

...em **POWER**ing the nation





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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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Staying true to our fundamentals and improving ourselves internally was our mantra to staying resilient in a year full of unprecedented challenges FY2019-20.

Throughout FY20, the mettle of businesses was put to test due to slowing down of the economy, weak demand and crunch in the financial sector. The situation could have been better had the mankind was not hit with one of the biggest global health disaster in form of COVID-19, towards end of FY20. From a difficult situation to an even more difficult one, the economies, countries, industries and mankind as such are facing their share of unforeseen challenges. From January, 2020 onwards, our businesses have also been impacted from the challenges posed by COVID-19.

As a business, we believe that in order to fulfill our moto i.e. 'Empowering the Nation', we need to stay strong and stay resilient in whatever we do. During FY20, we continued on our strategy of pursuing profitable and sustainable business. We focused on completing existing projects in EPC business and scout only for those projects which are profitable and are able to generate positive cash flows. Within EPC, we will be actively looking for such opportunities in Telecom and Power sectors. We continued to focus on our Facility Management business which is gaining all the more significance in present times. The Waste Management business, too, has been part of focus area and is likely to generate more opportunities. Overall, as a corporate entity, we will continue to improve and strengthen ourselves on financial dexterity and operational efficiency.

As we believe that staying true to our fundamentals will catalyse our sail, through these troubled waters, we are confident of overcoming challenges. Our businesses have substantial potential to turnaround to seize the opportunities that arise out of new realities of the new world.

We are committed and moving ahead sure-footed on our mission of Empowering the Nation.





Surender Kumar Tuteja
Chairman



Amit Mittal
Managing Director

MANAGEMENT SPEAK

Dear Shareholders

Stick to the fundamentals! This is the philosophy that your Company has lived by, especially in challenging times. And the change in environment from 2019 to 2020 was nothing short of an economic cataclysm. A deep slowdown of 2019 turned into a full-fledged recession in 2020 because of the COVID-19 pandemic that caught most countries unprepared. The world economy slowed from 3% output expansion in 2018 to 2.4% growth in 2019, and 2020 decline is expected to be 5.2%. The same story was repeated in India. The GDP growth, here, fell from 6.1% in FY2018-19 to 4.2% in FY2019-20. Now in FY2020-21, its GDP has been projected to slip between 3 to 10% slip by various agencies for FY2020-21. The trade disputes and manufacturing slowdown in 2019 paled in comparison to the economic aftershocks from the COVID-19 pandemic. The Indian economy, and your Company, were also impacted by the general elections and multiple state elections.

Under such challenging circumstances, your Company continued to pursue the path of financial sustainability single-mindedly. It continued following its successful strategies of execution-focus on projects-in-hand and clean-up of the balance sheet by negotiating One Time Settlements with banks and financial institutions for outstanding

debts, which had become unserviceable. Not only did the Company complete many legacy projects, but it was also successful in reducing the debt burden by a substantial amount in recent years. This includes a reduction of nearly ~₹90 crores of debt in FY2019-20 after settlement with DBS Bank and the rest was before this year.

The Company's financial performance was majorly affected only in the second half of FY2019-20 when the pandemic struck towards the end. From a 19.8% growth in the first six months, our consolidated cumulative performance went to nearly flat sales at the end of nine months and 19.4% YOY operating revenue decline for the full year. The Engineering Services SBU, which saw a 24.2% slump in sales on a YOY basis, tackled the brunt of the political protests and the pandemic. As the disruption due to rallies was temporary and the pandemic blind-sided us, the Company could not rationalize the costs proportionate to the decline in revenue, thus affecting the operating profitability and resulting in an EBITDA loss. The Company's decision to carry out an impairment assessment for the three power generation plants due to dispute with sugar mills where they were set-up resulted in an Exceptional Impact of ₹150 crores. The Company turned the previous year's net profit for the period of ₹287 crores into a loss of ₹278 crores in FY2019-20 mainly due to the Exceptional Item Loss.

On the operational front, we have been able to resolve most outstanding issues with our legacy projects in the EPC space. By focusing on execution of incomplete projects, pitching only for profitable new projects, and expanding overseas to diversify geographical risks, we were able to stabilize the ES business. The SBU will return to the growth path once the effect of extrinsic issues such as the protests and pandemic tapers-off. These legacy issues with the EPC business had also affected our ability to invest capital and time in growing the FMS and MWS businesses, which have sizeable untapped market potential. In the PGP business, certain disputes arose between the Company and the sugar mills over the cogeneration power plants, which have led us to decide on the movement of these plants to new locations.

“ Once the crisis is over and the economy fully opens, the Company's presence in Sanitation, Facilities Management, and Infrastructure sectors puts it in a better position to rebound. ”

The severe impact of COVID on our business has resulted in a cash flow crisis. Hence, few settlement payments to banks have been delayed. The restrictions in place due to the pandemic have affected resumption of business, especially EPC projects, because of non-availability of human resources due to migration, lag in receiving approvals, unreliable raw material supply, and delays in raising capital. The Group is focused on addressing this unforeseen crisis, along with all our companies and the industry. Once the crisis is over and the economy fully opens, the Company's presence in Sanitation, Facilities Management, and Infrastructure sectors puts it in a better position to rebound, unlike industries that are deeply affected such as Travel, Tourism, Hospitality, Education, and others. Till then, we will concentrate our energies on surviving the pandemic and follow our time-tested strategies to improve our financial viability steadily by doing the basics correctly.

We are incredibly pleased to present to you this annual report for the fiscal year 2019-20 with the hope that it finds you and your loved ones safe. We also take this opportunity to thank you and all the stakeholders for their continued support to your Company. We remain grateful and wish you the best!

Surender Kumar Tuteja
Chairman

Amit Mittal
Managing 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

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 House, 4E/2, Jhandewalan Extension

New Delhi – 110 055

Ph.:+91 11 42541234, 23541234

Fax: +91 1123552001

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 19th Annual Report together with the annual audited financial statements for the year ended March 31, 2020.

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, 2020 are as follows:

(INR in lakh)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	38,522.64	50,732.52	69,984.30	86,870.11
EBIDTA	(1,972.92)	5,859.11	(78.50)	7,693.14
Finance Cost	4,874.14	4,109.94	6,034.47	5,977.90
Depreciation and amortization expenses	1,001.14	1,108.48	1,370.47	2,698.67
Profit/Loss before Exceptional Items and tax	(7,848.20)	640.69	(7,483.44)	(983.43)
Exceptional Items	(17,630.90)	2,690.55	(16,108.68)	31,344.07
Share of profit/loss from associate		-	(135.27)	(974.83)
Total Tax Expense	3,609.60	119.02	4,086.99	662.67
Profit/Loss for the year	(29,088.70)	3,212.22	(27,814.38)	28,723.14
Other Comprehensive Income (net of tax)	31.07	35.32	150.99	199.06
Total Comprehensive income for the year	(29,057.63)	3,247.54	(27,663.39)	28,922.20

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 a decrease as compared to that of the previous year by 24.07%. The Company has achieved a Turnover of INR 38,522.64 Lakh as against INR 50,732.52 Lakh in the previous year. The Company has made net loss after tax of INR 29,088.70 Lakh whereas in the previous year Company had incurred net Profit of INR 3,212.22 Lakh.

The Net Worth of the Company has decreased to INR 35,995.10 Lakh as at the end of the current year from INR 64,775.29 Lakh as at the end of the previous year representing decrease in Net Worth by 44.43%.

The Debt Equity ratio of the Company has changed to 1.07 as at the end of the current year as compared to 0.53 as at the end of the previous year.

Consolidated:

The consolidated Turnover of the Company for the current financial year is INR 69,984.30 Lakh as against INR 86,870.11 Lakh in the previous year representing decrease in Turnover by 19.44%. The Company on consolidated basis

has made a net loss of INR 27,814.38 Lakh as against a loss of INR 28,723.14 Lakh in the previous year.

The consolidated Net Worth of the Company has decreased to INR 41,278.50 Lakh as at the end of the current year from INR 68,551.96 Lakh as at the end of previous year representing decrease in Net Worth by 39.79 %.

The consolidated Debt Equity ratio of the Company has changed to 1.17 as at the end of the current year compared to 0.63 as at the end of previous year.

2. Consolidated Financial Statements

The Audited Consolidated Financial Statements of your Company as on March 31, 2020, have been prepared in accordance with the relevant Indian Accounting Standards (Ind AS) issued by Accounting Standards Board (ASB) and Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013.

In accordance with Section 129(3) of the Companies Act, 2013 and schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)



Regulations, 2015, the Consolidated Financial Statements of the Company, including the financial details of all the subsidiary and associates 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, 2020.

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.

The 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.

Waste to Energy- Power Generation Projects (PGP)

The Company 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 and to ensure continuous supply of Refuse derived Fuel (RDF) to the said Power Plants. Company developed an indigenous waste processing plant for running the said Plants on Refuse Derived Fuel (RDF) from Municipal Solid Waste.

Further, that since the Nakodar Power Plant is fully equipped as an RDF based Power Plant, therefore, Company, in order to re-determine the tariff as per RDF based WTE plants, has filed a Petition before the PSERC/State Commission for Power Plant situated at Nakodar (15 MW) for treating the said Power Plant as RDF based Power Plant.

The Company has also entered into arbitration proceedings with the sugar mills for the extension of the concession period. During the current year, certain disputes arose with sugar mills in respect of cogeneration power plants accordingly the management of the Company may decide to shift these power plants to other locations subject to availability of RDF at that location(s).

However, due to Covid and other operational issues all three power plants are non-operational.

Impact of COVID-19

The COVID-19 pandemic has upset the execution of the projects at various sites. The Company is facing substantial obstacles in resuming its operations as most of the EPC projects are in remote areas from where the staff and working labourers had to move away due to the lockdown and most of them have migrated back to their villages. It is also challenging to get the necessary permissions from the local authorities to resume operations at site. The execution of most projects also requires the continued presence of client personnel, who may be indisposed to be at the site due to different priorities or logistical challenges related to the lockdown. This will also be resultant into the distressed Cash flows/Financials results for the Quarter ended March 31, 2020 as well for the upcoming quarter(s). Further, working at Corporate Office has been resumed and the Company is complying with all the requirement related to Social Distancing and mandatory to wear face mask, face cover and have proper sanitizations with proper interval and with reduced workforce.

Going Concern

The Auditors of Company has modified its opinion on the financial statements as on March 31, 2020 that they are unable to comments on the ability of the Company to continue as a going concern. As on March 31, 2020 Company has accumulated losses amounting INR 72,673.92 lakhs 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. Further, during the year, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Company amounting to INR 6,500 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. The Company has also delayed in repayments due to certain lenders towards the One Time Settlement Agreement(s) executed with them.

As per the Auditors, the Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. However, the board of directors is evaluating various options including further negotiating the terms with the lenders with whom company has entered into one time settlement as well as with the remaining lenders for settlement of its existing debt obligations. Further the Board of Directors is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized in the upcoming year. Board of Directors believes that the Company will be able to settle its remaining debts in due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, a new facility from a lender and expected start of commercial production of the biomass-based power generation plants, no adjustments are required in the financial statements and accordingly, these have been prepared on a going concern basis.

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

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

7. Updates on Corporate Debt Restructuring (CDR)

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 and 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 and DBS Bank Ltd. till date.

8. 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.

9. 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.

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



these controls, procedures or systems during the year.

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

11. 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).

12. Share Capital

Authorised Share Capital:

During the year under review, the Authorised Share Capital of the Company is INR 24,000 Lakh divided into 2,400 Lakh equity shares of INR 10/- (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/- (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, 2020.

13. Subsidiaries, Joint Ventures, and Associate Companies

As on March 31, 2020, the Company had 11 (Eleven) direct and step down subsidiary Companies and 18 (Eighteen) 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, 2020, 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 2019-20, there has been no major change in the nature of business of your Company and its subsidiaries. During the year under review, 'A2Z Green Waste Management Limited, Associate of the Company has transferred its stake held in A2Z Waste Management (Ludhiana) Limited and A2Z Waste Management (Aligarh) Limited to A2Z Infraserivces Limited, Subsidiary of the Company on July 15, 2019. Hence, A2Z Waste Management (Ludhiana) Limited and A2Z Waste Management (Aligarh) Limited become the indirect subsidiaries of the Company w.e.f. July 15, 2019. Simultaneously, Magic Genie Smartech Solutions Limited, subsidiary of A2Z Waste Management (Ludhiana) Limited also become the indirect subsidiary 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.pdf

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

14. Auditors

Statutory Auditors and Auditors' Report

M/s. Walker Chandio & Co LLP (Firm Registration No. 001076N/N500013), Chartered Accountants, were re-appointed as auditors of the Company from the conclusion of the Eighteenth Annual General Meeting (AGM) of the Company held on September 28, 2019 to the conclusion of the Twentieth Annual General Meeting to be held for the Financial Year 2020-21 vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in the notice of the 19th Annual General Meeting.

The auditor's report presented by M/s Walker Chandio & Co LLP, Statutory Auditors on the financial statements of the Company (Standalone and Consolidated) for the year ended March 31, 2020 contains Disclaimer of opinion and the management replies to the audit observations are as under:

Explanation to Para 3.a. of Auditor's report on Standalone Financials of A2Z Infra Engineering Ltd. and Para 3.a. of Auditor's report on Consolidated Financial statements of A2Z Infra Engineering Ltd.

Based upon management analysis and assumptions, the management is evaluating various options and has entered into one-time settlement agreements with various lenders and further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further, the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the such trade receivables shall be realized. Management believes that the Company will be able to settle

its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the financial statements and accordingly, these have been prepared on a going concern basis. Refer Note 31 of standalone financial statements and Note 52 of consolidated financial statements for details.

Explanation to Para 3.b. of Auditor's report on standalone Financials of A2Z Infra Engineering Ltd., & Para 3.b. of Auditor's report on Consolidated Financials of A2Z Infra Engineering Ltd.

Based upon management analysis and assumptions, management is confident that no additional liability on account of borrowing settlement shall devolve on the Company in addition to the carrying value of such liability as at March 31, 2020. The Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these financial statements. Hence, you directors do not believe that there is no material financial impact on the said disclaimer of opinion. Refer Note 22.1 & 22.2 of standalone financial statements and Note 50 & 51 of consolidated financial statements for details.

Explanation to Para 3.c. of Auditor's report on standalone Financials of A2Z Infra Engineering Ltd., & Para 3.c. of Auditor's report on Consolidated Financials of A2Z Infra Engineering Ltd.

Based upon management analysis and assumptions, the recoverable amount from the underlying investments/assets is higher than the net worth of A2Z Green Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are fair and appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments (net of impairment), other current financial assets (net of impairment) and current financial assets-loans due to which these are considered as good and recoverable. Hence, you directors do not believe that there is no material financial impact on the said disclaimer of opinion. Refer Note 5.2 of standalone financial statements and Note 6.2 of consolidated financial statements for details.

Branch Auditors

In terms of Section 143(8) of the Companies Act, 2013 read with Rule 12 of the Companies (Audit and Auditors) Rules, 2014, the audit of the accounts of the branch offices of the Company located outside India is required to be conducted by the person(s) or firm(s) qualified to act as Branch Auditors in accordance with laws of that country. The Board of Directors seeks approval of the Members to authorize the Board of Directors based on the recommendation of Audit Committee to appoint Auditors for the branch office(s) of the Company and also to fix their remuneration. The Board of Directors recommends to the Members to pass the resolution, as stated in Item No. 5 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 Secretary as secretarial Auditor to conduct Secretarial Audit of material unlisted subsidiary, namely M/s A2Z InfraserVICES Ltd., for the Financial year 2019-20. 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 auditors.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records in respect of road and construction activity need to be audited. In Compliance to the above, the Board of Directors upon the recommendation of the Audit Committee had appointed JSN & Co., as the Cost Auditors of the Company for the Financial Year ended March 31, 2021. The Cost Auditors' Report for financial year 2019-20 does not contain any qualifications, reservations, adverse remarks or disclaimer.

In accordance with the above provisions the remuneration payable to the cost auditors for the financial year ended March 31, 2021 should be ratified by the Members. Accordingly, the Board of Directors recommend to the Members to pass the resolution, as stated in Item No. 6 of the Notice convening the forthcoming Annual General Meeting.

15. 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.

16. Directors and Key Managerial Personnel

1. Appointment & Resignation of Directors/KMP's

1. During the year under review, Ms. Atima Khanna was appointed as Additional Non-Executive Independent Woman Director of the Company w.e.f May 23, 2019,



and has been regularized in the Annual General Meeting duly held on September 28, 2019.

2. During the year under review, Mr. Surender Kumar Tuteja and Dr. Ashok Kumar were re-appointed as "Independent Directors" for the second term of five consecutive years commencing from September 28, 2019.

All the above appointment/re-appointments was approved by the Members of the Company at the last Annual General Meeting by passing the requisite resolutions in this regard.

After the year under review, Dr. Ashok Kumar who was appointed under the category of Non-Executive Independent Director effective from May 01, 2013 has resigned from his position w.e.f. July 24, 2020.

2. Retire by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Ashok Kumar Saini (DIN 03593179), Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

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 March 31, 2020, 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

17. Policy on Directors' appointment and Remuneration

As on March 31, 2020, the Board consists of Seven 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 the Woman director and other three (3) are Non-Executive Independent Directors one of whom is Woman Independent Director.

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.pdf

18. 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.

The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). In terms of Section 150 of the Act read with Rule 6(4) of the Companies(Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one year from the date of inclusion of their names in the data bank. The Independent Directorsto whom the provisions of proficiency test are applicable, have done the said online proficiency self-assessment test in due course.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

19. 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.

20. Number of meetings of the Board of Directors

During the year five 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.

21. 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 March 31, 2020, comprises of:

1. Dr. Ashok Kumar, Chairman
2. Mr. Surender Kumar Tuteja, Member
3. Ms. Atima Khanna, Member
4. Mr. Rajesh Jain, Member

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

During the year under review, Audit Committee was reconstituted on May 23, 2019 whereby Ms. Atima Khanna was appointed as member of the Committee

After the year under review, Audit Committee was re-constituted by the Board of Directors of the Company on July 30, 2020, whereby Dr. Ashok Kumar left the Audit Committee due to his resignation from the Board of Directors of the Company w.e.f. July 24, 2020 and Ms. Atima Khanna was elected as Chairperson of the Audit 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 March 31, 2020, comprises of the following directors:

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

After the year under review, Nomination & Remuneration Committee of the Board was re-constituted by the Board of Directors of the Company on July 30, 2020, whereby Dr. Ashok Kumar left the Nomination & Remuneration Committee due to his resignation from the Board of Directors of the Company w.e.f. July 24, 2020 and Ms. Atima Khanna was appointed as a member designated as Chairman of the Committee w.e.f. July 30, 2020.

