82)	(76,628.99)
Total segment cost	(36,138.50)	(26,273.63)	(8,065.70)	(1,073.99)	(5,408.99)	(331.82)	(76,628.99)
Segment operating profit/(loss)	(754.14)	977.27	(1,434.48)	(1,073.99)	284.48	-	(2,000.86)
Total reportable segment operating loss							(2,000.86)
Interest income							536.16
Interest expense							(20,599.69)
Other unallocable income net off unallocable expenditure							13,557.23
Loss before tax							(10,508.02)
Tax expense							
Current tax							190.85
Deferred tax							45.01
Tax expense relating to prior years							1.39
Loss after tax							(10,745.27)
Reclassification of net actuarial gain on employee defined benefit obligations							71.26
Total comprehensive income for the year (comprising loss and other comprehensive income)							(10,674.01)
	As at March 31, 2018						
	Engineering Services	Facility Management Services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Assets							
Segment assets	163,407.69	14,530.05	51,142.03	46,558.70	2,821.49	-	278,459.96
Unallocable corporate assets	-	-	-	-	-	-	15,910.77
Total assets	163,407.69	14,530.05	51,142.03	46,558.70	2,821.49	-	294,370.73
Liabilities							
Segment liabilities	100,401.98	10,055.60	39,014.17	517.89	2,833.21	-	152,822.85
Unallocable corporate liabilities	-	-	-	-	-	-	117,678.96
Total liabilities	100,401.98	10,055.60	39,014.17	517.89	2,833.21	-	270,501.81
Capital expenditure	5.94	247.22	1,002.73	29.68	-	-	1,285.57
Depreciation	417.53	179.84	1,740.10	884.09	43.19	-	3,264.75
Provision for impairment	-	-	-	3,500.00	-	-	3,500.00
Other non-cash expenditure	-	-	-	-	-	-	3,216.83



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Unallocated operating income and expense mainly consist of post-employment benefits expenses. The unallocable assets include recoverable from Government authorities.

Finance income, costs, 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 25,523.04 lakhs (March 31, 2018 INR 15,766.06 lakhs) arising from revenue from engineering services.

Note 42 : CONTINGENT LIABILITIES AND COMMITMENTS

a) The details of contingent liabilities are as follows:

	As at March 31, 2019	As at March 31, 2018
Corporate guarantees given to banks on account of facilities granted by said banks to associates \$	28,605.00	-
Right to recompense (CDR Scheme)	5,521.87	9,951.43
Litigations under workmen compensation act (Refer Note 42.1)	39.23	37.38
Litigations with contractors and others (Refer Note 42.1)	308.29	180.24
Sales tax demand under dispute (Refer Note 42.1)	8,993.97	8,669.26
Income Tax demand under dispute (Refer Note 42.2)	2,792.10	2,800.69
	59,620.46	21,639.00

Note 42.1 : Based on discussions with the solicitors / favourable decisions in similar cases/legal opinions taken by the Holding Company, the management believes that the Holding Company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

Note 42.2 : The Income tax authorities conducted a search and survey at certain premises of the Holding Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Holding Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of INR 1,992.17 lakhs. During the year ended March 31, 2015 the Holding Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Holding Company. The Holding Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters where the CIT(A) has not accepted the Holding Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Holding Company.

Further, during the year ended March 31, 2018, the Holding Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of INR 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Holding Company.

During the year ended March 31, 2019, the Holding Company has received orders from CIT (Appeals) squashing the penalty orders aggregating INR 477.71 lakhs out of the aforementioned and upholding the rest. The Holding Company has filed appeals with the ITAT challenging the penalty orders for these assessment years in respect of the matters where the CIT(A) has not accepted the Holding Company's contention.

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

Note 42.3 : Pursuant to recent judgement by the Hon'ble Supreme Court of India dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, should include certain allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies and accordingly, the Group has not provided for any liability on account of this.

\$ In addition to the aforementioned, during financial year March 31, 2018, the Holding Company executed an one time settlement (OTS) agreement with Standard Chartered Bank (SCB) (hereinafter "SCB OTS") after invocation of the corporate guarantees amounting Rs. 14,060.00 lakhs issued by the Holding Company in favour of SCB for various subsidiaries of AGWML. In terms of the said agreements, in case of any defaults with the terms of SCB OTS, SCB has the right to reinstate the aforementioned guarantees on the Holding Company.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

b) Commitments outstanding:

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

	As at March 31, 2019	As at March 31, 2018
Capital Commitments	-	3,688.96
Other Commitments	36,511.28	41,169.51
	36,511.28	44,858.47

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

Note 43 : EXCEPTIONAL ITEMS

	For the year ended March 31, 2019	For the year ended March 31, 2018
One time settlement with banks and financial institutions (Refer Note 43.1)	39,135.13	31,485.40
Liabilities written back	1,498.47	-
Loss of control of subsidiary (Refer Note 44)	25,530.09	-
Exception Gain (A)	66,163.69	31,485.40
Impact of fair valuation of derivative liability on subsequent measurement (Refer Note 43.3)	692.62	-
Contract revenue in excess of billing written off	8,959.11	5,620.55
Capital assets and inventories impaired/Written off	4,200.00	11,532.67
Loss on control of subsidiary (Refer Note 43.2)	-	774.95
Trade receivable written off	18,922.60	-
Loans and advances provision/written off	2,045.29	-
Exceptional Loss (B)	34,819.62	17,928.17
Net Exceptional Gain/(Loss)	31,344.07	13,557.23

Note 43.1: During the year ended, gain on one time settlement agreements with banks and financial institutions for borrowings pertains to excess of outstanding loan liabilities against the settlement consideration paid/to be paid under the settlement agreement entered by the company.