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 March 31, 2020, comprising the following Directors:

1. Dr. Ashok Kumar, Chairman
2. Ms. Dipali Mittal, Member
3. Ms. Atima Khanna, Member

During the year, Stakeholders Relationship Committee was reconstituted on August 13, 2019 whereby Ms. Atima Khanna was appointed as member of the Committee and Mr. Surender Kumar Tuteja left the Stakeholders Relationship Committee and Dr. Ashok Kumar was designated as Chairman of the Committee.

After year under review, Stakeholders Relationship Committee of the Board was re-constituted by the Board of Directors of the Company on July 30, 2020 whereby Dr. Ashok Kumar left the Stakeholders Relationship Committee due to his resignation from the Board of Directors of the Company w.e.f. July 24, 2020 and Ms. Atima Khanna also left the Committee and Mr. Surender Kumar Tuteja and Mr. Rajesh Jain was admitted as member of the Committee w.e.f. July 30, 2020 and Ms. Dipali Mittal was designated as Chairman of the Committee.

22. Investor Education and Protection Fund

Company has declared the dividend for the financial year 2010-11, for which the unclaimed dividend was transferred to Investor Education and Protection Fund ("IEPF") in the previous year. No unclaimed dividend is pending to be transferred to IEPF.

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

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

24. 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.

25. Related Party Transactions:

With reference to Section 134 (3) (h) of the Act, all contracts and arrangements with related party under Section 188 (1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

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

The Policy on materiality of related party transactions as also dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link:<http://media.a2zgroup.co.in/pdf/A2Z%20Policy%20on%20Materiality%20of%20and%20Dealing%20with%20Related%20Party%20Transactions.pdf>

26. 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) and A2Z Employees Stock Option Plan 2018 (ESOP 2018) of the

Company in accordance with the applicable SEBI Guidelines.

The applicable disclosures as stipulated under the SEBI Guidelines as on March 31, 2020 with regard to the ESOP 2010, ESOP 2013, ESOP 2014 and ESOP 2018, including ESOP re-granted under the above specified scheme(s), if any, are provided in **Annexure C** 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 will be available for inspection in electronic mode during the meeting to any person having right to attend the meeting and same may be accessed by sending an e-mail to investor.relations@a2zemail.com.

27. 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, 2020 is made under the provisions of Section 92(3) of the Act.

The Extract of the Annual Return as per Form- MGT-9 can be accessed via following link.- <http://media.a2zgroup.co.in/pdf/ExtractofAnnualReturnFormMGT9.pdf>

28. 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.

29. 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 D**.

30. 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 E** which forms part of this report.

31. Disclosure requirements

- As per Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Corporate Governance report with certificate from DR Associates, Company Secretaries, 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://media.a2zgroup.co.in/pdf/Familiarization%20Programme%20for%20Independent%20Directors.pdf>).

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

32. Listing

The Equity Shares of the Company continue to remain listed on BSE Limited and National Stock Exchange of India Limited (NSE). The stipulated listing fees for FY 2020-2021 have been paid to both the Stock Exchanges.

33. 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.

34. Directors' Responsibility Statement

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

- a. In the preparation of the annual accounts for the Financial Year ended March 31, 2020, the applicable accounting standards have been followed and no material departures have been made from the same;

- b. we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2020 and of the profit and loss of the company for that period;
- c. we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. we have prepared the annual accounts on a going concern basis; and
- e. we have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. 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.

36. 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 Infraserivces Ltd. ("AISL"), a material subsidiary Company on October 24, 2015. He is in receipt of INR 48 Lakh as remuneration in his capacity as Managing Director of AISL for the financial year 2019-20.

Mr. Rajesh Jain, Whole Time Director cum CEO of the Company 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 48 Lakh as remuneration in his capacity as Whole Time Director of AISL during the financial year 2019-20.

37. 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

Date : September 04, 2020
Place : New Delhi

(Surender Kumar Tuteja)
Chairman
DIN-00594076

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 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 Infraservices Limited	Apr 15, 08	2019-20	INR	381.60	7,666.25	1,112.76	27,339.06	19,291.21	23,987.38	674.09	304.45	369.64	-	93.83%
2	Magic Genie Services Limited	Feb 10, 11	2019-20	INR	8.00	(161.61)	-	67.44	221.05	66.58	(0.84)	(1.47)	0.63	-	75.00%
3	A2Z Powercom Limited	Apr 28, 08	2019-20	INR	12.50	108.65	-	1,033.69	912.54	31.25	7.92	0.38	7.54	-	100.00%
4	A2Z Powertech Limited	Apr 28, 08	2019-20	INR	140.00	(190.45)	-	90.50	140.95	9.52	(3.10)	-	(3.10)	-	100.00%
5	Mansi Bijlee & Rice Mills Limited	Jun 10, 10	2019-20	INR	5.00	922.62	3,441.52	4,145.39	3,217.77	65.77	21.63	18.81	2.82	-	100.00%
6	Chavan Rishi International Limited	Mar 2, 11	2019-20	INR	114.63	75.76	-	921.26	730.87	201.78	25.16	23.68	1.48	-	100.00%
7	Ecogreen Envirotech Solutions Limited *	Nov 10, 10	2019-20	INR	5.00	829.62	-	4,203.73	3,369.11	6,383.64	502.88	149.21	353.67	-	79.47%
8	A2Z Waste Management (Aligarh) Limited*	Jul 15, 19	2019-20	INR	5.00	248.95	-	3,534.63	3,280.68	777.18	22.96	(17.98)	40.94	-	75.06%
9	A2Z Waste Management (Ludhiana) Limited *	Jul 15, 19	2019-20	INR	5.00	294.11	7.55	6,331.87	6,032.76	2,007.78	(404.20)	-	(404.20)	-	65.68%
10	Magic Genie Smartech Solutions Limited*	Jul 15, 19	2019-20	INR	5.00	(5.71)	-	114.28	114.99	179.69	(7.37)	0.36	(7.72)	-	65.68%
11	A2Z Infraservices (Lanka) Pvt. Ltd.**	Jan 6, 17	2019-20	LKR [^]	-	-	-	-	-	-	-	-	-	-	93.83%

* Indirect Subsidiaries through A2Z Infraservices Limited. A2Z Waste Management (Aligarh) Ltd., A2Z Waste Management (Ludhiana) Ltd. ceased to be the subsidiaries of A2Z Green Waste Management Limited w.e.f. July 14, 2019 and become subsidiary of A2Z Infraservices Ltd. w.e.f. July 15, 2019 and Magic Genie Smartech Solutions Limited becomes subsidiary of A2Z Waste Management (Ludhiana) Ltd. w.e.f. December 18, 2017. Hence, all these companies become indirect subsidiary of the Company w.e.f. July 15, 2019.

** Indirect Subsidiary through A2Z Infraservices Limited and subscription money yet to be received.

A2Z Waste Management (Nanded) Pvt. Ltd. and Selligence Technologies Services Private Limited, subsidiaries of the Company struck off under Section 248 of the Companies Act, 2013 w.e.f. December 02, 2019 and December 16, 2019 respectively.

[^] Sri Lankan Rupee.



Part-B Associates

(INR in Lakhs)

S. No.	Name of the Associate Company	Latest audited Balance Sheet Date	Shares of Associate held by the company at the year end			Description of how there is significant influence	Reason why the associate 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	Extent of Holding (in percentage)				Considered in Consolidation	Not Considered in Consolidation
1	A2Z Green Waste Management Limited (A2Z Waste Management Group)*	March 31, 2020	9693387	969.40	42.61	By virtue of shareholding	NA	(31,305.32)	(135.50)	(182.49)
2	A2Z Waste Management (Nainital) Private Limited	March 31, 2020	24000	2.40	48.00	By virtue of shareholding	NA	(20.11)	-	(2.16)

* 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 (Balua) 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 March 31, 2020

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

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

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, 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 2020 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.
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.

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.

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

We further report that, 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
Firm Regn. No.: P2007DE003300**

Place : New Delhi
Dated : September 04, 2020

**Suchitta Koley
Partner
CP No.: 714
UDIN: F001647B000653078**



SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARY

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2020

[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 Infraservices 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 Infraservices 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, 2020 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 Infraservices Limited (the Company) for the financial year ended on 31st March, 2020 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**

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

Date: August 21, 2020

Place: New Delhi

UDIN: F009127B000601180

ANNEXURE-C**Disclosure regarding Employees Stock Option Plans of the Company for the year ended March 31, 2020**

S. NO.	PARTICULARS	A2Z EMPLOYEES STOCK OPTION PLAN 2010	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	A2Z EMPLOYEES STOCK OPTION PLAN 2018
			Trench II				Trench I	Trench II
1.	Date of Shareholders Approval	30.03.2010	28.09.2013	27.09.2014	28.09.2013	27.09.2014	29.09.2018	29.09.2018
2.	Number of Stock options granted	4,77,250	19,05,000	45,00,000	7,88,000	9,72,000	38,00,000	12,00,000
3.	Exercise Price	INR 314.13	INR 19.95	INR 15.50	INR 36.90	INR 36.90	INR 10.00	INR 10.00
4.	Option Vested during the year	NIL	NIL	NIL	2,36,400	1,44,600	11,32,500	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	41,950	NIL	1,60,000	NIL	NIL	25,000	NIL
9.	Money realized upon exercise of options	NIL	NIL	NIL	NIL	NIL	NIL	NIL
10.	Total number of option in force	35,850	2,69,000	17,55,000	7,88,000	4,82,000	37,75,000	12,00,000
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 2019-20 is INR 269.05 Lakh (2018-19- INR 170.73 Lakh) and INR 8.39 Lakh (2018-19- INR 20.38 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 19.95	INR 15.50	INR 36.90	INR 36.90	INR 10.00	INR 10.00
	b) Weighted average fair value of options granted on the date of grant	INR 58.23	INR 14.52	INR 11.15	INR 24.81	INR 24.81	INR 6.09	INR 12.81
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 14.52	INR 10.48	INR 39.40	INR 39.40	INR 10.40	INR 18.75
	(ii) Exercise Price	INR 314.13	INR 19.95	INR 15.50	INR 36.90	INR 36.90	INR 10.00	INR 10.00
	(iii) Annual Volatility (Standard Deviation - Annual)	34.93%	67.05%	65.50%	50.14%	50.14%	61.62%	58.73%
	(iv) Time To Maturity - in years	10	8	8	8	8	8	7
	(v) Dividend Yield	2.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	(vi) Risk free Rate - Annual	7.45%	8.64%	8.19%	6.74%	6.74%	7.38%	6.67%

S. NO.	PARTICULARS	A2Z STOCK OPTION PLAN 2010	A2Z EMPLOYEES STOCK OPTION PLAN 2013	A2Z STOCK OPTION PLAN 2014	A2Z EMPLOYEES STOCK OPTION PLAN 2013	A2Z EMPLOYEES STOCK OPTION PLAN 2014 (REGRANT-I)	A2Z EMPLOYEES STOCK OPTION PLAN 2018 (REGRANT-I)	A2Z EMPLOYEES STOCK OPTION PLAN 2018
			Trench II				Trench I	Trench II
	Total Options Granted	4,77,250	19,05,000	45,00,000	7,88,000	9,72,000	38,00,000	12,00,000
	Total Options Lapsed	4,41,400	6,81,000	8,60,000	NIL	4,90,000	25,000	NIL
	Total Options Exercised	NIL	9,55,000	18,85,000	NIL	NIL	NIL	NIL
	Outstanding at the end of the year	35,850	2,69,000	17,55,000	7,88,000	4,82,000	37,75,000	12,00,000



APPENDIX – A

Details of options granted to and accepted by Senior Managerial Personnel

Sr. No.	Name of Senior Managerial Personnel	Designation	AZZ Stock Option Plan 2010		AZZ Stock Option Plan 2013		AZZ Stock Option Plan 2014		AZZ Stock Option Plan 2013 (REG-GRANT-1)		AZZ Stock Option Plan 2014 (REG-GRANT-1)		AZZ Stock Option Plan 2018	
			Granted on June 02, 2010 & Status as on March 31, 2020	Exercised	Granted on July 03, 2014 & Status as on March 31, 2020	Exercised	Granted on July 06, 2015 & Status as on March 31, 2020	Exercised	Granted, on August 17, 2017 & Status as on March 31, 2020	Exercised	Granted on August 17, 2017 & Status as on March 31, 2020	Exercised	Granted on October 24, 2018 & Status as on March 31, 2020	Exercised
			Grant		Grant		Grant		Grant		Grant		Grant	
1	Mr. Rajesh Jain	Whole-time Director & CEO	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*	-	-	-	4,00,000*	1,20,000	75,000*	-	-	-	5,00,000*	-
3	Mr. Atul Kumar Agarwal	Company Secretary	5,000	-	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*	-	-	-	4,00,000*	2,40,000	75,000*	-	-	-	5,00,000*	-
5	Mr. Sanjeev Sharma	President	33,750*	-	-	-	4,00,000*	1,20,000	-	-	75,000*	-	50,000	-
6	Mr. Manoj Tiwari	President	-	-	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.

ANNEXURE-D**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	1.53
Dr. Ashok Kumar	1.04
Ms. Atima Khanna	0.83
Ms. Dipali Mittal	0.83
Dr. Ashok Kumar Saini	0.21
Executive directors	
Mr. Amit Mittal*	NA
Mr. Rajesh Jain*	NA

*Nil Remuneration has been paid to Mr. Amit Mittal and Mr. Rajesh Jain during the Financial Year 2019-20.

Due to abatement/rejection by the Central Government for the application filed for remuneration to Mr. Amit Mittal and Mr. Rajesh Jain, executive directors are not getting any remuneration from the Company.

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

Directors, Chief Executive Officer, Chief Financial Officer & Company Secretary	% increase in remuneration in the financial year
Mr. Amit Mittal	NA
Ms. Dipali Mittal	NIL
Mr. Rajesh Jain	NIL
Dr. Ashok Kumar Saini	NIL
Mr. Surender Kumar Tuteja	NIL
Dr. Ashok Kumar	NIL
Ms. Atima Khanna	NIL
Mr. Atul Kumar Agarwal (Company Secretary)	10.00%
Mr. Rajiv Chaturvedi	NIL

*The Board of Directors of the Company at their meeting duly held on August 13, 2019 has given approval for increasing the remuneration of Mr. Atul Kumar Agarwal, Company Secretary cum Compliance Officer of the Company.

C. The percentage increase in the median remuneration of employees in the financial year: - Percentage increase in the median remuneration of employees in the financial year is 106%. This is due to reduction in the no. of permanent employees on the rolls of Company from 603 (as on March 31, 2019) to 196 (as on March 31, 2020)**D. The number of permanent employees on the rolls of Company:** 196 (as on March 31, 2020)**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 9.39 percent and there are no exceptional circumstances for increase in the managerial remuneration.

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

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

G. The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable on the Company. However, in terms of Section 136 of the Companies Act, 2013, the details of top 10 employees is open for inspection during the meeting. Any member interested in obtaining a copy of the same can send an e-mail to investor.relations@a2zemail.com

ANNEXURE-E

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 and 2019-20 and some are in the stage of implementation 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 during the year 2019-20;

- 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 ? 38 mm to ? 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 180.00 Lakh
Outgo: Expenditure in Foreign Currency	Nil
CIF value of Imports	Nil



Management Discussion & Analysis

1. Economic overview

a. Global economy

From slowing economic growth in 2019 to a deep recession in 2020, COVID-19 pandemic has hit the world hard. Most of the countries, whether developed or emerging, are expected to see a contraction in economic output due to the various types of lockdowns and travel restrictions in effect to ensure social distancing. The crisis has caused substantial disruptions and will leave a lasting impact on the way of life, which will affect long-term economic prospects and business viability. The uncertainty introduced by the pandemic may have significant socio-political consequences destabilising many parts of the world. The Governments and the central banks across the globe have responded with fiscal and monetary measures to boost liquidity and spur demand. While the pandemic is not yet under control, according to the June 2020 – Global Economic Prospects report by the World Bank, the world economic output is forecasted to shrink by 5.2% in 2020 as compared to 2019. Advanced economies are predicted to bear the most impact with a decline in GDP by 7% vis-à-vis 2.5% reduction for the Emerging Market and Developing Economies (EMDE).

In comparison, the global slowdown of 2019, i.e. 2.4% GDP expansion vs 3% growth in 2018, seems a minor blip. The acrimony in trading relations between the USA and its major partners, viz. China and Europe had worsened. Besides, with the boost from the tax cuts wearing-off, the American economic engine had started decelerating in 2019, dragging the Global economic growth down with it. Local challenges faced by some major economies such as India and Mexico and commodity price softening effect on exporting economies such as Russia and Saudi Arabia worsened the impact. They led to a slackening of consumer demand across the globe. The growth in Advanced economies had slowed from 2.1% to 1.6% and that of EMDEs from 4.3% to 3.5%.

b. Indian economy

In the background of the world economic output pacing down, the Indian economy found it difficult to emerge from the credit squeeze that started in the 2nd half of FY2018-19 from liquidity issues in the NBFC and NPA mess of the Banking sector. The April – May 2019 general elections, Pulwama terror attacks, CAA/NRC protests, and shutdown of Jammu & Kashmir post repealing of Article 370 affected the economic activity badly and took the attention of the Government away from the economy during the financial year. The misdirected proposals in the July 2019 budget post the election victory further exacerbated the problem. While the Government backtracked on them subsequently and announced a slew of measures for reform and investments, it failed to stop the slide in economic growth. The Covid-19 pandemic in March 2020 then just

flattened the expansion entirely. The Reserve Bank of India (RBI) tried to support growth with an accommodative monetary policy and reduction in repo rate by 115 basis points during the financial year, but it was not enough. The country's GDP grew only by 4.2% in FY2019-20 as against 6.1% in the previous financial year.