Note 43.2: During the year ended March 31, 2018, loss on sale of investments pertains to the loss incurred on the sale of entire shareholding in one of the subsidiary company i.e. Star Transformers Limited during the year. Consequently, Star Transformers Limited ceased to be a subsidiary of the Company.

Note 43.3: Derivative liability pertains to fair valuation of liability arising out of the embedded put option as per the settlement agreement and options agreement entered with Standard Chartered Bank and SICOM.

Note 44 : DISPOSAL OF SUBSIDIARY

(i) Disposal of subsidiary in 2018-19

On March 12, 2019, the Company disposed of its 5.28% shareholding in one of its subsidiary company, A2Z Green waste Management Limited together with its subsidiaries is referred to as A2Z Green waste Management Group ("AGWML Group") and A2Z Waste Management (Nainital) Private Limited ("Nainital"). Further Selligence Technologies Services Private Limited one of the subsidiary company has been under process of strike off from October 31, 2018.

The resultant gain/loss on disposal has been included in consolidated financial statement. The carrying amount of assets and liabilities on date of disposal, profit/loss on disposal and net cash inflow from disposal are set below;



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at October 31, 2018	As at March 12, 2019	
	Selligence	Nainital	AGWML Group
(a) Carrying amount of subsidiary's assets and liabilities disposed			
Assets			
Property, plant and equipment	-	27.58	9,805.66
Capital work-in-progress	-	-	13,113.97
Investments	-	-	475.56
Loans	-	-	287.07
Other financial assets	-	-	154.04
Non-current tax assets (net)	-	50.85	1,043.55
Other non-current assets	-	-	4,132.89
Total non-current assets	-	78.43	29,012.74
Inventories	-	-	1,394.86
Trade receivables	-	3.84	5,826.00
Cash and cash equivalents	-	0.07	36.60
Other bank balances	-	-	24.71
Loans	-	582.24	1,239.38
Other financial assets	-	0.11	4,716.81
Other current assets	-	-	146.54
Assets held for sale	-	-	22,927.38
Total current assets	-	586.26	36,312.28
Total assets	-	664.69	65,325.02
Liabilities			
Borrowings	-	-	22,877.86
Long term provisions	-	-	11.83
Deferred tax liabilities (net)	-	-	7.65
Other non-current liabilities	-	94.93	12,611.94
Total non-current liabilities	-	94.93	35,509.28
Borrowings	-	103.24	18,559.28
Trade payables	-	18.56	8,384.84
Other financial liabilities	-	440.04	26,719.07
Short term provisions	-	-	5.69
Other current liabilities	-	25.36	1,441.69
Total liabilities	-	587.20	55,110.57
Total net assets disposed	-	682.13	90,619.85
(b) Computation of loss of disposal of subsidiary			
Group stake in subsidiary on the date of disposal	100.00	(17.44)	(25,294.83)
Consideration received in cash	-	-	5.00
Fair valuation of company/ group	-	-	(17,298.56)
Non controlling interest on the date of loss of control	(20.00)	(5.28)	15,255.73
Provision and other adjustments	-	-	1,745.54
Gain on disposal	(80.00)	22.72	25,587.12
Goodwill written off	-	0.24	-
Net gain on disposal (Refer Note 43)	(80.00)	22.96	25,587.12

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at October 31, 2018	As at March 12, 2019	
	Selligence	Nainital	AGWML Group
(c) Net cash outflow on disposal of subsidiary			
Consideration received in cash	-	-	5.00
Less: Cash and cash equivalents disposed off	-	0.07	36.60
Net cash outflow	-	(0.07)	(31.60)

(ii) Disposal of subsidiary in 2017-18

On June 20, 2017, the Company disposed of its entire shareholding in one of its subsidiary company, Star Transformers Limited.

The resultant gain/loss on disposal has been included in consolidated financial statements. The carrying amount of assets and liabilities on date of disposal, profit/loss on disposal and net cash inflow from disposal are set below;

(a) Carrying amount of subsidiary's assets and liabilities disposed	As at June 20, 2017
Assets	
Property, plant and equipment	517.43
Intangible assets	0.28
Trade receivables	304.96
Other financial assets	379.41
Other non financial assets	68.03
Inventories	97.43
Cash and cash equivalents	997.70
Total assets	2,365.24
Liabilities	
Trade payable	30.03
Other financial liabilities	12.64
Other non financial liabilities	50.35
Total liabilities	93.02
Total net assets disposed	2,272.22
(b) Computation of loss of disposal of subsidiary	
Group stake in subsidiary on the date of disposal	1,144.37
Consideration received in cash	1,055.34
Loss on disposal	89.03
Goodwill written off	685.92
Net loss on disposal (Refer Note 43)	774.95
(c) Net cash inflow on disposal of subsidiary	
Consideration received in cash	1,055.34
Less: Cash and cash equivalents disposed off	997.70
Net cash inflow	57.64