The complete lockdowns imposed in the first two months of the FY2020-21 and only partial easing subsequently have pushed the Indian economy into a recession. The pandemic has not only led to human suffering in terms of death, ill-health, and hunger. It caused big economic consequences in the form of business failures, unemployment, reverse migration of labour, disruption in supply chains, and the collapse of demand for non-essential goods and services. The recovery post-lockdown has been slow and will remain uncertain as the number of infections continues to rise. The Government has declared an economic stimulus package of Rs. 20 trillion to support the economy and RBI further reduced repo rates to 4%. Despite these measures, the country's economic output in FY2020-21 is projected to shrink by 3% to 10% as per various agencies.

2. Industry overview

a. Engineering Procurement & Construction (EPC)

The EPC industry has the unique distinction of being the industry that will transform India. The bricks and mortar that the EPC players are laying will fashion the second-largest economy in the world and the biggest middle-class consumer base in the world by 2025 – 30. A clear shift is being seen in the industry from in-house projects to EPC projects as the latter allows the transfer of risk of time and cost overruns in a project, along with the core work of designing, material procurement, and construction, to the EPC contractor from the customer.

The growth in Indian EPC market was predicted to be a CAGR of 20% in 5 years from 2018. The EPC industry caters to projects from Power, Roads & Bridges, Telecommunications, Railways, Irrigation & Watershed, Water Supply & Sanitation, Ports & Inland Water Transport, Oil & Gas, Mass Rapid Transport Systems (MRTS), Airports, and Storage sectors.

The Gross Fixed Capital Formation (GFCF) reflects the investment demand in the economy. It contracted by 2.8% in FY2019-20 as against a growth of 9.9% in FY2018-19 (Source: <https://bit.ly/2EPi1iu>). The number for the fourth quarter of FY2019-20 was even worse with 6.5% shrinkage. The pandemic is likely to result in a one more year of declining GFCF, projections from the RBI forecast a 6.4% reduction, meaning lower opportunities for the EPC companies.

Power

The opportunities in the Power sector for EPC companies arise from the growing demand for Power



making India one of the top-5 electricity producing and consuming countries. The total installed generation capacity in the country touched 372GW at the end of July 2020 as per the Central Electricity Authority. The distribution of the installed capacity based on the category was 62.2% Thermal, 12.3% Hydro, 1.8% Nuclear, and balance 23.7% Renewable Energy Sources. The energy deficit shrank to 0.5% in FY19-20 from 3.6% five years ago. The Government has set itself a target of providing 24x7 electricity to all and install 175GW of renewable power generation plants by 2022. Against this target of 175GW, the current installed capacity is only 88GW. The total power generated during the FY2019-20 was 1,389.121 Billion Units (BU), which represented a growth of less than 1% over the previous year because of the economic slowdown. The share of conventional power in the total generation was 90%, a small movement down from 90.8%. The target for conventional sources of power generation has been fixed at 1,330 BU in FY2020-21 from 1250.784 BU during the reported year. However, the deceleration in electricity generation in the initial period (10%+ decline) because of COVID-19 means the target is unlikely to be achieved (*Source: <https://bit.ly/351cwZf>*). The pandemic is also expected to snuff out any potential for capacity expansion in FY2020-21, except in case of Renewables. The distribution infrastructure should, however, see some investments because of the Government's target on provision of electricity.

Telecom

The telecom sector in India has been witness to much churn after the entry of Reliance Jio to the market and Supreme Court order to telecom players to pay past Adjusted Gross Revenue (AGR) dues. While the entry of Reliance Jio benefitted the customers because the data rates fell to lowest in the world at Rs. 12 per GB, it led to exits and mergers leaving only four major players in the wireless telecom space. Reliance Jio is going to launch Jio Giga Fibre home broadband to address the broadband and cable TV distribution markets and repeat its success in the wireless space. The wireless subscriber base in the country was 114.4 crores vs wireline count of 2 crores as on May 31, 2020, as per a report by TRAI (*Source: <https://bit.ly/31HjmkH>*).

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

5G Network Rollout in India: After the COVID issue, Telecom Infrastructure has become a major threat area for all the industries and data requirements has increased multifold. Keeping in view the increased demand, Telecom companies are pushing all their efforts to build a 5G network, which will require multifold OFC cabling as well as telecom towers from the present situation. This will give tremendous opportunities to EPC Companies in Telecom sector.

Others: Network for Spectrum Project (for Defence forces), Smart City projects, connectivity for remote parts of North East India, Andaman & Nicobar Islands and Lakshadweep Islands, Rail Wi-Fi, and many more.

b. Facility Management Services (FMS)

The culture in India is slowly but surely transforming to place more importance on cleanliness and proper maintenance of public and private commercial spaces. They are a crucial factor in maintaining a high quality of life for the people frequenting and utilising these places. In the private sector, providing quality and clean spatial infrastructure is recognised as a fundamental necessity to have productive employees, satisfied customers, and efficient operations. These factors have led to increased spends on Facility Management Services across the board. The industry is currently unorganised for the most part with a few specialised professional companies making up the organised space. However, the key opportunity is in increasing the pie of work outsourced as most companies depend on in-house staff for the maintenance and asset management operations. Outsourced FMS only addresses 25% of the addressable market. 75% of the FMS work is done in-house in comparison with the global average of 49% (*Source: Informa Markets in India; <https://bit.ly/2EvY2dZ>*).

- The FMS market size in India is foreseen to be expanding at a CAGR of 24% from 2020 to 2025 in the "INDIA FACILITY MANAGEMENT MARKET - GROWTH, TRENDS, AND FORECAST (2020 - 2025)" report by Mordor Intelligence (*Source: <https://bit.ly/2QBwt0a>*).
- Mumbai and Pune hold a sizeable share in the FMS market and will contribute the most to future growth in the near-term (*Source: <https://bit.ly/2QBwt0a>*).
- As per an alternative study, the Indian Facility Management industry contributed 3.2% to the GDP of the country and stood at present at Rs. 5 lakh crores opportunity growing at a fast pace of 20-25% annually (*Source: Informa Markets in India; <https://bit.ly/2EvY2dZ>*).
- The organized FMS players in India are valued at a combined total of Rs. 50,000 crores and constituting 10% of the total market. This number is projected to expand to Rs. 1.25 lakh crores by 2022 (*Source: Informa Markets in India; <https://bit.ly/2EvY2dZ>*).
- The Ministry of Labour and Employment introduced The Occupational Safety, Health and Working Conditions Code, 2019 in Lok Sabha that is expected outsourcing of facility management services to enable clients to focus more on their core operations.
- The smaller unorganised players will merge with the large players in the market due to greater demand for quality services meeting international standards. Besides, most small players offer only one or two services whereas the clients prefer to deal with a single company offering all the various services under the FMS umbrella.
- The trend towards outsourcing non-core operations is growing within the country, leading to an increase

in the demand for Facility Management Services. This trend is reflected in many unusual places such as temples, monuments, parks, beaches, and residential complexes are also opting for outsourcing to professional players.

c. Municipal Solid Waste Management (MSW)

The escalating impacts of the consumerist culture and modern lifestyle include degeneration of the planetary resources due to the accumulation of solid waste. Without necessary checks and scientific treatment and disposal methods, the waste problem can swamp most municipal bodies with mountains of garbage that adversely affect the quality of life of residents of those cities. Any resort to flawed methods of disposal or without treatment can result in short and long-term environmental and health damage to the neighbouring people and ecosystems. Hence, professional Municipal Solid Waste (MSW) management players are critical to addressing the scale of the problem as they bring technical know-how, research capability, large and motivated talent pool, and capital to supplement the efforts of municipal bodies.

In India, the Swachh Bharat Abhiyaan has created the right incentives for the growth of private MSW industry. Besides, the scale of the challenge in India is humongous due to a growing population and prosperity. The solid waste generated in India is predicted to increase from 5.5 crore MT in 2019 to 16.5 crore MT by 2031 and further to 43.6 crore MT by 2050. Of the daily 1.5 lakh MT garbage generated daily, 10% remains uncollected, only 18% is treated, and the rest 72% goes to the landfills (Source: <https://bit.ly/3lzcJZF>). The urban local bodies cannot handle this volume of garbage alone. The new regulations formulated by the Government for segregation of waste, a collect-back scheme for packaging waste, and composting/bio-methanation of the bio-degradable waste at the source can only make a small dent in reducing the scale of the crisis.

- The Indian solid waste management industry can tap a US\$ 14 billion worth of business opportunity as per a Research and Markets report “Waste to Energy and Waste Management Market in India – 2019” (Source: <https://bit.ly/3IER5mT>).
- Municipal solid waste management sector in India was estimated to need capital and O&M (operation & maintenance) requirements of close to US\$ 65 billion by 2030 (Source: <https://bit.ly/3IER5mT>).
- The Government has permitted entry of foreign players with 100% Foreign Direct Investment (FDI) under the automatic route for urban infrastructure sectors including waste management.

3. Business segment review

Company overview

A2Z Group is a pioneer in the field of professional Facility Management Services (FMS) founded in 2002. It has since expanded its offerings to become an established name in the Engineering & Infrastructure Services sector in India.

The principal entity of the Group is A2Z Infra Engineering, which is listed on the stock exchanges. The diversified portfolio of the Group now includes offerings such as Engineering, Procurement & Construction (EPC), Facility Management Services (FMS), Municipal Solid Waste (MSW) Management and Power Generation Plants (PGP).

The EPC and FMS business lines constitute the biggest block with a share of 87% of the operating revenues. The Power Transmission & Distribution and Telecom Infrastructure solutions are mainstays of the EPC business. The FMS segment includes housekeeping, security, hospitality, labour supply, and related maintenance services for commercial and residential facilities. The Group has Waste-to-Energy Power Generation plants, which synergize with the MSW business by utilizing the collected solid waste to generate renewable power. The Group's MSW business offers solid waste management services to municipal corporations and councils. For the major offerings, the Group has a proven track record of between 10 to 15 years of delivering exceptional customer satisfaction. The Group has divided itself into four Strategic Business Units (SBUs), each corresponding to individual offerings with the EPC business mapped to the Engineering Services (ES) SBU and rest to their namesake SBUs.

Business segments

1. Engineering Services (ES)

The Group's turnkey solutions in the Power Transmission and Distribution 'T&D' sector cover testing, integrated design, construction, installation, and erection to the commissioning. It specializes in providing innovative and energy-saving solutions aimed at reducing the T&D losses, which ultimately reduce Green House Gas emissions and cost of energy. The credentials of the Group in this space include an abundance of projects where it has tackled extreme weather, complex topography, stringent timelines, and multiple geographical locations. Diversity of the nature of client requirements catered to by the Group's EPC solutions is vast, and main areas are as follows:

- Transmission & Distribution
- Rural Electrification
- Railway Electrification
- Reduction of AT&C losses
- Feeder Renovation
- Feeder Segregation
- Underground Cabling
- Erection of Distribution lines
- Installation of High Voltage Distribution System “HVDS” and Low Voltage Distribution System “LVDS”
- Construction of Substations and Transmission lines
- Renewable Energy

The Group also provides system integration solutions for implementing IT applications in the power sector to cover areas such as ERP Systems, Metering, Network Energy Management and Project Management.



Telecom EPC solutions are the other primary offering of the Group in the ES SBU. The Group specializes in projects to lay and maintain Optical Fibre Cable (OFC) networks on EPC basis. Its collection of turnkey offerings comprises Project Management, Logistics Management, Network Implementation, Technical Site Survey, and Supply and Installation of Equipment in the following areas:

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

Update:

- The share of Engineering Services SBU changed marginally from 57.5% to 54.1% in FY2019-20 even though the revenue declined on an absolute basis.
- The issues faced by the Group in completing the legacy projects are nearly resolved with many completed and others near completion.
- The new projects won in the previous few years in India, and international markets such as Tanzania and Nepal are either complete or near completion.
- The focus of the Group remains on winning

profitable projects only. The unexecuted order book at the end of FY2019-20 for ES is Rs. 682.03 Cr.

- The Group is working on making headway with many new EPC opportunities such as Sewage Network & Treatment Plants, Gas Distribution Networks, Smart Cities, and Metro projects.
- To create regular cash flow based profitable revenue stream, it is also looking at Operations & Maintenance (O&M) services for the assets in the areas where it provides EPC services.
- The Group plans to sign-up power utilities in Distribution Franchise agreements to provide controlled impedance, limiting fault current and other solutions involving the application of superconductors in the Power sector.

2. Facility Management Services (FMS)

The FMS solutions of the Group include Technical and Business Support offerings for institutions covering all the aspects and phases of Facility Management. The types of facilities serviced by the FMS SBU include corporate offices, railway coaches and stations, airports, ports, other commercial establishments, and public places such as parks and beaches. The consumer play of the SBU is a direct-to-consumer mobile app-based facility management service branded as “Magic Genie Home Services”. Under this service, the SBU offers high-quality, tailored facility management solutions to end-consumers and SMEs. The complete bouquet of services extended by the Group include:

Technical Services	Business Support: Front Office & Vendor Management	Business Support: Consulting
<ul style="list-style-type: none"> • Electro-Mechanical • HVAC • Fire Safety • Civil • Operation & Maintenance of Equipment 	<ul style="list-style-type: none"> • Mailroom • Reception • HR • Help Desk • Soft Services • Housekeeping • Cleaning • Janitorial • M - Security • E-Security 	<ul style="list-style-type: none"> • Workforce, Energy & Vendor Management Audit • Project Management • Turnkey Projects • Building Operations • Inventory Control • Regulatory Compliance • Utilities Management • Energy Management • Service Audits • Moves & Rearrangements • Project Management Consulting

Update:

- During fiscal 2019-20, the FMS segment revenue declined on a YOY basis by ~14%, but its contribution in the total revenue pool of the Group expanded from 30.8% to 33% as the overall top-line declined more.
- The SBU's dedicated efforts to expand to overseas markets has been pushed back due to the COVID-19 pandemic. However, it hopes to successfully enter markets such as the Middle East when the pandemic is overcome.

- The SBU has expanded its presence in Railways to 11 out of 16 Railway Zones and is a leading partner for high-pressure mechanized cleaning at stopovers, intensive rake cleaning at depots, and onboard housekeeping services.
- With a considerable reduction in the financial burden on the balance sheet, the SBU is well-positioned to expand.

3. Municipal Solid Waste (MSW)

MSW has been the chief growth segment for the Group for the past few years on the back of opportunities

created by the Swachh Bharat Abhiyaan. Its business involves the collection, transportation, treatment, and disposal of solid waste generated in urban areas. While collection and waste separation are the more intensive parts, the SBU can add the most value in Collection & Transportation by using scientific methods. The Group has bagged multiple decade long concession periods/ contracts for MSW services in many cities. It has been actively involved in the Swachh Bharat Abhiyaan and river rejuvenation initiatives of the Indian Government. 'Safai Mitra' app for direct collection of waste from households and offices is a technological innovation developed by the SBU.

Update:

- With Swachh Bharat Abhiyaan awards continuing to be coveted by urban local bodies and the pandemic driving people's behaviour in terms of emphasis on cleanliness and sanitation, this segment is expected to recover the fastest from the economic side-effects of the pandemic.

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

As an extension of its other businesses, the Group entered green power generation business by establishing four plants based on the waste-to-energy process in Punjab and Uttar Pradesh. The rated capacity of each plant is 15 MW. The plants faced a set-back initially as they could not be operated because the quality of Refuse Derived Fuel (RDF) was not as per the required quality. The Group then decided to change

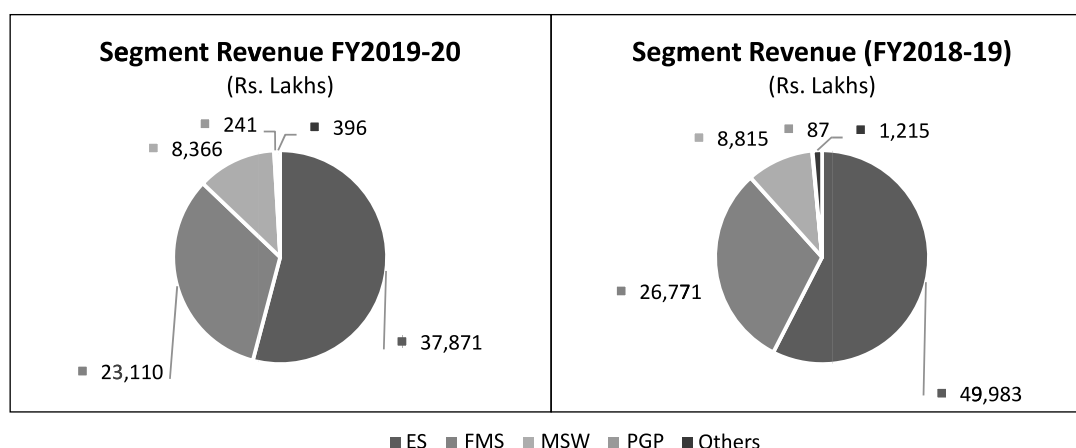
the power generation plants to only solid waste-based power plants to enable them to accept the available RDF / solid waste as fuel.

Update:

- The Nakodar Power Plant is now fully equipped as an RDF based power plant. Hence, the Company, in order to re-determine the tariff as per RDF based WTE plants, has filed a petition before the PSERC/ State Commission for power plant situated at Nakodar (15 MW) for treating the said power plant as a RDF based Power Plant.
- Due to COVID-19 pandemic and other operational issues, all three power plants are currently non-operational.

4. Financial Review

The Group's operating revenues for the FY2019-20 on a consolidated basis were Rs. 700 crores as against Rs. 869 crores in FY2018-19, which translates into a slippage of 19.4%. This was mainly due to a 24.2% decrease in the ES segment revenue and a 13.7% reduction in the FMS business revenue. The MSW business only declined marginally from Rs. 88 crores to Rs. 84 crores in FY2019-20. The pandemic affected these segments heavily in the last quarter of the financial year. The Group has a significant business presence in the North-East region, which was negatively affected by the CAA/ NRC protests impacting the business. The PGP business picked up the pace with revenue jumping from a paltry Rs. 87 lakhs to Rs. 241 lakhs 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 Profit (EBITDA before Other Income) was a loss of Rs. 29 crores vs a profit of Rs. 58 crores in the previous year. This fall was because of a sudden decline in revenue due to pandemic in the last quarter and limited scope to reduce the costs. The Group was able to maintain its finance costs at the level of Rs. 60 crores because of reduced outstanding debt resulting from one-time settlements with banks and asset reconstruction companies by way of issue of shares, upfront payments, and deferred instalments. During FY2019-20, the A2Z Infra Engineering settled with DBS all its outstanding

liabilities (including interest) as on April 30, 2019, of Rs. 122.46 crores through a full cash One Time Settlement where the Company paid an amount of Rs. 2 crores upfront and balance of Rs. 28 crores were to be repaid progressively by March 31, 2021. There was a net Exceptional Items loss even after these one-time settlements because of impairment of capital assets and write-offs of trade receivables, goodwill, and excess revenue. Because of this Exceptional Items loss, the Group's net profit of Rs. 287 crores in FY2018-19 turned into a net loss of Rs. 278 crores in the year under review.



Impact of COVID-19

The COVID-19 pandemic upset the execution of the EPC projects and operation of the Group's power plants. The Group will face substantial obstacles in resuming operations as most of the EPC projects and power plants are in remote areas from where the staff and working labourers had to move away due to the lockdown and most of them have migrated back to their villages. It is also challenging to get the necessary permissions from local authorities to resume operations. The execution of most projects also requires the continued presence of client personnel, who may be

indisposed to be at the site due to different priorities or logistical challenges related to the lockdown. Most EPC projects require clear weather and availability of land for execution, which may be unavailable if farmers start sowing. If the resumption of work is delayed beyond the onset of monsoon season, such projects may be unable to restart before November. The pandemic has also resulted in the postponement of Client payments as the required certifications were on hold negatively impacting the cash in flows. These impacts are likely to sustain for the next few months at the minimum.

Key Changes in Financial Ratios

Parameter	FY 2019-20	FY 2018-19	Change	Explanation
Debtor Turnover (Days)	478	413	15.74%	-
Inventory Turnover	84	43	95.35%	Higher starting inventory for FY2018-19 skewed last year's number.
Interest Coverage Ratio	-0.24	0.84	-128.57%	Revenue declined due to pandemic in the last quarter of the year, and relatively static nature of the costs affected the operating profitability of the Group and turning profit in the previous year to a loss.
Current Ratio	0.94	1.03	-8.77%	Revenue decline reduced the current assets; however, costs did not reduce proportionately. Hence, there was an increase in short-term borrowings and payables, while the current assets declined.
Debt Equity Ratio	1.15	0.48	139.58%	Reduction in equity base due to loss, while the total debt remained nearly the same.
EBITDA margin %	-0.10%	8.70%	-101.15%	Revenue declined due to pandemic in the last quarter of the year, and relatively static nature of the costs affected the operating profitability of the Group and turning profit in the previous year to a loss.
Net Profit Margin %	-38.20%	32.30%	-218.27%	Revenue declined due to pandemic in the last quarter of the year, and relatively static nature of the costs affected the operating profitability of the Group and turning profit in the previous year to a loss. Prior year result included an exceptional gain arising from the one-time settlement of debts as against an exceptional loss in the reported year from asset impairment and write-offs.
Return on Net Worth %	-68.19%	41.80%	-263.13%	Net loss in the reported year vs profit in the last year because of revenue decline and exceptional loss.

5. Business SWOT

Strengths	Weakness
<ul style="list-style-type: none"> Technical expertise and excellent track record of 15+ years in all its main business areas Focused on diverse segments of the broader Infrastructure sector with the right mix of project-based and continuous services. Synergies between these segments such as sharing of the workforce, overlapping technical skills Access to a large pool of technically trained and skilled human resources to deliver projects Capability to innovate and offer transformative products addressing a related need in its main areas of business 	<ul style="list-style-type: none"> High levels of debt Client concentration in terms of Government business, especially SEBs, which are usually under financial stress Highly capital- and labour-intensive business model

Opportunities	Threats
<ul style="list-style-type: none"> Focus on sanitation, cleanliness, and added measures to keep the workforce safe from COVID-19 infection would likely improve traction for its Facility Management business. Growing electricity and connectivity demand requiring power, including renewable, and telecom infrastructure New opportunity on the horizon based on the Government's efforts to improve the Ease of Living for all citizens, which involves providing piped drinking water to all Swachh Bharat mission encouraging municipal corporations and councils to invest in professional MSW management Growth in Grade A office spaces requiring specialised Facility Management Services. The Government also open to inviting participation from private FMS players 	<ul style="list-style-type: none"> Recession due to COVID-19 pandemic resulting in deferment of sanctioned and new projects and outsourcing initiatives Stressed balance sheets of telecom companies, SEBs, who constitute a significant segment of clients Litigation due to project delays

6. Risks & Concerns

The Group's robust risk management framework specifies practices that are well integrated with the Group's business processes across planning, execution, and review activities to integrate the risk consciousness at the day-to-day work level for the entire workforce. Keeping each employee aware of the risks affecting their area of work and their role in managing and mitigating them is given equal importance by the Group. The key risks that the Group is exposed during its normal conduct of business and corresponding mitigation approaches are listed below.

#	Risk	Mitigation Approaches
1	Macro-economic risk: The Group's largest business segment of Engineering Services is heavily dependent on the macro-level investment and demand scenario, which is linked with the economic and political fortunes of its country specific markets. These conditions also affect the availability of budget and funds with the clients, hence moderately affect other business divisions such as Facility Management Services, Municipal Solid Waste Management, etc. which are needed even in challenging economic times. Prevailing interest rates have a significant impact on the Finance Costs for the Group because of its sizeable debt.	<ul style="list-style-type: none"> Expand geographically to widen the base of customers and distribute country and state risk. Offering portfolio diversification to expand opportunity size and add counter cyclical and low demand volatility businesses. Align focus on specific offerings with market trends. Select customers and segments that are creditable and financially stable and are less affected by negative macro-trends. Reduce debt levels to deflate the impact of rising interest rates. Improve operating efficiencies to protect profits even in scenarios where revenue may be adversely affected.
2	Client concentration risk: Heavy dependence on a small group or specific sector of clients may lead to a substantial impact on the financial performance of the company in the event of any adverse scenarios affecting individual clients or the sectors. In case of the Group, it is heavily reliant on Government business, and within it the State Electricity Boards, Transmission and Distribution Companies, and Municipal Bodies.	<ul style="list-style-type: none"> Expand geographically to widen the base of customers. Select customers and segments that are creditable and financially stable and are less affected by negative macro-trends. Focus on getting a higher percentage of business from Top 20 clients, but a lower number for Top 1 and Top 5 clients to reduce dependence and yet avoid a long tail of small clients, which affects profitability.
3	Capital risk: The major businesses that the Group runs require a significant amount of working capital. Hence, availability of adequate funds in time for project execution is an imperative. Any delays can jeopardize project profitability, viability, and/ or completion.	<ul style="list-style-type: none"> Diversify offerings to include stable cash flow generating ones to bolster internal accruals. Push for payment terms that include advances to cover initial investments and turn projects into positive cash flow ones. Reduction in long-term debt to keep the balance sheet clean enough to secure adequate working capital lines of credit from banks/ Financial Institutions.
4	Execution risk: The Group undertakes complex projects, many of which are of long duration, and with many	<ul style="list-style-type: none"> Continuously invest in improving project management resources and capability, including established SOPs for project execution.



	dependencies and external interfaces. It is therefore a very real possibility that there may be stoppages during execution either due to non-availability of input raw materials, input data, and regulatory clearances in adequate quantity and in-time or disputes and differences with community/ stakeholders or quality deficient work. These could magnify the chances of project failure in terms of deliverables, timeline, and/ or profitability.	<ul style="list-style-type: none"> • Build ample buffers in terms of time and resources at the project planning and budgeting stage. • Purchase adequate professional liability insurance to cover any penalties due to deficiency in client deliverables. • Community liaison and dispute resolution mechanism to manage interface with stakeholder in society at large. • Bring external expertise on board as a partner or supplier to handle highly complex or risky projects.
5	<p>Human resource risk:</p> <p>Having a services-focused offering portfolio means, the Group relies on availability of managerial, skilled, and semi-skilled workforce to execute its business. Any risk of non-availability of personnel with the right skills, in right quantity, and in-time can affect the financial performance of the Group. The motivation and commitment levels of the employees can also affect the quality and completeness of the work delivered by the Group, which may lead to liabilities or disputes with customers. The Group may also face labour unrest due to internal issues related to the work environment or compensation. Many of the tasks involved in the business executed by the Group are of hazardous nature and accidents may result in harm to the employees resulting in claims on the company.</p>	<ul style="list-style-type: none"> • Consider Human Resource (HR) function as a strategic function to give proper management attention to critical activities such as recruitment, organization development, and employee engagement. • Emphasis on proper business and project planning to give the HR function sufficient lead times for sourcing resources. • Pay market-level or above market compensation, build an open culture with clear communication, and offer redressal mechanisms for any grievances. • Have well-defined SOPs and monitor implementation to prevent accidents. Make adequate safety equipment and protection kits available to shield employees from any injuries or health risks. Buy group health and life cover for employees to cover for emergency medical expenses and take care of family in the event of death on duty.

7. Human Resources

As a services company, primarily, the Group's work force of managerial, skilled, and semi-skilled resources is the biggest asset. Managing them with the utmost care, deftness, and compassion is necessary to create an enabling environment to help them function at their best. Besides, non-availability of staff with appropriate skills and in right numbers can lead to direct loss of revenue. Hence, the Group ensures that all the required attention and resources are made available for the Talent Management (Recruitment, Separation, and Performance Management), Training & Development, Career Planning, Rewards & Recognition, and Employee Engagement activities of the Human Resources department. The extensive reliance on technical and customer interfacing skills to create a positive service experience for the customer requires a particular focus on capability development through training programs covering a vast swathe of the workforce. It also maintains a steady and transparent stream of internal communication to keep the staff connected to the organization.

As on March 31, 2020, the total employee strength of the Group was 8005 employees, of which 1031 were technical employees. The gross recruitment figure across the Group was 6922 employees.

8. Corporate Social Responsibility

The Group has fulfilled its duties as a responsible corporate citizen over the years despite not crossing the minimum defined threshold for spending 2% of its profits on Corporate Social Responsibility (CSR) activities most of the time. Through its businesses, the Group is playing a meaningful role in building up the infrastructure of the country and

facilitating the nation in achieving the objective of Clean India. Besides these contributions, the Group engages in some direct activities to support a variety of social causes through its flagship CSR program, Sahyog. The main area of interest for these initiatives is promoting environmental awareness and sanitation. The Group has adopted maintenance of open spaces and zebra crossings in various cities to help the corporations to improve civic amenities. It has also conducted many projects to promote welfare and development of Project Affected Persons and the areas that are adjoining its projects.

9. Internal Control Systems

The Company has a well-defined and sufficiently robust internal control systems that ensure compliance and enable strategic course corrections by highlighting any deviations from plans. The staff diligently follow and periodically undergo training to refresh their knowledge of the Standard Operating Procedures (SOP) related to controls.

The financial controls implemented by the Company define the policies and procedures to foster adherence to Group policies, safeguard its assets, prevent and detect frauds and errors, wholly and accurately account all transactions, and preparation of reliable financial information in time. The management controls put in place by the Company include business reviews to monitor performance against plans, operational reviews to ensure observance of operational SOP related to Operating Manuals, Quality Standards and Health, Safety, and Environmental needs. These controls and related business and process data are reviewed by the Audit Committee of the Board of Directors to ensure adequacy and efficacy of the control measures. The

measures are modified based on any observed anomaly or in line with evolving best practices. The Committee relies on the audit of financial information by the Statutory Auditors and of process compliance by the Internal Auditors appointed by the Company in line with the regulatory requirements.

10. Outlook

The COVID-19 pandemic started affecting the Group's operations right from March 2020. The announcements of complete lockdown meant the projects got stalled as no construction was permitted. The decisions related to one-time-settlement of debts and financial closures of completed projects got delayed. The situation is probably going to remain like this for a big part of the year. The dynamics for all business segments of the Group are likely to transform due to pandemic's second-order effects. New investments in power, telecom, and sanitation sectors are likely to be deferred as the Government would divert resources towards COVID-19 management and subsidies for poor sections of the society. FMS business is expected to be affected by reducing the occupancy of office buildings due to a shift towards work-from-home. However, an increased focus on health and sanitation is expected to increase the adoption of professional FMS solutions. The Group may face labour shortage due to worker migration due to lockdown, which would increase the cost of operations. The focus of the Group would be to continue monitoring the situation as the

restrictions are released and respond appropriately. Besides existing businesses, depending upon the pick-up in business sentiments and activity after opening, the Group would pursue newer opportunities such as Operations & Maintenance (O&M) opportunity in managing the fixed assets, facility management for public spaces, water pipelines, and sewerage systems. The Group will rationalize operating costs and improve financial viability by restructuring debt obligations by one-time settlements. The main objective of the Group in the short-term is to survive these difficult times by following the approach stated above.

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 of 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 including an Independent Woman Director to maintain independence and efficiency of the Board in its functions of governance and 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. 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, 2020, the Board comprises of Seven (7) Directors. Out of the total strength, three (3) are Non-Executive Independent directors one of whom is Woman Independent Director; 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 Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs (‘IICA’)The Board periodically evaluates the need for change in its composition.

Pursuant to Section 164(2) of the Act, all the Directors have also provided annual declarations that they have not been disqualified to act as Directors. The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Act and SEBI LODR, 2015 as amended from time to time.

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	10	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)
Dr. Ashok Kumar (DIN: 00054771)	Non-Executive & Independent Director	3	3	3	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
Ms. Atima Khanna* (DIN: 07145114)	Non- Executive & Independent Director	4	6	-	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, Ms. Atima Khanna was appointed as Additional Non-Executive Independent Director of the Company w.e.f. May 23, 2019 and was regularized in Annual General Meeting of the Company effective from September 28, 2019.

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 Five (5) times during the financial year 2019-20 i.e. on May 23, 2019, June 21, 2019, August 13, 2019, November 14, 2019 and February 20, 2020. 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	5	5	Yes
Dr. Ashok Kumar	5	3	No
Ms. Atima Khanna	5	5	No
Mr. Amit Mittal	5	3	Yes
Mr. Rajesh Jain	5	5	Yes
Ms. Dipali Mittal	5	3	Yes
Dr. Ashok Kumar Saini	5	3	Yes

The details of the shareholding of Directors as on March 31, 2020 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	4,90,988	0.28%
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://media.a2zgroup.co.in/pdf/Familiarization%20Programme%20for%20Independent%20Directors.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 the board of Directors possess such below mentioned skills:

- 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.
- Governance-Experience in developing governance framework, serving the best interests of all stakeholders, driving board and management accountability, building long-term effective stakeholder engagements and sustaining corporate ethics and values.

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 actions taken report.



(a) Constitution and Terms of Reference

As on March 31, 2020, the Audit Committee comprises of Four(4) Directors, three(3) of them are Non-Executive Independent Directors and one (1) 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:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of payment to statutory auditors for any other services rendered by the statutory auditors;
3. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval;
4. Significant adjustments made in the financial statements arising out of audit findings;
5. Qualifications in the draft audit report;
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. Approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Evaluation of internal financial controls and risk management systems;
10. 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 and 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, , 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 2019-20 ended on March 31, 2020, the Committee met Four (4) times i.e. on May 23, 2019, August 13, 2019, November 14, 2019, and February 20, 2020. The CFO 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, 2020 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Dr. Ashok Kumar	Chairman	Non- Executive & Independent Director	3
Mr. Surender Kumar Tuteja	Member	Non- Executive & Independent Director	4
Mr. Rajesh Jain	Member	Executive & Non Independent Director	4
Ms. Atima Khanna*	Member	Non- Executive & Independent Director	4

**During the year under review, Audit Committee was reconstituted on May 23, 2019 where by Ms. Atima Khanna was appointed as member of the Committee.

- *Mr. Atul K. Agarwal, Company Secretary cum Compliance Officer acts as the Secretary to the Audit Committee.*
- *Dr. Ashok Kumar, Chairman of the Audit Committee was not able to attend the previous Annual General Meeting held on September 28, 2019 and Board of Directors of the Company authorized Mr. Surender Kumar Tuteja to answer the queries of the members of the Company.*

3.2 Nomination & Remuneration Committee

(a) Constitution and Terms of Reference

As on March 31, 2020, the Nomination & Remuneration Committee comprises of Two (2) Non-Executive Independent Directors and one (1) 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 2019-20 ended as on March 31, 2020, the committee met four(4) times i.e. on April 08, 2019, May 23, 2019, August 13, 2019 and March 04, 2020.,

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2020 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Dr. Ashok Kumar	Chairman	Non- Executive & Independent Director	3
Mr. Surender Kumar Tuteja	Member	Non- Executive & Independent Director	4
Ms. Dipali Mittal	Member	Non- Executive & Non Independent Director	4

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

(c) Performance Evaluation Criteria for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of 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.pdf

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 2019-20 is as under:

(Amount in INR)

S.No.	Name	Sitting Fees paid	Commission payable
1.	Mr. Surender Kumar Tuteja	5,50,000	NIL
2.	Dr. Ashok Kumar	3,75,000	NIL
3.	Ms. Dipali Mittal	300,000	NIL
4.	Dr. Ashok Kumar Saini	75,000	NIL
5.	Ms. Atima Khanna	3,00,000	NIL
	Total	16,00,000	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.



Due to abatement/rejection by the Central Government for the application filed for remuneration to Mr. Amit Mittal and Mr. Rajesh Jain, executive directors of the Company, they are not getting any remuneration from the Company. However, they have been appointed as executive directors in A2Z Infraserivices Limited, material subsidiary of the Company and are getting remuneration from there.

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.

As on March 31, 2020, 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 2019-20 ended on March 31, 2020, the Committee met four (4) times i.e. on May 23, 2019, August 13, 2019, November 14, 2019 and March 04, 2020

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, 2020 are given below:

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

*During the year, Stakeholders Relationship Committee was reconstituted on August 13, 2019 whereby Ms. Atima Khanna was appointed as member of the Committee and Mr. Surender Kumar Tuteja left the Stakeholders Relationship Committee.

- Name and designation of compliance officer: Mr. Atul K. Agarwal designated as President & Company Secretary.
- Dr. Ashok Kumar, Chairman of the Stakeholders Relationship Committee was not able to attend the previous Annual General Meeting held on September 28, 2019 and Board of Directors of the Company authorized Mr. Surender Kumar Tuteja to answer the queries of the members of the Company.