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 45 : DISCLOSURE PURSUANT TO IND AS 115 “REVENUE FROM CONTRACTS WITH CUSTOMERS”

(a) Disaggregation of revenue into operating segments and geographical areas for the year ended March 31, 2019

Segment	Revenue as per Ind AS 115	Other Revenue	Total
Sale/rendering of services			
Revenue from engineering services	49,223.16	-	49,223.16
Revenue from facility management services	26,622.23	-	26,622.23
Revenue from collection and transportation of municipal solid waste	8,366.07	-	8,366.07
Revenue from power generation projects	87.01	-	87.01
Revenue from operation and maintenance services	1,974.03	-	1,974.03
Revenue from professional services	157.55	-	157.55
Revenue from data processing services	140.40	-	140.40
Revenue from sale of products	269.35	-	269.35
Other operating revenues:			
Sale of traded goods and scrap sale	23.19		23.19
Duty drawback	-	7.12	7.12
Total	86,862.99	7.12	86,870.11

(b) Out of the total revenue recognised under IND AS-115 during the year, INR 86,483.44 lakhs is recognised over a period of time and INR 379.55 lakhs is recognised at a point in time.

(c) Movement in Expected Credit Loss during the year:

Particulars	Provision on trade receivables covered under Ind AS 115	Provision on contract assets
Opening balance as at April 1, 2018	15,438.40	(1,713.99)
Changes in allowance for expected credit loss:		
Provision/(reversal) of allowance for expected credit loss	1,287.32	164.52
Disposal of subsidiary	(130.81)	-
Write off as bad debts	(10,071.64)	(1,500.72)
Closing balance as at March 31, 2019	6,523.27	(3,050.19)

(d) Contract balances:

(i) Movement in contract balances during the year:

Particulars	Trade Receivable*	Contract assets*	Contract liabilities	Net Contract balances
Opening balance as at April 1, 2018	130,916.48	25,161.49	6,084.84	19,076.65
Closing balance as at March 31, 2019	98,317.68	16,275.93	7,402.46	8,873.47
Net increase/(decrease)	(32,598.80)	(8,885.56)	1,317.62	(10,203.18)

*(Refer Note- 43)

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to INR Nil.

(iii) Revenue recognised during the year from the performance obligation satisfied in previous year (arising out of contract modifications) amounts to INR Nil.

(e) Cost to obtain the contract :

(i) Amount of amortisation recognised in Profit and Loss during the year 2018-19: INR Nil

(ii) Amount recognised as assets as at March 31, 2019: INR Nil

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(f) Reconciliation of contracted price with revenue during the year:

Opening contracted price of orders as at April 1, 2018*	429,101.09
Add:	
Fresh orders/change orders received (net)	45,168.20
Less:	
Orders completed during the year	74,705.34
Closing contracted price of orders as at March 31, 2019*	399,563.95
Total Revenue recognised during the year:	86,862.99
Less: Revenue out of orders completed during the year	13,619.58
Revenue out of orders under execution at the end of the year (I)	73,243.41
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	218,199.83
Balance revenue to be recognised in future viz. Order book (III)	108,120.71
Closing contracted price of orders as at March 31, 2019* (I+II+III)	399,563.95

*including full value of partially executed contracts.

(g) Remaining performance obligations:

The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows:

Particulars	Total	Expected conversion in revenue	
		Upto 1 Year	More than 1 Year
Transaction price allocated to remaining performance obligations	108,120.71	74,713.69	33,407.02

(h) The Group has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under the law/accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts. The Group does not have any derivative contracts at the end of the year.

Note 46 : GROUP INFORMATION

Consolidated financial statements as at March 31, 2019 comprise the financial statements of A2Z Infra Engineering (the "Company") and its subsidiaries, which are as under:

S. No.	Name	Principal activities	NIC Code	Country of incorporation	Status of Financial Statements as at March 31, 2019	Proportion of equity Interest as at March 31, 2019	Proportion of equity Interest as at March 31, 2018
A	Subsidiaries:						
1	A2Z Infraservices Limited	Combined facilities support activities	81100	India	Audited	93.83%	93.83%
2	A2Z Green Waste Management Limited*	Waste management processing facility	38110/38210	India	Audited	-	47.89%
3	A2Z Powercom Limited	Engineering Services	42202	India	Audited	100.00%	100.00%
4	A2Z Powertech Limited	Manufacture, Fabricate, develop, and assemble electronic equipments of all description	26109	India	Audited	100.00%	100.00%
5	Mansi Bijlee & Rice Mills Limited	Electric Power Generation, transmission and distribution	35106	India	Audited	100.00%	100.00%
6	Magic Genie Services Limited	Facility Management Services Provider	36000	India	Audited	75.00%	75.00%
7	Chavan Rishi International Limited	Leasing Services	68100	India	Audited	100.00%	100.00%
8	Selligence Technologies Services Private Limited	Technological Solution Services	62020	India	Audited	-	80.00%
9	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Water Waste Management	38110/38210	India	Audited	60.00%	60.00%
10	A2Z Waste Management (Nainital) Private Limited**	Waste management processing facility	38110/38210	India	Audited	-	60.45%



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

S. No.	Name	Principal activities	NIC Code	Country of incorporation	Status of Financial Statements as at March 31, 2019	Proportion of equity Interest as at March 31, 2019	Proportion of equity Interest as at March 31, 2018
Subsidiaries of A2Z Green Waste Management Limited							
1	A2Z Waste Management (Aligarh) Limited	Waste management processing facility	38110/38210	India	Audited	-	38.31%
2	A2Z Waste Management (Moradabad) Limited	Waste management processing facility	38110/38210	India	Audited	-	38.31%
3	A2Z Waste Management (Merrut) Limited	Waste management processing facility	38110/38210	India	Audited	-	38.31%
4	A2Z Waste Management (Varanasi) Limited	Waste management processing facility	38110/38210	India	Audited	-	38.31%
5	A2Z Waste Management (Jaunpur) Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
6	A2Z Waste Management (Badaun) Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
7	A2Z Waste Management (Sambhal) Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
8	A2Z Waste Management (Mirzapur) Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
9	A2Z Waste Management (Balai) Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
10	A2Z Waste Management (Fatehpur) Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
11	A2Z Waste Management (Ranchi) Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
12	A2Z Waste Management (Ludhiana) Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
13	A2Z Waste Management (Dhanbad) Private Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
14	Shree Balaji Pottery Private Limited	Pottery Work of all kind	77291/23931	India	Audited	-	47.89%
15	Shree Hari Om Utensils Private Limited	Casting of Metals	243	India	Audited	-	47.89%
16	A2Z Waste Management (Jaipur) Limited #	Waste management processing facility	38110/38210	India	Audited	-	58.31%
17	A2Z Mayo SNT Waste Management (Nanded) Private Limited	Waste management processing facility	38110/38210	India	Audited	-	28.73%
18	A2Z Waste Management (Ahmedabad) Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
19	Earth Environment Management Services Private Limited	Waste management processing facility	38110/38210	India	Audited	-	47.89%
Subsidiaries of A2Z Infraserivies Limited							
1	Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited) (w.e.f. April 1, 2017)****	Waste management processing facility	38110/38210	India	Audited	45.98%	45.98%
2	A2Z Infraserivies Lanka Private Limited***	Combined facilities support activities	Incorporated	Srilanka	Audited	93.83%	93.83%
Subsidiaries of A2Z Waste Management (Ludhiana) Limited							
1	Magic Genie Smartech Solutions Limited (w.e.f. December 18, 2017)	Installation of Sanitation Equipment	43221	India	Audited	-	100.00%

S. No.	Name	Principal activities	NIC Code	Country of incorporation	Status of Financial Statements as at March 31, 2019	Proportion of equity Interest as at March 31, 2019	Proportion of equity Interest as at March 31, 2018
I Associate Companies							
1	A2Z Green Waste Management Limited (Group) *	Waste management processing facility	38110/38210	India	Audited	42.61%	-
2	A2Z Waste Management (Nainital) Private Limited **	Waste management processing facility	38110/38210	India	Audited	48.00%	-

* Till March 12, 2019, the Company held 47.89 % of total issued share capital of A2Z Green Waste Management Limited (AGWML) and together with the Devdhar Trading and Consultants Private Limited (DTCPL) (A promoter group company) controlled AGWML. On March 12, 2019, the Company has sold its 5.28% equity holding of the AGWML losing its control over the aforementioned company and its subsidiaries and therefore investment in AGWML has been accounted for as an associate in accordance with Ind AS 28 'Investments in Associates and Joint Ventures'.

** Till March 12, 2019, the Company directly holds 48% (March 31, 2018 48%) of total the share capital and 26% (March 31, 2018 26%) indirectly through its subsidiary, A2Z Green Waste Management Limited.

*** A2Z Infraserivies Limited is initial shareholder by virtue of shares subscription arrangement with A2Z Infraserivies Lanka Limited and has committed to make investment in the company.

**** Ecogreen Envirotech Solution Limited is direct subsidiary of A2Z Infraserivies Limited as A2Z Infraserivies Limited holds 49% shareholding in the Company along with management control and remaining 51% shares are held by A2Z Waste Management (Ludhiana) Limited.

The Company directly holds 20% (March 31, 2018 20%) of total the share capital and 80% (March 31, 2018 80%) indirectly through its subsidiary, A2Z Green Waste Management Limited.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 47(a) :

(a) **Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to division II of Schedule III to the Companies Act, 2013 for the year ended March 31, 2019:**