Details of investor complaints received and redressed during the year 2019-20 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 on March 04, 2020 during the financial year 2019-20. All the members were present in the meeting. 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 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, 2020.

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 20, 2020, 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 except Dr. Ashok Kumar 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.pdf

5. **GENERAL BODY MEETINGS**

A. **ANNUAL GENERAL MEETING**

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

Financial Year ended	Venue	Date	Time	Special Resolution passed in last three Annual General Meetings
2019	GIA House, I.D.C., Mehrauli Road, Opposite Sector-14, Gurugram-122001, Haryana	September 28, 2019	10:30 AM	1. Re-appointment of Mr. Surender Kumar Tuteja (DIN 00594076) as Non-Executive Independent Director of the Company. 2. Re-appointment of Dr. Ashok Kumar (DIN 00054771) as Non-Executive Independent Director of the Company.
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.



Financial Year ended	Venue	Date	Time	Special Resolution passed in last three Annual General Meetings
2017	HSI IDC Hall, Phase-V, Udyog Vihar, Gurugram-122016, Haryana	September 29, 2017	09:30 AM	<ol style="list-style-type: none"> 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

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

6. GENERAL SHAREHOLDER INFORMATION

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

6.2 19th Annual General Meeting

Date : September 30, 2020
 Day : Wednesday
 Time : 10.30 A.M
 Mode : Video Conferencing



6.3 Financial Calendar

Financial year	: April 01 to March 31
Results for the quarter ending	: Actual/Tentative Date for approval
June 30, 2020	: On or before September 15, 2020
September 30, 2020	: On or before November 14, 2020
December 31, 2020	: On or before February 14, 2021
March 31, 2021	: Latest by May 30, 2021

6.4 Date of Book Closure

The Register of members and Share Transfer books of the Company will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (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 2019-20, 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 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

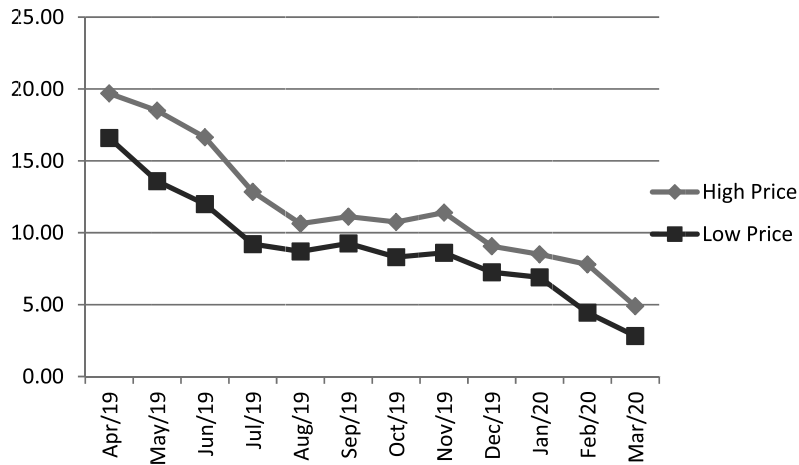
The details of monthly highest and lowest closing price of the equity of the Company and its comparison to broad based indices Sensex (BSE) and Nifty (NSE) during financial year 2019-20 are as under:

BSE Limited				
Month & Year	A2Z Stock (in INR)		Sensex	
	High Price	Low Price	High	Low
Apr-19	19.70	16.60	39,487.45	38,460.25
May-19	18.50	13.60	40,124.96	36,956.10
Jun-19	16.65	12.00	40,312.07	38,870.96
Jul-19	12.85	9.21	40,032.41	37,128.26
Aug-19	10.63	8.70	37,807.55	36,102.35
Sep-19	11.12	9.26	39,441.12	35,987.80
Oct-19	10.75	8.30	40,392.22	37,415.83
Nov-19	11.40	8.61	41,163.79	40,014.23
Dec-19	9.06	7.25	41,809.96	40,135.37
Jan-20	8.50	6.90	42,273.87	40,476.55
Feb-20	7.80	4.44	41,709.30	38,219.97
Mar-20	4.89	2.82	39,083.17	25,638.90

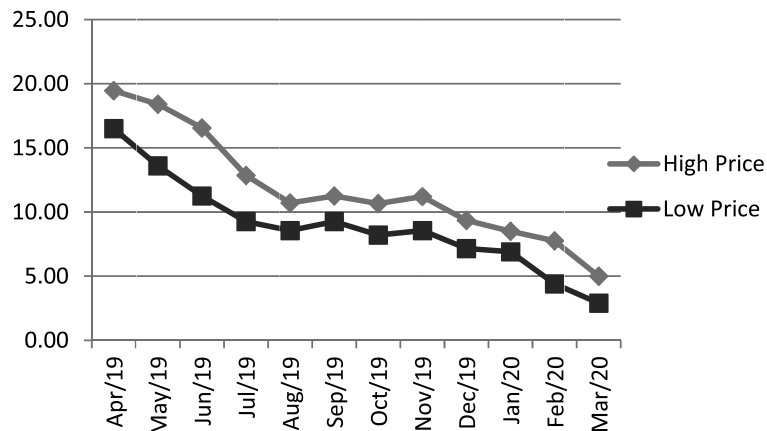


National Stock Exchange of India Limited				
Month & Year	A2Z Stock (in INR)		Nifty	
	High Price	Low Price	High	Low
Apr-19	19.45	16.50	11,856.15	11,549.10
May-19	18.40	13.60	12,041.15	11,108.30
Jun-19	16.55	11.25	12,103.05	11,625.10
Jul-19	12.85	9.25	11,981.75	10,999.40
Aug-19	10.70	8.55	11,181.45	10,637.15
Sep-19	11.25	9.25	11,694.85	10,670.25
Oct-19	10.65	8.20	11,945.00	11,112.65
Nov-19	11.20	8.55	12,158.80	11,802.65
Dec-19	9.35	7.15	12,293.90	11,832.30
Jan-20	8.50	6.90	12,430.50	11,929.60
Feb-20	7.75	4.40	12,246.70	11,175.05
Mar-20	5.00	2.90	11,433.00	7,511.10

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). Shareholders can send their queries regarding Transmission/ Dematerialisation of shares and any other correspondences relating to the shares of the Company to the Registrar and Share Transfer Agent. Shareholders holding shares in electronic mode should address all correspondences to their respective depository participants. The address of RTA is as follow:

M/s Alankit Assignments Limited

Alankit House, 4E/2, Jhandewalan Extension,
New Delhi – 110 055

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

Fax: +91 11 23552001, +91 11 42541201

Email: rta@alankit.com

Website: www.alankit.com

6.10 Share Transfer System

As per direction of Securities and Exchange Board of India, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. This measure has come into effect from April 01, 2019. Shareholders who are still holding share certificate(s) in physical form are advised to dematerialise their shareholding to facilitate transfers and avail other benefits of dematerialisation, which include easy liquidity, electronic transfer and elimination of any possibility of loss of documents and bad deliveries.

The Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Regulation 40(9) of the SEBI Listing Regulations. These certificates have been submitted to the Stock Exchanges. As stipulated by SEBI, a Company Secretary in Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis.

6.11 Distribution of Shareholding

(a) By number of shareholder & shares as on March 31, 2020

S. No.	Range of Shares	No. of Shareholders	% to Total Shareholders	No. of Shares	% of Shares to total shares
1	1-100	12,848	33.486	6,74,112	0.383
2	101-500	12,723	33.16	39,54,267	2.245
3	501-1000	5,098	13.287	44,05,640	2.502
4	1001-5000	5,550	14.465	1,37,70,782	7.819
5	5001-10000	1,055	2.75	78,96,112	4.483
6	10001-20000	521	1.358	76,70,817	4.355
7	20001-30000	185	0.482	46,18,824	2.623
8	30001-40000	72	0.188	25,78,360	1.464
9	40001-50000	72	0.188	32,58,049	1.85
10	50001-100000	124	0.323	88,66,817	5.035
11	100001-500000	100	0.261	2,14,31,428	12.169
12	500001 and Above	20	0.052	9,69,94,650	55.073
	TOTAL	38,368	100.00	17,61,19,858	100.00

(b) By category of shareholders as on March 31, 2020

Sr. No.	Category of Shareholder	Total number of shares	% of Holding
I	Shareholding of Promoter and Promoter Group		
	(a) Indian	5,04,96,785	28.67
	(b) Foreign	-	-
	Total Shareholding of Promoter & Promoter Group	5,04,96,785	28.67



Sr. No.	Category of Shareholder	Total number of shares	% of Holding
(II)	Public shareholding		
	(A) Institutions		
	(a) Mutual Funds/ UTI	-	-
	(b) Financial Institutions / Banks	10,610	0.01
	(c) Central Government/ State Government(s)	-	-
	(d) Venture Capital Funds	-	-
	(e) Insurance Companies	-	-
	(f) Foreign Institutional Investors	-	-
	(g) Foreign Venture Capital Investors	-	-
	(h) Foreign Portfolio Investors	42,96,000	2.44
	(i) Qualified Foreign Investor	-	-
	(j) Any Other (specify)	-	-
	(B) Non-institutions		
	(a) Individuals		
	Individuals -		
	i. Individual shareholders holding nominal share capital up to INR 2 lakh	3,33,14,455	18.92
	ii. Individual shareholders holding nominal share capital in excess of INR 2 lakh.	4,12,17,913	23.40
	(b) Qualified Foreign Investor	-	-
	(c) NBFCs registered with RBI	-	-
	(d) Any Other (specify)	4,67,84,095	26.56
	(d-i) Non Resident Indian	1,13,34,707	6.44
	(d-ii) Corporate Body	2,95,43,458	16.76
	(d-iii) Non-Resident Non-Repatriates	5,32,388	0.30
	(d-iv) Trust	-	-
	(d-v) Clearing Member	2,60,446	0.15
	(d-vi) Resident (HUF)	51,00,658	2.90
	(d-vii) IEPF	12,438	0.01
	Total Public Shareholding (A+B)	12,56,23,073	71.33
	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 99.99% of the Company's Share Capital are dematerialized as on March 31, 2020. 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, 2020)

Particulars of Shares	Equity Shares of INR 10/- each		Shareholders	
Dematerialised	Number	% of Total Shares	Number	% of Total Shareholders
NSDL	12,80,62,645	72.71	19,586	51.05
CDSL	4,80,52,270	27.28	18,766	48.91
Sub total	17,61,14,915	99.99	38,352	99.96
Physical form	4,943	0.01	16	0.04
Total	17,61,19,858	100.00	38,368	100.00

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

As on March 31, 2020, 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, Institutional Area,
Sector-32, 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

Alankit House, 4E/2, Jhandewalan Extension,
New Delhi – 110 055

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

Fax: +91 11 23552001

Email: rta@alankit.com

Website: www.alankit.com

7. Other Disclosures:

- i. **Materially Significant Related Party Transactions:** - There were no material significant transactions entered by the Company with the related parties and all transactions entered into by the Company with related parties as defined under the Act and Regulation 23 of SEBI 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.pdf>
- ii. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years i.e. 2017-18, 2018-19 and 2019-20 respectively:** No strictures or penalties have been imposed on the Company by the Stock Exchanges or by SEBI or by any other Statutory Authorities on any matters related to capital markets during the last three years, except a penalty imposed by both the Stock Exchanges for delay in filing of financial results for the Quarter ended December 31, 2019 due to want of quorum for the Audit Committee Meeting.

BSE vide their letter no. LIST/COMP/533292/Reg. 33-Dec-19/323/2019-20 dated March 03, 2020 and NSE vide their letter no. NSE/LIST-SOP/REG33/FINES/102959 dated March 03, 2020 advised us to pay the fines due as per SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018 and to hold Board Meeting for disclosure of aforesaid Financial Results as soon as possible. Company has duly held its meeting on February 20, 2020 and submitted the results to both the Stock Exchanges and complied with the notices received from both the Stock Exchanges and also paid the requisite penalty and delay was beyond control of the Management of the Company.
- 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.pdf](http://media.a2zgroup.co.in/pdf/VIGIL%20(WHISTLE%20BLOWER)%20POLICY_13.02.2019.pdf)



- iv. The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents, Policy on materiality of and dealing with related party transactions 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.pdf
http://media.a2zgroup.co.in/pdf/A2Z%20INFRA_ARCHIVAL%20POLICY.pdf
<http://media.a2zgroup.co.in/pdf/A2Z-%20Policy%20on%20Materiality%20of%20and%20Dealing%20with%20Related%20Party%20Transactions.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 30.1 to the Standalone Financial Statements.**
- x. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the Financial Year 2019-20**

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:** The Board has received the declaration from all the independent directors that they meet the criteria of independence as provided in sub-section (6) of section 149 and Regulation 16(1)(b) of SEBI LODR, 2015.
- xiii. **Credit ratings and revisions:** There is no revision in ratings for the bank facilities from the previous financial year as reviewed by the rating committee of Credit Analysis & Research Ltd. (CARE) and the rating recommended by them for the period under review is CARE D.

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, 2020 is attached as **Annexure-II**.

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 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 dematerialized 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, 2019.	1	105
Shareholders who approached the Company for transfer of shares from suspense account during the year.	0	NA
Shareholders to whom shares were transferred from the suspense account during the year.	NA	NA
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	1	105

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.



Annexure – I to CG Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

A2Z Infra Engineering Limited
O-116, 1st Floor, DLF Shopping Mall,
Arjun Marg, Gurugram - 122 002

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

**For DR Associates
Company Secretaries
Firm Regn.:P2007DE003300**

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

Date: September 04, 2020
Place: New Delhi

UDIN: F001647B000653091

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, 2020.

For A2Z INFRA ENGINEERING LTD

Place : Gurugram
Date : July 30, 2020

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



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
A2Z Infra Engineering Limited
New Delhi

We have examined the compliances of conditions of Corporate Governance by A2Z Infra Engineering Limited, for the year ended on 31st March 2020, 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 ***except there was delay in approval of Quarterly Financial Results under Regulation 33 of SEBI (LODR) for the quarter ended 31/12/2019 and consequential late submission and publication thereon***, however the Company has paid the fine both to NSE & BSE as per SEBI Circular no. SEBI/ HO/ CFD/CMD/CIR/P/ 2018/77 dt. 3rd May 2018.

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

UDIN: F001647B000653100

Place : New Delhi
Date : September 04, 2020



Independent Auditor's Report

To the Members of A2Z Infra Engineering Limited

Report on the Audit of the Standalone Financial Statements

Disclaimer of Opinion

1. We were engaged to audit the accompanying standalone financial statements of A2Z Infra Engineering Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches located at Tanzania, Nepal, Uganda and Zambia.
2. We do not express an opinion on the accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

Basis for Disclaimer of Opinion

- 3a. As stated in Note 31 to the accompanying standalone financial statements, the Company has incurred a net loss before exceptional items of Rs. 7,848.20 lakhs during the year ended 31 March 2020, and as of that date, the Company's accumulated losses amount to Rs. 72,673.92 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 6,925.90 lakhs. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in Note 31. The Company has also delayed in repayment of borrowings and payment of dues payable to other lenders including delays with respect to dues payable under one-time settlement agreements, as further detailed in Note 22.2. As confirmed by the management, the Company has been in discussions with the lenders regarding restructuring of these borrowings, the resolution for which is yet to be finalised. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Company is in discussions is uncertain in the absence of any confirmations from such customers and potential impact of COVID-19. Such events and conditions, together with the uncertainty arising on account of COVID-19 pandemic and its possible impact on management's assumptions, as further described in Note 46, and other matters as set forth in the note 31, cast significant doubt on the Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the management's assessment with respect to restructuring of borrowings and availability of funds, we are unable to comment on the ability of the Company to continue as a going concern.

- 3b. As stated in Note 22.1 and 22.2 to the accompanying standalone financial statement, the Company has borrowings from certain banks which have been classified as non-performing assets ('NPA borrowings') and those from certain other banks/ asset reconstruction company (together referred to as 'the Lenders'). The Company had entered into settlement agreements ("Settlement Agreements") with some of these Lenders for the aforesaid loans. As described in the said note, the Company has delayed payments in respect of the instalments due to these Lenders pursuant to the relevant loan agreements and Settlement Agreements. In respect of the aforementioned NPA borrowings and delayed payments under the Settlement Agreements, the Company has not recognised interest for the year ended 31 March 2020 aggregating to Rs. 1,809.46 lakhs (Rs. 1,595.92 lakhs for the year ended 31 March 2019) payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.

Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying standalone financials statement. Our opinion on the standalone financial statements for the year ended 31 March 2019 was qualified in respect of this matter.

- 3c. As stated in Note 5.2 to the accompanying standalone financial statement, the Company's non-current investment (net of impairment) in A2Z Green Waste Management Limited ("GWM"), its associate company and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 March 2020, aggregate to Rs. 20,889.42 lakhs, Rs. 418.24 lakhs and Rs. 399.73 lakhs, respectively. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints due to which it may not be able to meet the projections as per the approved business plans. Based upon the valuation report of an independent valuer as at 31 March 2020, arbitration awarded in favor of GWM and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying standalone financial statement.

Emphasis of Matter

4. We draw attention to:

- a. Note 3.1 to the accompanying standalone financial statement, which describes the significant estimates and assumptions used by the management for determining recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 2,533.87 lakhs and Rs. 4,374.29 lakhs respectively as at 31 March 2020, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, "Impairment of Assets". Basis such valuation, the management believes that no further adjustment is required to the carrying value of the aforesaid cogeneration power plants.
- b. Note 40 (a) to the accompanying standalone financial statement, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.
- c. Note 23.1 to the accompanying standalone financial statement, which describes the uncertainty relating to utilisation of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Company will be able to avail the input tax credit for aforementioned matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Other Matter

9. We did not audit the financial statements of four branches included in the financial statement, whose financial information reflects total assets of Rs.11,472.49 lakhs as at 31 March 2020, and total revenues of Rs. 10,612.94 lakhs, total net loss after tax of Rs. 110.53 lakhs, and total comprehensive loss of Rs. 110.53 lakhs, and cash outflows (net) of Rs. 309.54 lakhs for the year then ended, as considered in the standalone financial statements. These financial statements of the aforesaid branches have been audited by their respective branch auditors, whose reports have been furnished to us by the management.