	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	94.32	64,775.29	11.18	3,212.22	17.74	35.32	11.23	3,247.54
Subsidiaries:								
Indian:								
1 A2Z Infraserivces Limited	10.99	7,545.53	2.09	601.52	69.09	137.54	2.56	739.06
2 A2Z Green Waste Management Limited*	-	-	(3.35)	(963.25)	1.31	2.61	(3.32)	(960.64)
3 A2Z Powercom Limited	0.16	111.48	(0.23)	(67.04)	0.33	0.65	(0.23)	(66.39)
4 A2Z Powertech Limited	(0.08)	(52.39)	(0.08)	(21.55)	-	-	(0.07)	(21.55)
5 Mansi Bijlee & Rice Mills Limited	1.35	924.81	0.04	12.57	-	-	0.04	12.57
6 Magic Genie Services Limited	(0.23)	(155.00)	(0.15)	(43.58)	0.43	0.86	(0.15)	(42.72)
7 Chavan Rishi International Limited	0.27	187.85	(0.06)	(17.53)	-	-	(0.06)	(17.53)
8 Selligence Technologies Services Private Limited	-	-	(0.43)	(123.46)	-	-	(0.43)	(123.46)
9 A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	(1.06)	(730.79)	(0.22)	(62.88)	-	-	(0.22)	(62.88)
10 A2Z Waste Management (Nainital) Private Limited*	-	-	(0.02)	(6.36)	-	-	(0.02)	(6.36)
11 A2Z Waste Management (Aligarh) Limited*	-	-	(0.61)	(176.20)	(3.49)	(6.94)	(0.63)	(183.14)
12 A2Z Waste Management (Moradabad) Limited*	-	-	(1.43)	(410.83)	(0.01)	(0.02)	(1.42)	(410.85)
13 A2Z Waste Management (Merrut) Limited*	-	-	(0.70)	(200.86)	(0.03)	(0.05)	(0.69)	(200.91)
14 A2Z Waste Management (Varanasi) Limited*	-	-	(1.37)	(393.72)	0.08	0.15	(1.36)	(393.57)
15 A2Z Waste Management (Jaunpur) Limited*	-	-	(0.04)	(11.71)	-	-	(0.04)	(11.71)
16 A2Z Waste Management (Badaun) Limited*	-	-	(0.07)	(20.03)	-	-	(0.07)	(20.03)
17 A2Z Waste Management (Sambhal) Limited*	-	-	(0.03)	(8.98)	-	-	(0.03)	(8.98)
18 A2Z Waste Management (Mirzapur) Limited*	-	-	(0.14)	(39.85)	-	-	(0.14)	(39.85)
19 Ecogreen Envirotech Solutions Limited	0.69	472.19	1.42	406.83	13.57	27.02	1.50	433.85
20 A2Z Waste Management (Balai) Limited*	-	-	(0.07)	(19.71)	-	-	(0.07)	(19.71)
21 A2Z Waste Management (Fatehpur) Limited*	-	-	(0.47)	(135.72)	0.11	0.22	(0.47)	(135.50)
22 A2Z Waste Management (Ranchi) Limited*	-	-	(0.53)	(153.59)	-	-	(0.53)	(153.59)
23 A2Z Waste Management (Ludhiana) Limited*	-	-	(0.45)	(130.03)	0.92	1.84	(0.44)	(128.19)
24 A2Z Waste Management (Dhanbad) Private Limited*	-	-	0.01	1.61	-	-	0.01	1.61
25 Shree Balaji Pottery Private Limited*	-	-	(0.01)	(3.78)	-	-	(0.01)	(3.78)
26 Shree Hari Om Utensils Private Limited*	-	-	0.02	4.57	-	-	0.02	4.57
27 A2Z Waste Management (Jaipur) Limited*	-	-	(0.28)	(81.45)	-	-	(0.28)	(81.45)
28 A2Z Mayo SNT Waste Management (Nanded) Private Limited*	-	-	(0.01)	(2.37)	-	-	(0.01)	(2.37)
29 A2Z Waste Management (Ahmedabad) Limited*	-	-	(0.00)	(0.49)	-	-	(0.00)	(0.49)
30 Earth Environment Management Services Private Limited*	-	-	(0.44)	(127.69)	-	-	(0.44)	(127.69)
31 Magic Genie Smartech Solutions Limited*	-	-	0.01	4.16	(0.03)	(0.05)	0.01	4.11
Foreign:								
32 A2Z Infraserivces Lanka Limited**	-	-	-	-	-	-	-	-
Associates:								
1 A2Z Green Waste Management Group#	32.84	22,553.55	(3.39)	(974.83)	(0.03)	(0.05)	(3.37)	(974.88)
Total non-controlling interest in all subsidiaries	0.18	126.27	(6.20)	(1,781.69)	2.03	4.04	(6.15)	(1,777.65)
Total eliminations and other consolidation adjustments	(39.43)	(27,080.56)	106.04	30,458.84	(2.05)	(4.08)	105.30	30,454.76
Total	100.00	68,678.23	100.00	28,723.14	100.00	199.06	100.00	28,922.20

* Till March 12, 2019

** The Company incorporated on January 6, 2017. No such commercial activities commenced by the company.

A2Z Green Waste Management Limited ('AGWML') which has holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited together with its subsidiaries is referred to as A2Z Green Waste Management Group).



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

(b) Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to division II of Schedule III to the Companies Act, 2013 for the year ended March 31, 2018:

	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	256.97	61,336.63	131.25	(11,476.94)	56.57	40.31	131.86	(11,436.63)
Subsidiaries:								
Indian:								
1 A2Z Infraserivies Limited	26.85	6,409.87	(5.55)	485.20	-	-	(5.59)	485.20
2 A2Z Green Waste Management Limited	(70.38)	(16,797.97)	18.59	(1,625.27)	26.84	19.13	18.52	(1,606.14)
3 A2Z Powercom Limited	0.69	164.59	0.51	(44.94)	5.43	3.87	0.47	(41.07)
4 A2Z Powertech Limited	(0.72)	(170.83)	0.35	(30.97)	-	-	0.36	(30.97)
5 Mansi Bijlee & Rice Mills Limited	3.80	907.08	3.89	(340.43)	-	-	3.93	(340.43)
6 Magic Genie Services Limited	(0.50)	(120.28)	1.03	(89.90)	-	-	1.04	(89.90)
7 Chavan Rishi International Limited	0.38	90.76	0.19	(16.26)	-	-	0.19	(16.26)
8 Selligence Technologies Services Private Limited	0.10	23.46	(0.02)	1.76	-	-	(0.02)	1.76
9 A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	(4.66)	(1,113.23)	1.74	(151.90)	-	-	1.75	(151.90)
10 A2Z Waste Management (Nainital) Private Limited	(0.07)	(16.10)	0.07	(6.29)	-	-	0.07	(6.29)
11 A2Z Waste Management (Aligarh) Limited	1.65	394.16	3.96	(346.35)	8.74	6.22	3.92	(340.13)
12 A2Z Waste Management (Moradabad) Limited	(4.15)	(989.79)	7.11	(621.95)	0.45	0.32	7.17	(621.62)
13 A2Z Waste Management (Merrut) Limited	(1.10)	(261.65)	15.16	(1,325.75)	(0.02)	(0.01)	15.29	(1,325.76)
14 A2Z Waste Management (Varanasi) Limited	(10.84)	(2,587.43)	44.72	(3,910.67)	0.03	0.02	45.09	(3,910.65)
15 A2Z Waste Management (Jaunpur) Limited	0.09	21.06	0.12	(10.75)	-	-	0.12	(10.75)
16 A2Z Waste Management (Badaun) Limited	2.32	554.10	2.66	(232.32)	-	-	2.68	(232.32)
17 A2Z Waste Management (Sambhal) Limited	2.05	488.26	1.98	(173.51)	-	-	2.00	(173.51)
18 A2Z Waste Management (Mirzapur) Limited	1.32	314.20	3.35	(293.23)	-	-	3.38	(293.23)
19 Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited)	0.14	32.58	0.67	(58.84)	-	-	0.68	(58.84)
20 A2Z Waste Management (Balai) Limited	1.36	325.74	3.22	(281.78)	-	-	3.25	(281.78)
21 A2Z Waste Management (Fatehpur) Limited	(0.09)	(20.79)	1.75	(152.97)	-	-	1.76	(152.97)
22 A2Z Waste Management (Ranchi) Limited	7.36	1,757.94	11.53	(1,008.01)	0.03	0.02	11.62	(1,007.98)
23 A2Z Waste Management (Ludhiana) Limited	3.88	927.12	3.12	(273.14)	1.93	1.38	3.13	(271.76)
24 A2Z Waste Management (Dhanbad) Private Limited	(0.17)	(39.84)	0.01	(1.03)	-	-	0.01	(1.03)
25 Shree Balaji Pottery Private Limited	(0.10)	(23.67)	0.04	(3.92)	-	-	0.05	(3.92)
26 Shree Hari Om Utensils Private Limited	(0.10)	(23.21)	0.04	(3.93)	-	-	0.05	(3.93)
27 A2Z Waste Management (Jaipur) Limited	(3.24)	(773.50)	1.25	(109.01)	-	-	1.26	(109.01)
28 A2Z Mayo SNT Waste Management (Nanded) Private Limited	(0.03)	(7.50)	0.03	(2.44)	-	-	0.03	(2.44)
29 A2Z Waste Management (Ahmedabad) Limited	(0.02)	(3.96)	0.01	(0.96)	-	-	0.01	(0.96)
30 Earth Environment Management Services Private Limited	(14.95)	(3,569.23)	26.57	(2,323.79)	-	-	26.79	(2,323.79)
31 Magic Genie Smartech Solutions Limited	0.01	2.56	(0.03)	3.03	-	-	(0.03)	3.03
32 Star Transformers Limited*	-	-	(0.34)	29.51	-	-	(0.34)	29.51
Foreign:								
33 A2Z Infraserivies Lanka Private Limited**	-	-	-	-	-	-	-	-
Total non-controlling interest in all subsidiaries	(55.83)	(13,326.53)	(26.49)	2,315.98	24.26	17.29	(26.90)	2,333.27
Total eliminations and other consolidation adjustments	(42.04)	(10,035.67)	(152.52)	13,337.36	(24.27)	(17.29)	(153.58)	13,320.07
Total	100.00	23,868.92	100.00	(8,744.41)	100.00	71.26	100.00	(8,673.15)

*Till June 30, 2018

** The Company incorporated on January 6, 2017. No such commercial activities commenced by the company.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 48 : DISCLOSURE OF SUBSIDIARY HAVING MATERIAL NON-CONTROLLING INTEREST