Further, all branches are located outside India whose financial statements 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. This report, in so far as it relates to the balances and affairs of these branches is based on the audit report of branch auditors, and the conversion adjustments prepared by the management of the Company and audited by us.

Report on Other Legal and Regulatory Requirements

10. Based on our audit procedures, and on the consideration of the reports of the branch auditors as referred to in paragraph 9 above, we report that the Company has not paid or



provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

11. As required by the Companies (Auditor's Report) Order, 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 a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a) as described in the Basis for Disclaimer of Opinion section, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. Proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) the reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d) the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - e) due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;
 - f) Due to the possible effects of the matters described under the Basis for Disclaimer of Opinion section, we are unable to state whether these matters or the matters described in Emphasis of Matter section have any 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 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - h) the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section, read with paragraph 12(b) above.

- i) we were also engaged to audit the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 July 2020 as per Annexure B expressed disclaimer of 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. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the Company has disclosed fully the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the Company has made adequate provision as at 31 March 2020, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; 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 Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000
UDIN: 20507000AAAACJ6690

Place: Ghaziabad
Date: 30 July 2020

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 2020

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) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- 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	633.82	March 2016 to August 2019	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	5,028.67	March 2018 to August 2019	20 th of subsequent month	Not paid yet
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Employee Provident fund	80.24	November 2015 to August 2019	15 th day of subsequent month	Not paid yet
Employee State Insurance Act, 1948	Employee State Insurance	19.71	June 2016 to August 2019	21 st day of subsequent month	Not paid yet



Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due Date	Date of payment
Employee Welfare Fund	Employee welfare fund	0.40	November 2016 to August 2019	25 th day of subsequent month	Not paid yet
Madhya Pradesh State Tax on Professions, Trades, Callings and Employment Act, 1995	Professional Tax	7.26	July 2012 to August 2019	10 th of subsequent month	Not paid yet
West Bengal State Tax on Professions, Trades, Callings and Employment Act, 1979	Professional Tax	0.90	April 2015 to August 2019	21 st of subsequent month	Not paid yet
Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Professional Tax	0.23	January 2017 to August 2019	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	0.06	May 2017 to August 2019	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 2019	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

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
Bihar Value Added Tax, 2005	Value Added Tax	203.61	61.08	2012-13	Commissioner, Commercial Tax, Bihar
	Value Added Tax	1,644.31	125.15	2013-14	Commissioner, Commercial Tax Bihar
	Value Added Tax	83.55	-	2010-11	Assessing Officer Commercial Tax, Bihar
The West Bengal Value Added Tax, 2003	Value Added Tax	653.11	50.00	2009-10	West Bengal Commercial Taxes Appellate & Revisional Board Kolkata
	Value Added Tax	1,019.00	175.00	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	Central Sales Tax	54.13	-	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board Kolkata
	Central Sales Tax	229.16	-	2011-12	Additional Commissioner (Appeal) Sales Tax
	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	2.37	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
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/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	1,312.97	720.02	-	-
Axis Bank	855.61	3,233.93	741.08	40.53
DBS	425.00	415.98	414.38	-
HSBC	80.00	-	-	-
ICICI Bank	13.31	464.45	211.71	-



(Amount in lakhs)

Particulars	Default (in months)			
	(0-3)	(3-6)	(6-12)	More than 12
Banks:				
IDBI Bank	-	57.69	161.53	571.10
Indusind Bank	235.74	-	-	-
Kotak Mahindra Bank	412.92	1,589.66	37.63	-
Standard Chartered Bank	300.00	302.25	1,130.00	2,000.00
State Bank of India	24.75	1,680.83	-	-
Union Bank of India	812.57	330.07	4.09	-
Financial Institutions:				
Edelweiss ARC- Yes Bank	400.00	50.00	250.00	-
Edelweiss ARC-ICICI Bank	478.44	480.44	725.16	972.93
SICOM Limited	85.85	142.72	2,592.13	-

- 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 not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3 (xi) of the order are not applicable.
- 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 Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Manish Agrawal

Partner

Membership No.: 507000

UDIN: 20507000AAAACJ6690

Place: Ghaziabad

Date: 30 July 2020

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 2020

Annexure B

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

- We were engaged to audit the internal financial controls with reference to standalone financial statements of A2Z Infra Engineering Limited ('the Company') as at 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

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

- 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

- Our responsibility is to express an opinion on the Company's



internal financial controls with reference to standalone financial statements based on conducting our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI.

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

5. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 standalone financial statements.

Disclaimer of Opinion

6. Because of matters described below, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company's internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2020:

The Company's internal controls with reference to financial statements with respect to (a) financial statements closure process towards assessing the Company's ability to continue as going concern were not operating effectively, which could potentially result in material misstatements in the carrying value and classification of assets and liabilities; (b) accrual of interest expenditure in accordance with Ind AS 23 'Borrowing Costs' and reconciliation of outstanding borrowings with lenders, were not operating effectively, which has resulted in a material misstatement in the amount of finance costs and other financial liabilities; and (c) estimating the fair value of its investment in an associate company, A2Z GWM, including dues recoverable from such associate company in accordance with Ind AS 109 'Financial Instruments' were not operating effectively, which could potentially result in a material misstatement in the carrying values of investments, other current financial assets, current financial assets - loans and the consequential impact resulting from the aforesaid findings on the earnings, reserves and related disclosures in the financial statements.

7. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2020, and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have issued a disclaimer of opinion on the standalone financial statements.

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

Manish Agrawal
Partner
Membership No.: 507000
UDIN: 20507000AAAACJ6690

Place: Ghaziabad
Date: 30 July 2020



Standalone Balance Sheet as at March 31, 2020

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

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	4,294.75	10,515.97
Right of use assets	3	85.01	-
Capital work-in-progress	3	4,374.29	14,156.80
Intangible assets	4	0.88	1.47
Financial assets:			
Investments	5	27,141.21	28,824.48
Loans	6	89.27	93.34
Other financial assets	7	1,411.30	2,126.49
Deferred tax assets (net)	8	2,668.96	6,274.96
Non-current tax assets (net)	9	4,351.98	3,518.31
Other non-current assets	10	13.08	28.41
		44,430.73	65,540.23
Current assets:			
Inventories	11	-	394.13
Financial assets:			
Investments	12	1,031.69	-
Trade receivables	13	81,837.39	89,474.71
Cash and cash equivalents	14	543.47	842.88
Loans	6	2,492.95	2,618.41
Other financial assets	7	16,363.37	15,985.72
Other current assets	10	13,033.81	12,948.20
Asset held for Sale	15	2,534.55	2,534.55
		117,837.23	124,798.60
		162,267.96	190,338.83
EQUITY AND LIABILITIES:			
Equity:			
Equity share capital	16	17,611.99	17,611.99
Other equity		18,383.11	47,163.30
		35,995.10	64,775.29
Liabilities:			
Non-current liabilities:			
Financial liabilities:			
Borrowings	17	223.38	2,734.64
Lease liability	18	46.51	-
Provisions	19	1,239.84	982.04
		1,509.73	3,716.68
Current liabilities:			
Financial liabilities:			
Borrowings	20	25,890.01	22,717.54
Lease liability	18	37.53	-
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		53.71	42.36
Total outstanding dues of creditors other than micro enterprises and small enterprises		56,835.05	55,998.44
Other financial liabilities	22	20,297.10	20,202.36
Other current liabilities	23	21,571.74	22,756.12
Provisions	19	77.99	130.04
		124,763.13	121,846.86
		162,267.96	190,338.83

Summary of significant accounting policies

2

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

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

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

For and on behalf of the Board of Directors

Sd/-
Manish Agrawal
Partner
Membership No. 507000

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)

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

Place : Ghaziabad
Date : July 30, 2020

Sd/-
Rajiv Chaturvedi
Chief Financial Officer
Place : Gurugram
Date : July 30, 2020

Sd/-
Atul Kumar Agarwal
Company Secretary



Standalone Statement of Profit and Loss for the Year ended March 31, 2020

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

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income:			
Revenue from operations	24	38,522.64	50,732.52
Other income	25	1,928.60	1,668.21
Total income		40,451.24	52,400.73
Expenses:			
Cost of materials consumed	26	34,006.32	39,921.52
Employee benefits expense	27	1,750.24	2,143.03
Finance costs	28	4,874.14	4,109.94
Depreciation and amortisation expenses	29	1,001.14	1,108.48
Other expenses	30	6,667.60	4,477.07
Total expenses		48,299.44	51,760.04
(Loss)/profit before exceptional item and tax		(7,848.20)	640.69
Exceptional items	43	(17,630.90)	2,690.55
(Loss)/profit before tax		(25,479.10)	3,331.24
Tax expense	32		
Current tax		3.60	71.55
Deferred tax (net)		3,606.00	47.47
		3,609.60	119.02
(Loss)/profit for the year		(29,088.70)	3,212.22
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Re-measurement of defined benefit obligations		31.07	35.32
Total other comprehensive income for the year		31.07	35.32
Total comprehensive income for the year (comprising (loss)/profit and other comprehensive income)		(29,057.63)	3,247.54
(Loss)/ Earning per equity share (INR) :	33		
(Nominal value of shares INR 10)			
Basic		(16.52)	1.82
Diluted		(16.52)	1.82
Summary of significant accounting policies	2		

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

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Manish Agrawal

Partner

Membership No. 507000

Place : Ghaziabad

Date : July 30, 2020

For and on behalf of the Board of Directors

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Place : Gurugram

Date : July 30, 2020

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary



Standalone Statement of Changes in Equity for the year ended March 31, 2020

(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, 2018	16	176,119,858	17,611.99
Changes during the year		-	-
Balance as at March 31, 2019	16	176,119,858	17,611.99
Changes during the year		-	-
Balance as at March 31, 2020	16	176,119,858	17,611.99
B. Other equity:			
		Reserves and surplus*	
		Securities premium account	General reserve
		Employee stock option plan reserve	Retained earnings
			Total equity attributable to equity holders
Balance as at March 31, 2018	89,586.56	640.14	472.98
Profit/(loss) for the year	-	-	3,212.22
Other comprehensive income	-	-	35.32
Total comprehensive income			3,247.54
Transfer from Employee stock option plan reserve on lapse	-	-	(55.40)
Transactions with owners in their capacity as owners:			
Employee stock option (ESOP) expense for the year	-	-	170.74
On account of ESOP given to employees of subsidiaries/associates	-	-	20.38
Balance as at March 31, 2019	89,586.56	640.14	608.70
Profit/(loss) for the year	-	-	(29,088.70)
Other comprehensive income	-	-	31.07
Total comprehensive income	-	-	(29,057.63)
Transfer from Employee stock option plan reserve on lapse	-	-	(55.81)
Transactions with owners in their capacity as owners:			
Employee stock option (ESOP) expense for the year	-	-	269.05
On account of ESOP given to employees of subsidiaries/associates	-	-	8.39
Balance as at March 31, 2020	89,586.56	640.14	830.33

* Refer Note 2(j) for nature and purpose of reserves.

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

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Manish Agrawal

Partner

Membership No. 507000

Place : Ghaziabad

Date : July 30, 2020

For and on behalf of the Board of Directors

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Place : Gurugram

Date : July 30, 2020

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary

Standalone Cash Flow Statement for the year ended March 31, 2020

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

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
A Cash flows from operating activities:		
Net (Loss)/profit before tax (after exceptional items)	(25,479.10)	3,331.24
Adjustments:		
Exceptional items	17,630.90	(2,690.55)
Depreciation and amortisation expense	1,001.14	1,108.48
Loss/ (gain) on disposal of property, plant and equipment (net)	7.54	(25.79)
Interest expense	4,404.76	3,647.21
Interest income	(1,175.93)	(1,192.50)
Provision for contract revenue in excess of billing	165.35	164.52
Inventory written off	108.02	-
Provision for doubtful debts and advances	4,078.86	1,509.18
Liability/provision written back	(161.79)	-
Provision for warranty	716.58	707.06
Provision for employee benefits	28.32	43.15
Advances/ earnest money deposit written off	-	44.47
Recognition of share based payments at fair value	266.13	170.74
Unwinding of discount on security deposits	(0.31)	(0.11)
Gain on modification of lease contract	(0.15)	-
	27,069.42	3,485.86
Operating profit before working capital changes	1,590.32	6,817.10
Net changes in working capital		
Changes in inventories	286.11	(44.99)
Changes in trade receivables	(3,965.70)	(1,127.87)
Changes in loans	110.70	(548.04)
Changes in other financial assets	(2,070.43)	33.87
Changes in other assets	(871.35)	(3,144.04)
Changes in trade payables	3,211.96	(1,528.67)
Changes in provisions	(560.96)	(40.08)
Changes in financial liabilities	880.57	151.48
Changes in other liabilities	(2,168.06)	12,177.81
Net changes in working capital:	(5,147.16)	5,929.47
Cash (used in)/ flow from operations	(3,556.84)	12,746.57
Current taxes paid (net of refunds)	(837.27)	(907.48)
Net cash (used in)/ flow from operating activities (A)	(4,394.11)	11,839.09



Standalone Cash Flow Statement for the year ended March 31, 2020

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

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
B Cash flows from investing activities:		
Payments for property, plant and equipment (including capital work-in-progress)	(30.44)	(73.93)
Proceeds from sale of property, plant and equipment	32.30	34.66
Proceed from loss of control	-	5.01
Fixed deposits matured/ (placed) - (net)	671.05	(622.23)
Interest received	298.39	317.48
Net cash flow from/(used in) investing activities (B)	971.30	(339.01)
C Cash flows from financing activities:		
Repayments of long-term borrowings (net)	(2,195.65)	(9,644.71)
Proceeds/(Repayments) from short term borrowings (net)	7,158.87	(1,534.59)
Payment of lease liabilities	(31.30)	-
Interest paid	(1,808.52)	(575.61)
Net cash flow from/(used in) financing activities (C)	3,123.40	(11,754.91)
Net (decrease) in cash and cash equivalents (A+B+C)	(299.41)	(254.84)
Cash and cash equivalents at the beginning of the year	842.88	1,097.71
Cash and cash equivalents at the end of the year	543.47	842.88
Reconciliation of cash and cash equivalents as per the cash flow statement. (Refer Note 14)	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents as per above comprises of the following :		
a. Cash in hand	1.62	0.72
b. Balance in current account	541.85	842.16
Balances as per statement of cash flows	543.47	842.88

Note : All figures in brackets are outflows.

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

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

Sd/-

Manish Agrawal

Partner

Membership No. 507000

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Place : Ghaziabad

Date : July 30, 2020

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Sd/-

Atul Kumar Agarwal

Company Secretary

Place : Gurugram

Date : July 30, 2020



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020

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.

These standalone financial statements ('financial statements') for the year ended March 31, 2020 were authorized and approved for issue by the Board of Directors on July 30, 2020. The revisions to the standalone financial statements are permitted by the Board of Directors of the Company after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the act.

2 : SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies act, 2013 ("The Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 issued by Ministry of Corporate Affairs ('MCA'). All other relevant provisions of the Act, as amended, are also complied with in these financial Statements. The Company has prepared these financial statements which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The financial statements have been prepared on going concern basis using a historical cost convention, except certain financial assets and financial liabilities which are measured at fair value as explained in relevant accounting policies.

The financial statements are presented in INR which is assessed to be the functional currency of the Company in accordance with Ind AS. All values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

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

2.2 Use of estimates and judgments

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

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

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

Significant management judgements

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

- **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Classification of leases** – The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020

Estimation uncertainty

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

- **Recoverability of advances/ receivables** – At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.
- **Classification of assets and liabilities into current and non-current** – The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities.
- **Warranty provision** – The management makes estimate of costs that would be incurred with respect to warranties given on products. The provision requires use of several estimates based on past data and expectations of future.
- **Impairment of assets** – In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.
- **Useful lives of depreciable/amortisable assets (Property, plant and equipment and intangible)** – Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.
- **Revenue recognition** – The Company uses the 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.

Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A tax provision is recognised when the Company has a present obligation as a result of a past event; it is probable that the Company will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020

of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

2.3 Significant accounting policies

a) Revenue recognition

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

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

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

Significant judgments are used in:

- 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.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020

ii. Revenue from operation and maintenance services

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

iii. Income from professional and data processing services

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

iv. Revenue from operation of plant

Revenue from operation of plant is recognised on transfer of significant risks and rewards of ownership to the buyer which is when delivered, and measured on an accrual basis based on the rates in accordance with the provisions of the Power Purchase Agreements (PPAs) entered into by the Company with the procurer/s of power. Claims for delayed payment charges and other claims are accounted by the Company on accrual basis in accordance with the provisions of the PPAs only when it is reasonable to expect ultimate collection. Excise Duty is not applicable on generation and sale of power. Sales exclude sales tax and value added tax, where applicable.

v. Revenue from sale of goods

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

vi. Other income

- 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. Income from export incentives such as duty drawback is recognized on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.
- D. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

b) Foreign currencies and operations

i. Functional and presentation currency

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

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020

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

ii. Subsequent measurement

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

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

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

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

e) Intangible assets

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

f) Investments

Investment in equity instruments of subsidiaries and associates are measured at cost as per Ind AS 27 'Separate Financial Statements'.

g) Leases

i. Where the Company is the lessee - Right of use assets and lease liabilities

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in notes). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020

Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

ii. Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease, except when the lease rentals, increase are in line with general inflation index. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

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

h) Financial instruments

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

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 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 standalone financial statements for the year ended March 31, 2020

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.

c) 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:



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020

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

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

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

❑ **Financial liabilities measured at amortised cost**

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

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

❑ **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

d) **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:

- Financial assets that are debt instruments, and are measured at amortised cost.
- 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
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and the application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

i) **Equity shares**

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

j) **Reserve and surplus**

Nature and purpose of reserves;

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, 2020

d) Employee stock option plan reserves

The Company has six types of Option schemes under which options to subscribe for the Company's share have been granted to certain employees. The Employee Stock Option Plan Reserves is used to recognise the value of equity settled share based payments provided to employees. Refer note 27.2 for further details of these plans.

k) Cash and cash equivalents

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

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

l) Income taxes

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

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

m) Fair value measurement

The Company measures financial instruments at fair value on initial recognition

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

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

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

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

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



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020

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

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

n) Impairment of non-financial assets

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.

o) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes all applicable overheads in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

p) Provisions, contingent liabilities and contingent assets

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 assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

q) Employee benefits

i. Short-term employee benefits

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

ii. Post-employment benefits

1. **Defined contribution plans:** The 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.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020

- 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 Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

r) Borrowing costs

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

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

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

s) Earnings per share

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

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

t) Segment reporting

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

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

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

No asymmetrical allocations have been applied between segments.

u) Share based payments

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



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020

v) Current/non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

w) Exceptional items

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

2.4 Recent accounting pronouncements

Amendment to Ind AS 103, Business Combinations

On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 103 whereby definition of the business has been amended. Additionally, new amendments also provide new aspects to evaluate a set of activities as business. The effective date of these amendments is April 1, 2020. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 116, Leases

On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 116 in respect of rent concessions occurring as a direct consequence of the Covid-19 pandemic. The effective date of these amendments is April 1, 2020. However, in case an entity (lessee) has not yet approved the financial statements before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1, 2019 as well. Currently, the Company does not have any such scenario and hence, the Company has not considered any impact of this amendment on these financial statements.