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Name of subsidiary	Ecogreen Envirotech Solutions Limited		A2Z Green Waste Management Limited	
Principal place of business	India	India	India	India
Proportion of ownership interest held by non-controlling interests	54.02%	NA	NA	52.12%
Proportion of voting right held by non-controlling interests	54.02%	NA	NA	45.12%

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
i) Summarised balance sheet				
Current assets	2,604.68	-	-	37,226.93
Current liabilities	2,070.66	-	-	54,091.08
Net current assets	534.02	-	-	(16,864.15)
Non-current assets	42.07	-	-	30,345.70
Non-current liabilities	103.90	-	-	35,900.06
Net non-current assets	(61.83)	-	-	(5,554.36)
Net assets	472.19	-	-	(22,418.51)
Accumulated non-controlling interest	195.90	-	-	(13,297.78)

	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
ii) Summarised statement of profit and loss				
Loss for the year	406.83	-	-	(12,697.75)
Other comprehensive income for the year	27.02	-	-	27.07
Total comprehensive income	433.85	-	-	(12,670.68)
Gain/(loss) allocated to non-controlling interest	195.90	-	-	2,357.31

	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
iii) Summarised statement of cash flow				
Cash flow from operating activities	90.16	-	-	1,082.27
Cash used in investing activities	(20.73)	-	-	(1,138.75)
Cash (used in)/flow from financing activities	(114.89)	-	-	(287.44)
Net (decrease)/ increase in cash and cash equivalents	(45.46)	-	-	(343.92)



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Name of subsidiary	A2Z Infraservices Limited		A2Z Maintenance and Engineering Services Limited & Satya Builders	
Principal place of business	India	India	India	India
Proportion of ownership interest held by non-controlling interests	6.17%	6.17%	40.00%	40.00%
Proportion of voting right held by non-controlling interests	6.17%	6.17%	40.00%	40.00%

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
i) Summarised balance sheet				
Current assets	20,758.34	18,862.61	814.14	971.44
Current liabilities	16,968.51	14,437.68	2,039.32	2,131.83
Net current assets	3,789.83	4,424.93	(1,225.18)	(1,160.39)
Non-current assets	5,246.12	5,114.23	49.38	47.52
Non-current liabilities	1,490.42	2,747.69	0.25	0.32
Net non-current assets	3,755.70	2,366.54	49.13	47.20
Net assets	7,545.53	6,791.47	(1,176.05)	(1,113.19)
Accumulated non-controlling interest	458.15	412.55	(470.44)	(445.28)

	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
ii) Summarised statement of profit and loss				
Profit for the year	601.52	485.20	(62.89)	(151.88)
Other comprehensive income for the year	137.54	-	-	-
Total comprehensive income	739.06	485.20	(62.89)	(151.88)
Gain/(loss) allocated to non-controlling interest	45.60	29.94	(25.16)	(60.75)

	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
iii) Summarised statement of cash flow				
Cash flow from operating activities	2,315.94	944.39	(29.17)	16.28
Cash used in investing activities	6.58	501.20	-	-
Cash (used in)/flow from financing activities	(2,125.66)	(1,312.80)	29.17	(59.97)
Net (decrease)/ increase in cash and cash equivalents	196.86	132.79	-	(43.69)

Note 48.1 : All above mention figures are based on consolidate financial statement of the subsidiary company

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 49 : DISCLOSURE OF SUMMARISED FINANCIAL INFORMATION OF ASSOCIATES

Summarised financial information of the associates, based on its consolidated Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	As at March 31, 2019	As at March 31, 2018
Name of subsidiary	A2Z Green Waste Management Limited (including its subsidiaries)	
Principal place of business	India	India
Proportion of ownership interest held by Holding Company	42.61%	NA
Proportion of voting right held by Holding Company	42.61%	NA
	As at March 31, 2019	As at March 31, 2018
i) Summarised balance sheet		
Cash and cash equivalents	21.29	-
Other assets	13,635.68	-
Current assets (A)	13,656.97	-
Non-current assets (B)	49,790.19	-
Current financial liabilities (excluding trade payables and provisions)	46,581.79	-
Trade payables and provisions	8,541.15	-
Current liabilities (C)	55,122.94	-
Non-current financial liabilities (excluding provisions)	35,715.29	-
Provisions	12.42	-
Non-current liabilities (D)	35,727.71	-
Net assets (A+B-C-D)	(27,403.49)	-
Equity	2,275.00	-
Carrying amount of the investment	22,553.55	-
	For the period March 12, 2019 to March 31, 2019	For the year ended March 31, 2018
ii) Summarised statement of profit and loss		
Revenue	223.82	-
Other Income	34.09	-
Total revenue (A)	257.91	-
Cost of Sales	212.45	-
Depreciation and amortisation	2,077.39	-
Employee benefit expense	29.95	-
Finance costs	113.38	-
Other expense	113.32	-
Total expenses (B)	2,546.49	-
Profit/(loss) before tax and share of profit from associate(C=A-B)	(2,288.58)	-
Tax expense (E)	(0.78)	-
Profit/(loss) for the year (F = C-D-E)	(2,287.80)	-
Other comprehensive income (G)	(0.12)	-
Total comprehensive income (F+G)	(2,287.92)	-
Share of profit/(loss) for the period after loss of control	(974.88)	-



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 50 :

The loan accounts of the Holding Company have been classified as Non- Performing Assets by certain banks and some of them have not charged interest on the said accounts and therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the banks and assets reconstruction company, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks and assets reconstruction company which are regular) amounts to INR 1,595.92 lakhs for the year ended March 31, 2019. Holding Company is already in discussion with the said banks for settlement of their dues.