Amendment to Ind AS 1, Presentation of Financial Statements

On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 1 whereby definition of the word 'Material' has been enhanced to make it more explanatory and it now covers more scenarios. The effective date of these amendments is April 1, 2020. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 10, Events After the Reporting Period

On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 10 in respect of disclosure requirement related to non-adjusting event. This amendment requires additional information to be disclosed for material non-adjusting events. The effective date of these amendments is April 1, 2020. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 3 : PROPERTY, PLANT AND EQUIPMENT, RIGHT TO USE OF ASSET AND CAPITAL WORK IN PROGRESS

	Freehold land	Leasehold improvement	Computers	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total	Right to use of asset (Refer Note 42)	Capital work in progress
Gross carrying amount:											
Balance as at April 1, 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)	-	(181.20)	-	(190.04)	-	-
Asset 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
Additions	-	-	1.65	-	0.44	-	-	3.00	5.09	125.13	-
Disposals	-	-	(1.99)	-	(215.69)	(2.90)	(49.11)	(0.84)	(270.53)	(13.48)	-
Balance as at March 31, 2020	635.10	26.00	457.98	3,723.40	13,336.31	126.77	1,567.32	526.10	20,398.98	111.65	26,788.01
Accumulated depreciation and impairment:											
Balance as at April 1, 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	767.16	4.35	82.60	1.06	1,096.62	-	-
Impairment (Note 3.1)	-	-	-	71.41	228.34	-	0.25	-	300.00	-	3,900.00
Disposals	-	-	-	-	(6.44)	-	(173.56)	-	(180.00)	-	-
Asset held for sale (Refer Note 15)	-	-	-	(296.60)	-	-	-	-	(296.60)	-	-
Balance as at March 31, 2019	-	26.00	457.17	1,400.66	6,072.28	122.48	1,548.21	521.65	10,148.45	-	12,631.21
Depreciation	-	-	1.79	199.95	746.15	3.33	19.47	1.33	972.02	28.53	-
Impairment (Note 3.1)	-	-	-	1,834.51	3,375.77	-	4.02	-	5,214.30	-	9,782.51
Disposals	-	-	(1.99)	-	(176.55)	(2.90)	(48.26)	(0.84)	(230.54)	(1.89)	-
Balance as at March 31, 2020	-	26.00	456.97	3,435.12	10,017.65	122.91	1,523.44	522.14	16,104.23	26.64	22,413.72
Net carrying amount:											
Balance as at March 31, 2020	635.10	-	1.01	288.28	3,318.66	3.86	43.88	3.96	4,294.75	85.01	4,374.29
Balance as at March 31, 2019	635.10	-	1.15	2,322.74	7,479.31	7.19	68.23	2.29	10,515.97	-	14,156.80

Note 3.1: Impairment

The management has performed an 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, 2020, such plants have a power generation capacity of 15 MW each. Till the year ended March 31, 2019, the assessment had been done on the basis of assumptions of the useful life of assets, discounted cash flows with significant underlying assumptions, the 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. During the current year, certain disputes arose with sugar mills in respect of cogeneration power plants and accordingly the management of the Company has decided to shift these power plants to other locations which is yet to be finalized. Accordingly, the management carried out an impairment assessment and has recorded an impairment of INR 29,536.28 lakhs (March 31, 2019: INR 14,539.47 lakhs) in carrying value of these assets as at March 31, 2020. 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 as at March 31, 2020, INR 22,413.72 lakhs (March 31, 2019: INR 12,631.21 lakhs) pertain to two power plants, which are yet to be capitalised and INR 7,122.56 lakhs (March 31, 2019: INR 1,908.25 lakhs) are for power plant which has already been capitalised. Accordingly, the Company has charged the impairment for the power plants amounting INR 14,996.81 lakhs (March 31, 2019: INR 4,200 lakhs) under exceptional items in the statement of profit and loss.

The recoverable amount of all three cogeneration power plants is based on their fair value determined based on the depreciated replacement cost.

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, 2020
(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, 2020	As at March 31, 2019
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	70.79
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)	(22,413.72)	(12,631.21)
Total	4,374.29	14,156.80

Note 4 : INTANGIBLE ASSETS

	Computer Software	Total
Gross carrying amount:		
Balance as at April 01, 2018	537.86	537.86
Additions	-	-
Disposal/adjustments	-	-
Balance as at March 31, 2019	537.86	537.86
Additions	-	-
Disposal/adjustments	(5.33)	(5.33)
Balance as at March 31, 2020	532.53	532.53

Amortisation and impairment:

	Computer Software	Total
Balance as at April 01, 2018	524.53	524.53
Amortisation for the year	11.86	11.86
Balance as at March 31, 2019	536.39	536.39
Amortisation for the year	0.59	0.59
Disposal/adjustments	(5.33)	(5.33)
Balance as at March 31, 2020	531.65	531.65
Net carrying amount:		
Balance as at March 31, 2020	0.88	0.88
Balance as at March 31, 2019	1.47	1.47

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 5 : NON-CURRENT INVESTMENTS		
Carrying amount		
I. Investments in equity instruments		
(i) Subsidiary companies	7,695.40	8,760.45
(ii) Associate companies	14,212.16	14,170.41
	21,907.56	22,930.86
II. Investments in preference shares (debt portion)		
(i) Subsidiary companies	311.49	272.54
(ii) Associate companies	7,640.97	6,685.50
	7,952.46	6,958.04
III. Provision for impairment in value of non-current investment		
(i) Subsidiary companies	(1,786.40)	(133.01)
(ii) Associate companies	(932.41)	(931.41)
	(2,718.81)	(1,064.42)
Total	27,141.21	28,824.48

Note 5.1 Details of investments:

	As at March 31, 2020	As at March 31, 2019
I. Investment in equity instruments [Valued at cost]:		
(i) Subsidiary companies [Unquoted]:		
A. In fully paid-up equity shares :		
3,580,410 (March 31, 2019: 3,580,410) equity shares of INR 10 each in A2Z Infraservices Limited	6,072.29	6,072.29
125,000 (March 31, 2019: 125,000) equity shares of INR 10 each in A2Z Powercom Limited	10.00	10.00
1,400,000 (March 31, 2019: 1,400,000) equity shares of INR 10 each in A2Z Powertech Limited	133.01	133.01
50,000 (March 31, 2019: 50,000) equity shares of INR 10 each in Mansi Bijlee & Rice Mills Limited	5.00	5.00
60,000 (March 31, 2019: 60,000) equity shares of INR 10 each in Magic Genie Services Limited	6.00	6.00
Nil (March 31, 2019: 1,146,326) equity shares of INR 10 each in Chavan Rishi International Limited (Refer Note 5.1.5)	-	1,031.69
	6,226.30	7,257.99
B. Investment in preference shares (equity portion)		
14,958,000 (March 31, 2019: 14,958,000) fully paid up, 0.01% Non participative cumulative redeemable preference shares of INR 10 each in Mansi Bijlee & Rice Mills Limited	1,335.90	1,335.90
	1,335.90	1,335.90
C. Investment in subsidiaries, other than in shares (Refer note 5.1.3)	133.20	166.56
	133.20	166.56
	7,695.40	8,760.45
D. Provision for impairment in value of non-current investment		
A2Z Powertech Limited (in equity share)	(133.01)	(133.01)
Mansi Bijlee & Rice Mills Limited (in preference share - equity portion)	(1,335.90)	-
Magic Genie Services Limited (in equity share)	(6.00)	-
	(1,474.91)	(133.01)



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments [Valued at cost]:		
(ii) Associates companies [Unquoted]:		
A. In fully paid-up equity shares : (Refer note 5.1.4)		
9,693,987 (March 31, 2019: 9,693,987) equity shares of INR 10 each in A2Z Green Waste Management Limited.	969.40	969.40
24,000 (March 31, 2019: 24,000) equity shares of INR 10 each in A2Z Waste Management (Nainital) Private Limited.	2.40	2.40
10,000 (March 31, 2019: 10,000) equity shares of INR 10 each in A2Z Waste Management (Jaipur) Limited.	1.00	1.00
	972.80	972.80
B. Investment in preference shares (equity portion)		
171,200,000 (March 31, 2019: 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
	13,197.61	13,197.61
C. Investment in associates, other than in shares (Refer note 5.1.3 & 5.1.6)		
	41.75	-
	41.75	-
	14,212.16	14,170.41
D. Provision for impairment in value of non-current equity investment		
A2Z Waste Management (Nainital) Private Limited	(2.40)	(2.40)
A2Z Green Waste Management Limited	(929.01)	(929.01)
A2Z Waste Management (Jaipur) Limited	(1.00)	-
	(932.41)	(931.41)
II. Investment in preference shares (Debt portion) [Valued at amortised cost]:		
Subsidiary companies [unquoted]:		
14,958,000 (March 31, 2019: 14,958,000) fully paid up, 0.01% Non participative cumulative redeemable preference shares of INR 10 each in Mansi Bijlee & Rice Mills Limited	311.49	272.54
Associates companies [unquoted]:		
171,200,000 (March 31, 2019: 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)	7,640.97	6,685.50
	7,952.46	6,958.04
Provision for impairment in value of non-current investment		
Mansi Bijlee & Rice Mills Limited (In preference share - debt portion)	(311.49)	-
	(311.49)	-
Total	29,860.02	29,888.90
Aggregate amount of unquoted investments	29,860.02	29,888.90
Aggregate amount of impairment in value of investments	(2,718.81)	(1,064.42)

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 December 16, 2019, the name of Selligence Technologies Services Private Limited has been struck off pursuant to section 248 of the Companies Act, 2013. Consequently, it ceased to be a subsidiary of the Company.

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



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 5.1.4 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 Associated and Joint Ventures'.

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 associates.

Additionally, the Company held 20% of share capital and 80% indirectly through its subsidiary AGWML till March 12, 2019 in A2Z Waste Management (Jaipur) Limited (AWMJL). On March 12, 2019, since the Company lost its control over AGWML, hence losing control over the AWMJL and therefore investment in AWMJL has been accounted for as associates (Refer Note 34).

Note 5.1.5 During the current year the Company has re-classified investment held in Chavan Rishi International Limited under current investment from non-current investments as the management of the Company intends to liquidate this investment as per the approved plan of the Board of Directors.

Note 5.1.6 This amount pertains to employee stock option granted to employees of the Company which were earlier subsidiaries and now have become associates of the Company.

Note 5.2: The Company, as at March 31, 2020, has non-current investments (net of impairment) amounting to INR 20,889.42 lakhs (previous year : INR 19,937.25 lakhs), other current financial assets (net of impairment) amounting to INR 418.24 lakhs (previous year : INR 411.51 lakhs) and current financial assets-loan amounting to INR 399.73 lakhs (previous year : INR 372.63 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, 2020 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. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments (net of impairment), other current financial assets (net of impairment) and current financial assets-loans due to which these are considered as good and recoverable.

Note 5.3 Investments pledged as collateral for borrowings from banks (Refer Note 17 and Note 20)

Note 5.4 The Company does not have any quoted investments.

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
<u>Note 6 : LOANS</u>				
(Unsecured considered good, unless otherwise stated)				
Security deposits (Refer Note 6.2)				
Considered good	530.95	89.27	1,174.64	93.34
Credit impaired	173.77	50.30	178.77	-
Less: Provisions for impairment	(173.77)	(50.30)	(178.77)	-
	530.95	89.27	1,174.64	93.34
Loans to related parties (Refer Note 6.1)				
Subsidiaries				
Considered good	906.60	-	-	-
Credit impaired	1,135.69	-	1,275.81	-
Less: Provisions for impairment	(1,135.69)	-	(1,275.81)	-
	906.60	-	-	-
Associates (refer note 5.1.4 and note 5.2)	1,053.06	-	1,443.75	-
Loan to employees	2.34	-	0.02	-
Total	2,492.95	89.27	2,618.41	93.34



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2020		As at March 31, 2019	
	Amount out-standing**	Maximum amount outstanding during the year	Amount out-standing**	Maximum amount outstanding during the year
Subsidiaries:				
a) A2Z Infraservices Limited	-	-	-	580.23
b) A2Z Powertech Limited	-	-	-	19.74
c) Mansi Bijlee & Rice Mills Limited	5.48	5.48	-	211.61
d) Ecogreen Envirotech Solution Ltd.	-	-	-	3.17
e) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	3.82	143.94	-	1,138.93
f) A2Z Waste Management (Ludhiana) Limited (Refer Note 34.4)	897.30	1,023.83	-	-
	906.60	1,173.25	-	1,953.68
Associates:				
a) A2Z Green Waste Management Limited	399.73	399.73	372.63	595.56
b) A2Z Waste Management (Jaipur) Limited	-	-	-	786.88
c) A2Z Waste Management (Ludhiana) Limited (Refer Note 34.4)	-	688.38	490.55	669.87
d) A2Z Waste Management (Ahmedabad) Limited	-	-	-	150.00
e) A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56	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	350.00	350.00
i) A2Z Waste Management (Sambhal) Limited	-	-	-	130.23
j) A2Z Waste Management (Varanasi) Limited	72.77	72.77	-	340.42
k) A2Z Waste Management (Jaunpur) Limited	-	-	-	9.00
	1,053.06	1,741.44	1,443.75	3,377.74
Total	1,959.66	2,914.69	1,443.75	5,331.42

* All the above loans are repayable on demand

** net of impairment

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

	As at March 31, 2020	As at March 31, 2019
Nature of the transactions (loans given/investment made/guarantee given/security provided) #		
(A) Loan and advances:		
Subsidiaries:		
a) Mansi Bijlee & Rice Mills Limited	5.48	-
b) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	3.82	-
c) A2Z Waste Management (Ludhiana) Limited (Refer Note 34.4)	897.30	-
Total	906.60	-
Associates:		
a) A2Z Green Waste Management Limited	399.73	372.63
b) A2Z Waste Management (Ludhiana) Limited (Refer Note 34.4)	-	490.55
c) A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56
d) A2Z Waste Management (Ranchi) Limited	350.00	350.00
e) A2Z Waste Management (Varanasi) Limited	72.77	-
Total	1,053.06	1,443.74

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
(B) Security deposit		
Subsidiaries:		
A2Z Infraservices Limited	57.31	546.96
Total	57.31	546.96
(C) Guarantees:*		
Subsidiaries:		
a) A2Z Infraservices Limited	10,674.00	10,818.00
b) A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	580.00	580.00
	11,254.00	11,398.00
Associates:		
a) A2Z Green Waste Management Limited	25,025.00	25,025.00
b) A2Z Waste Management (Merrut) Limited	1,100.00	1,100.00
c) A2Z Waste Management (Moradabad) Limited	480.00	480.00
d) A2Z Waste Management (Varanasi) Limited	2,000.00	2,000.00
	28,605.00	28,605.00

(D) Investments in fully paid equity instruments

All transactions are in the ordinary course of business.