Note 51 :

The Holding Company had entered into Settlement agreement(s) ('Agreements') with certain banks/assets reconstruction company ('the Lenders') during the years ended March 31, 2018 and March 31, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred instalments. As at March 31, 2019, the Holding Company has delayed payments in respect of the certain deferred instalments amounting INR 5,096.00 lakhs which were due and payable pursuant to these Agreements out of which INR 1,596.00 lakhs have been paid subsequent to the year end. The obligations towards such lenders is carried under Non-current liabilities – Borrowings and Other current financial liabilities at INR 1,268.59 lakhs and INR 6,049.03 lakhs respectively. So far Banks have not given any such notice(s) or have not shown any such intention and the management is in discussions with the Lenders to condone the aforementioned delays.

Additionally, the Holding Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these financial results as Non-current liabilities – Borrowings of INR 1,485.05 lakhs, Current financial liabilities- Borrowings of INR 13,183.43 lakhs and Other current financial liabilities INR 12,441.39 lakhs with certain other lenders.

Pursuant to the above discussions with the lenders, management is confident that no material impact will devolve on the Holding Company in respect of aforementioned delays.

Note 52 :

The Holding Company has accumulated losses amounting INR 43,672.10 lakhs as at March 31, 2019 and is presently facing acute liquidity problems on account of delayed realization of trade receivables coupled with delays in commencement of commercial production at its biomass-based power generation plants. The management is evaluating various options and has entered into one-time settlement agreements with various lenders, including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Management believes that the Holding Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations, no adjustments are required in the financial statements and accordingly, these have been prepared on a going concern basis.

Note 53 : DISCLOSURE PURSUANT TO IND AS-7 "STATEMENT OF CASH FLOWS"- CHANGE IN

LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	Non- current borrowings (Including current maturities) (Refer Note 17)	Current borrowings (Refer Note 21)	Interest accrued on borrowings (Refer Note 18)	Total
Balance as at April 1, 2017	89,040.17	75,459.08	21,975.27	186,474.52
(a) Changes from financing cash flow	(3,292.94)	(393.92)	(4,603.91)	(8,290.77)
(b) Effect of changes in foreign exchange rates	(3.60)	-	-	(3.60)
(c) Other changes				
(i) Reclassification within categories	4,785.05	(978.51)	(3,806.54)	-
(ii) Interest charge to statement of profit and loss	-	-	18,661.35	18,661.35
(iii) Non-cash changes	(11.16)	(2,860.44)	(278.00)	(3,149.60)
(iv) One time settlement (Refer Note 43.1)				

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2019
(Unless otherwise stated, all amounts are in INR Lakhs)

	Non- current borrowings (Including current maturities) (Refer Note 17)	Current borrowings (Refer Note 21)	Interest accrued on borrowings (Refer Note 18)	Total
Gain on one time settlement of borrowing with banks and financial institutions	(21,017.75)	(1,011.14)	(9,456.51)	(31,485.40)
Settled through equity shares	(7,050.00)	(5,000.00)	-	(12,050.00)
Settled through derivative liability	(562.13)	(1,000.00)	(247.87)	(1,810.00)
Settled through fixed deposits	-	(118.13)	-	(118.13)
Balance as at March 31, 2018	61,887.64	64,096.94	22,243.79	148,228.37
(a) Changes from financing cash flow	(10,612.01)	2,451.11	(1,299.44)	(9,460.34)
(b) Other changes				
(i) Reclassification within categories	(2,602.62)	2,716.62	(114.00)	-
(ii) Interest charge to statement of profit and loss	-	-	5,341.87	5,341.87
(iii) Non-cash changes	-	-	(1,818.28)	(1,818.28)
(iv) One time settlement				
Gain on one time settlement of borrowing with banks and financial institutions	(7,049.68)	(19,662.83)	(12,422.72)	(39,135.23)
Settled through fixed deposits (Refer Note 43.1)	-	(1,123.61)	-	(1,123.61)
(v) Loss of control of subsidiary	(27,588.22)	(18,662.52)	(6,593.69)	(52,844.43)
(vi) Fair valuation of borrowings	(410.74)	-	-	(410.74)
Closing Balance as at March 31, 2019	13,624.37	29,815.71	5,337.53	48,777.61

Note 54 :

Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year.

Note 55 : POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date March 31, 2019 and the date of authorisation May 23, 2019.

Note 56 : AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended March 31, 2019 (including comparatives) were approved by the board of directors on May 23, 2019.

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

For and on behalf of the Board of Directors

Sd/-
Neeraj Sharma
Partner
Membership No. 502103

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

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

Place : Gurugram
Date : May 23, 2019

Sd/-
Rajiv Chaturvedi
Chief Financial Officer

Sd/-
Atul Kumar Agarwal
Company Secretary



Notes

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