* Also Refer Note 40(a)

Refer Note 5

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
<u>Note 7 : OTHER FINANCIAL ASSETS</u>				
[Unsecured, considered good unless otherwise stated]				
Deferred purchase consideration against sale of investment				
Considered doubtful	-	146.00	-	146.00
Less: Provision for doubtful assets	-	(146.00)	-	(146.00)
	-	-	-	-
Earnest money deposit				
Considered good	-	-	262.17	-
Considered doubtful	226.88	-	-	-
Less: Provision for doubtful deposit	(226.88)	-	-	-
	-	-	262.17	-
Other assets				
Considered good*	5,406.77	455.24	1,812.97	499.38
Considered doubtful	320.73	99.00	302.94	99.00
Less: Provision for doubtful assets	(320.73)	(99.00)	(302.94)	(99.00)
	5,406.77	455.24	1,812.97	499.38
Contract revenue in excess of billings (Refer Note 7.1)				
Considered good	10,488.36	-	13,499.08	-
Considered doubtful	370.69	-	377.78	-
Less: Provision for doubtful assets	(370.69)	-	(377.78)	-
	10,488.36	-	13,499.08	-



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
Recoverable from associates (Refer Note 5.2)				
Considered good	468.24	-	411.50	-
Considered doubtful	877.12	-	877.12	-
Less: Provision for doubtful assets	(877.12)	-	(877.12)	-
	468.24	-	411.50	-
Bank deposits with more than 12 months maturity**	-	956.06	-	1,627.11
Total	16,363.37	1,411.30	15,985.72	2,126.49

*Includes amount due from a director of the Company-
Mr Amit Mittal (Refer Note 35.3) 34.93 - 74.93 -

*Includes amount due from a director of the Company-
Mr Rajesh Jain (Refer Note 35.4) 16.50 - 16.50 -

*Includes amount due from a director of the Company-
Mr Ashok Saini (Refer Note 35.4) 10.50 - 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 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, 2020	Credit/ (Charge) to statement of profit and loss	As at March 31, 2019	Credit/ (Charge) to statement of profit and loss	As at March 31, 2018
<u>Note 8 : DEFERRED TAX ASSETS (NET)</u>					
Deferred tax liabilities/(assets)					
Property, plant and equipment	(904.15)	(1,354.82)	450.67	15.45	435.22
	(904.15)	(1,354.82)	450.67	15.45	435.22
Deferred tax assets					
Provision for doubtful debts and unbilled receivables	1,390.03	(899.47)	2,289.50	(2,806.16)	5,095.66
Provision for doubtful advances and others receivables	-	(1,615.99)	1,615.99	174.93	1,441.06
Provision for warranty	287.44	(37.26)	324.70	246.90	77.80
Provision for bonus	43.08	(6.32)	49.40	15.04	34.36
Provision for employee benefits	44.26	(19.65)	63.91	2.38	61.53
Unabsorbed losses and depreciation	-	-	-	(44.92)	44.92
Provision for impairment	-	(2,382.13)	2,382.13	2,382.13	-
	1,764.81	(4,960.82)	6,725.63	(32.02)	6,755.33
Total	2,668.96	(3,606.00)	6,274.96	(47.47)	6,320.11

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 9 : NON-CURRENT TAX ASSETS (NET)		
Advance tax (net of provision)	4,351.98	3,518.31
Total	4,351.98	3,518.31

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
Note 10 : OTHER ASSETS				
[Unsecured, considered good unless otherwise stated]				
Capital advances				
Considered good	-	0.27	-	4.03
Considered doubtful	-	13.93	-	10.16
Less: Provision for doubtful advances	-	(13.93)	-	(10.16)
	-	0.27	-	4.03
Other advances				
Considered good	2,760.81	-	4,025.93	-
Considered doubtful	1,583.28	-	781.83	-
Less: Provision for doubtful advances	(1,583.28)	-	(781.83)	-
	2,760.81	-	4,025.93	-
Prepaid expenses	103.23	12.81	184.44	24.38
Balances with government authorities	10,169.77	-	8,737.83	-
	10,273.00	13.08	8,922.27	28.41
Total	13,033.81	13.08	12,948.20	28.41

	As at March 31, 2020	As at March 31, 2019
Note 11 : INVENTORIES		
[Valued at lower of cost or net realisable value]		
Project stores and spares	-	394.13
Total	-	394.13

Note 11.1: Inventories with a value of INR Nil (March 31, 2019 : INR 394.13 lakhs) are carried at net realisable value, this being lower than cost. During the year ended March 31, 2020, INR 108.02 lakhs (March 31, 2019 : INR Nil) 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, 2020	As at March 31, 2019
Note 12 : CURRENT INVESTMENTS		
Carrying amount		
I. Investments in equity instruments		
Subsidiary companies	1,031.69	-
	1,031.69	-
Total	1,031.69	-



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 12.1 Details of investments:

	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments [Valued at cost]:		
Subsidiary companies [Unquoted]:		
In fully paid-up equity shares :		
1,146,326 (March 31, 2019: NIL) equity shares of INR 10 each fully paid up in Chavan Rishi International Limited (Refer Note 12.1.1)	1,031.69	-
Aggregate amount of unquoted investments	1,031.69	-

Note 12.1.1 During the current year the Company has re-classified investment held in Chavan Rishi International Limited under current investment from non-current investments as the management of the Company intends to liquidate this investment as per the approved plan of the Board of Directors.

Note 12.2 Investments pledged as collateral for borrowings from banks (Refer Note 17 and Note 20)

Note 12.3 The Company does not have any quoted investments.

	As at March 31, 2020	As at March 31, 2019
<u>Note 13 : TRADE RECEIVABLES</u>		
Trade receivables - (Unsecured):		
From other than related parties		
Considered good	81,302.32	84,260.04
Credit impaired	5,027.39	2,604.38
	86,329.71	86,864.42
From related parties		
Considered good	535.07	5,214.67
Credit impaired	64.93	3,569.76
	600.00	8,784.43
Less: Loss allowance (Refer Note 13.3)	(5,092.32)	(6,174.14)
Total	81,837.39	89,474.71

Note 13.1 : Trade receivables include retention money of INR 46,123.11 lakhs (March 31, 2019 INR 47,846.64 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 company has engaged major / principal sub-contractors for executing certain projects wherein cash flows under these projects are earmarked for payments to their sub-contractors or respective banks who had provided the required non-fund based/fund based limit for the aforementioned project. Accordingly, cash-flows arising out of realization from certain projects amounting to INR 63,958.70 lakhs (March 31, 2019 INR 59,325.36 lakhs) will be transferred to the aforementioned contractors or banks according to their respective agreements. Further, out of the remaining INR 17,878.69 lakhs (March 31, 2019 INR 30,149.35 lakhs) an amount of INR 13,131.38 lakhs (March 31, 2019 INR 18,477.26 lakhs) are on account of retention receivable which is pending for more than 3 years as on date.

Note 13.3 : The movements in the loss allowance is presented below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance as at the beginning of the year	6,174.14	14,958.46
Changes in loss allowance:-		
Add: Provided for during the year	3,130.90	1,287.32
Less: Receivables written off during the year	(4,212.72)	(10,071.64)
Balance as at the end of year	5,092.32	6,174.14

All trade receivables are short-term. The effect of any difference between the effective interest rate applied and the estimated

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2020	As at March 31, 2019
<u>Note 14 : CASH AND CASH EQUIVALENTS</u>		
Balances with banks in current account	541.85	842.16
Cash in hand	1.62	0.72
Total	543.47	842.88

	As at March 31, 2020	As at March 31, 2019
<u>Note 15 : ASSETS HELD FOR SALE</u>		
Building*#	2,534.55	2,534.55
Total	2,534.55	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 property is 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. Expected date of sale of building held for sale is March 31, 2021.

Assets held for sale are pledged as collateral for borrowings from banks (Refer Note 17 and Note 20).

	Number of Shares	Amount
<u>Note 16 : EQUITY SHARE CAPITAL</u>		
(i) Authorised share capital		
Equity shares of INR 10 each		
Balance as at April 1, 2018	240,000,000	24,000.00
Changes in equity share capital	-	-
Balance as at March 31, 2019	240,000,000	24,000.00
Changes in equity share capital	-	-
Balance as at March 31, 2020	240,000,000	24,000.00
(ii) Issued, subscribed and fully paid up		
Equity Shares of INR 10 each		
Balance as at April 1, 2018	176,119,858	17,611.99
Issue of equity share capital	-	-
Balance as at March 31, 2019	176,119,858	17,611.99
Issue of equity share capital	-	-
Balance as at March 31, 2020	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, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	176,119,858	17,611.99	176,119,858	17,611.99
Balance as at the end of the year	176,119,858	17,611.99	176,119,858	17,611.99



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
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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, 2020 and March 31, 2019

vi) No equity shares of INR 10.00 each bought back pursuant to Section 68, 69 and 70 of the Companies Act, 2013 for the period of 5 years immediately preceding March 31, 2020 and March 31, 2019

vii) Shares reserved for issue under options

Information relating to Employee option plan, including details of options issues, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 27.2.

viii) Details of shares held by shareholders holding more than 5% equity shares of the Company:

Equity shares of INR 10 each fully paid up	As at March 31, 2020		As at March 31, 2019	
	Number of Shares held	Holding	Number of Shares held	Holding
Amit Mittal	27,350,601	15.53%	27,350,601	15.53%
Mestric Consultants Private Limited	22,200,000	12.61%	22,200,000	12.61%
Standard Chartered Bank	-	-	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%
	60,982,762	34.63%	73,545,577	41.76%

	As at March 31, 2020		As at March 31, 2019	
	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)	7,219.15	95.58	5,292.43	626.81
Term loans from financial institution (Refer Note 17.3 and 17.5)*	3,776.35	-	2,503.70	1,005.91
Working capital term loans from banks (Refer Note 17.4 (a) and 17.5)	226.50	127.80	129.60	305.30
Funded interest term loans from banks (Refer Note 17.4 (b) and 17.5)	1,128.90	-	789.57	796.62
Total	12,350.90	223.38	8,715.30	2,734.64

*Refer Note 22.1 and 22.2

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 (including current maturities) and security provided in respect of secured non-current borrowings:

Note 17.2: Term loans from banks:

The above loan is secured against:

1) Term loans from banks amounting to INR 169.48 lakhs (March 31, 2019 INR 199.67 lakhs) having interest rate of 10.15% -

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
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10.75% per annum during the year are repayable in 28 quarterly installments, first installment was due in March 2016. The above loan is secured against:

- (i) First charge ranking pari passu on present and future fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.
 - (ii) Second charge ranking pari passu on present and future current assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.
 - (iii) Second charge ranking pari passu on both present and future current assets, as well as fixed assets of Company other than assets exclusively financed to other lenders.
 - (iv) Second Pari passu charge on the landed property first charged to DBS & SCB given for Term Loan.
- 2) Term loans from banks amounting to INR 488.65 lakhs (March 31, 2019 INR 525.22 lakhs) having interest rate from 10.15% - 10.75% per annum during the year are repayable in 21 quarterly installments, first installment was due in March 2016.

The above loan is secured against:

- (i) First charge ranking pari passu on both present and future current assets as well as fixed assets of the Company other than assets exclusively charged to other lenders.
 - (ii) Second charge ranking pari passu on both present and future current assets of the power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
 - (iii) Second Pari passu charge on the landed property first charged to DBS & SCB given for Term Loan.
- 3) Term loans from bank amounting to INR 6,656.60 lakhs (March 31, 2019 INR 5,194.35 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 installments and the first installment shall be due in July 2018, carrying Nil interest rate till September 30, 2019 and 13% per annum thereafter and for DBS, it is repayable in 9 installments and the first installment shall be due in July 2019. (Refer Note: 43.1).

The above mentioned loans of Standard Chartered Bank is secured against:-

- i) First charge by the way of equitable/registered mortgage over following two immovable properties in unit No 701, 7th Floor, Medicity support area, next to Medanta, Sector 38, Gurgaon Haryana and unit No 801, 8th Floor, Medicity Support Area, Next to Medanta, Sector 38, Gurgaon, Haryana.

The above mentioned loans of DBS Bank is secured against:-

- i) Equity shares of A2Z Infraservices Limited ("subsidiary company").
- ii) First charge on the property at B-38, Sector-32, Gurugram of Chavan Rishi International Limited ("subsidiary company").
- iii) Corporate guarantee of Chavan Rishi International Limited ("subsidiary company").

Note 17.3: Term loans from financial institution:

The loan amounting to INR 3,776.35 lakhs (March 31, 2019 INR 3,509.61 lakhs) is secured against first pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited.

The above loan is secured against

- (i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
- (ii) Second pari-passu charge on fixed assets and current assets on EPC business.
- (iii) Second pari-passu charge on exclusive property with DBS & SCB Bank given for the term Loan.

Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during previous year. The same is repayable in 9 quarterly installment and the 1st installment was due in March 2019. (Refer Note 43.1)

Note 17.4 (a) : Working capital term loan:

Working capital term loans from bank amounting to INR 354.30 lakhs (March 31, 2019 INR 434.90 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly installments. First installment was due in March 2015.

The above loan is secured against:

- (i) First pari passu charge on both present and future fixed assets as well as current assets of the Company or Borrower other



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than assets exclusively charged to other lenders.

- (ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.
- (iii) Second pari-passu charge on exclusive property with DBS & SCB Bank given for the term Loan.

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

Funded interest term loans from bank amounting to INR 817.66 lakhs (March 31, 2019 INR 1,274.96 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 25 quarterly installments. First installment was due in March 2015.

The above loan is secured against:

- (i) First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders.
- (ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.
- (iii) Second Pari passu charge on the landed property first charged to DBS & SCB given for Term Loan.

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, 2019 INR 311.24 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in single installment, which will due in March 2021.

The above loan is secured against:

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

Note 17.5: The Company has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

	As at March 31, 2020	As at March 31, 2019
Banks:		
- Principal		
0-3 Months	700.00	46.15
3-6 Months	1,015.14	-
6-12 Months	1,798.81	138.45
> 12 months	2,261.20	76.60
- Interest		
0-3 Months	30.71	1.39
3-6 Months	363.86	-
6-12 Months	193.27	2.22
> 12 months	56.86	10.44

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Note 18 : LEASE LIABILITY				
Lease liability (Refer Note 42)	37.53	46.51	-	-
	37.53	46.51	-	-

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Note 19 : PROVISIONS				
Provision for employee benefits				
Provision for gratuity (Refer Note 19.ii)	22.79	146.62	21.34	150.96
Provision for compensated absences	6.44	-	10.59	-
Others				
Provision for warranty (Refer Note 19.i)	48.76	1,093.22	98.11	831.08
Total	77.99	1,239.84	130.04	982.04

Movements in provisions:

	As at March 31, 2020	As at March 31, 2019
	Amount	Amount
i) Movement in provision for warranty during the financial year are as follows:		
Balance as at beginning of the year	929.19	222.65
Charged/ (credited) to profit or loss		
Additional provision recognised	716.58	707.06
Unwinding of the discounting	52.88	38.54
Amount reversed during the year	(556.67)	(39.06)
Balance as at end of the year	1,141.98	929.19

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 2 years and all would have been incurred within 3 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.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
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Leave wages [Short term employment benefit]:

The employees of the Company are entitled to leave as per the leave policy of the Company. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. Actuarial gains or losses are recognized in Statement of Profit and Loss.

A reconciliation of the Company's defined benefit obligation (DBO) and plan assets, i.e. the gratuity plan, to the amounts presented in the statement of financial position for each of the reporting periods is presented below:

Assets and liability (Balance sheet position)

	As at March 31, 2020	As at March 31, 2019
Present value of obligation	(170.41)	(174.38)
Fair value of plan assets	1.00	2.08
Net liability	(169.41)	(172.30)

Expenses recognised during the year

	For the year ended March 31, 2020	For the year ended March 31, 2019
In statement of profit and loss	32.47	41.49
In other comprehensive income	(31.07)	(35.32)
Total expenses recognized during the year	1.40	6.17

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, 2020	For the year ended March 31, 2019
Present value of obligation as at the beginning	174.38	170.10
Current service cost	19.43	28.71
Interest expense	13.20	13.00
Re-measurement or actuarial (gain) / loss arising from:		
- change in demographic assumptions	(0.05)	-
- change in financial assumptions	11.10	1.16
- experience adjustments	(42.11)	(36.62)
Benefits paid	(5.54)	(1.97)
Present value of obligation as at the year end	170.41	174.38

Bifurcation of net liability

	As at March 31, 2020	As at March 31, 2019
Current liability (short term)	22.79	21.34
Non-current liability (long term)	146.62	150.96
Net liability	169.41	172.30

Plan assets

The reconciliation of the balance of the assets held for the Company's defined benefit plan is presented below:

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Changes in the fair value of plan assets

	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets as at the beginning	2.08	2.95
Interest income	0.16	0.22
Employer's contribution	4.29	1.01
Benefits paid	(5.54)	(1.97)
Return on plan assets (excluding amount recognised as interest income)	0.01	(0.14)
Fair value of plan assets as at the year end	1.00	2.08

Expenses recognised in the profit and loss statement

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	19.43	28.71
Net interest cost	13.04	12.78
Expenses recognised in the profit and loss statement	32.47	41.49

Other comprehensive income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gains) / losses		
- change in demographic assumptions	(0.05)	-
- change in financial assumptions	11.10	1.16
- experience variance (i.e. Actual experience vs assumptions)	(42.11)	(36.62)
Return on plan assets (excluding amount recognised as interest income)	(0.01)	0.14
Components of defined benefit costs recognised in other comprehensive income	(31.07)	(35.32)

Financial assumptions

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

	As at March 31, 2020	As at March 31, 2019
Discount rate (per annum)	6.55%	7.55%
Salary growth rate (per annum)	5.00%	5.00%

Demographic assumptions

	As at March 31, 2020	As at March 31, 2019
Mortality Rate (% of IALM 12-14)	100.00%	100.00%
Normal Retirement age	60 Years	60 Years
Withdrawal Rate	10.00%	10.00%

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

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below 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:



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation (Base)	170.41	174.38

	As at March 31, 2020		As at March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	182.94	159.31	186.83	163.34
(% change compared to base due to sensitivity)	7.35%	(6.51%)	7.10%	(6.30%)
Salary Growth Rate (- / + 1%)	159.81	182.01	163.51	186.27
(% change compared to base due to sensitivity)	(6.22%)	6.81%	(6.20%)	6.80%
Attrition Rate (- / + 50%)	162.44	174.63	163.17	179.60
(% change compared to base due to sensitivity)	(4.68%)	2.47%	(6.40%)	3.00%
Mortality Rate (- / + 10%)	170.36	170.47	174.30	174.45
(% change compared to base due to sensitivity)	(0.03%)	0.03%	0.00%	0.00%

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, 2020	As at March 31, 2019
Within the next 12 months [next annual reporting period]	23.80	23.42
Between 2 and 5 years	69.71	79.23
Between 6 and 10 years	84.42	87.39
Beyond 10 years	115.47	138.67
Total expected payments	293.40	328.71

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2019: 7 years)

	As at March 31, 2020	As at March 31, 2019
<u>Note 20 : CURRENT BORROWINGS*</u>		
Carried at amortised cost		
From banks (secured) (Refer Note 20.1)		
Working capital loans	-	5,569.99
Cash credit facilities	23,297.88	16,409.97
Other borrowings (Refer Note 20.2)	-	737.58
From financial institution (secured) (Refer Note 20.3)	2,592.13	-
Total	25,890.01	22,717.54

*Refer Note 22.1 and 22.2

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

- a) The working capital loans of INR NIL (March 31, 2019 INR 5,569.99 lakhs) and Cash credit facilities of INR 23,297.88 lakhs (March 31, 2019 INR 16,409.97 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.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
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- 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 Sikar, Rajasthan;
 - (d) Land with Boundary wall, Gate No. 70, Vill Sherpur Madho urf Ghania Khara, 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 Ghaniakhara, 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.

Note 20.2: Other borrowings

1. Other borrowings amounting to NIL (March 31, 2019 INR 737.58 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 installments and the first installment was due in April 2018 (Refer Note 43.1)

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: Term loans from financial institution

Term loans from financial institution amounting to INR 2,592.13 lakhs (March 31, 2019 NIL), pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of facilities taken from bank. For SICOM, it is repayable within 30 days from the date of communication of the shortfall amount i.e. September 18, 2019 along with 19% interest rate per annum with monthly rests w.e.f. September 18, 2019 till the date of actual payment. The above loan is secured by first charge by way of Hypothecation and escrow in favour of SICOM of the entire retention money receivables of the Holding Company both present and future.

Note 20.4: 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, 2020	As at March 31, 2019
Banks:		
-Principal		
0-3 Months	1,271.00	1,816.01
3-6 Months	6,419.71	150.00
6-12 Months	-	2,000.00
> 12 months	-	5,491.71
- Interest		
0-3 Months	896.96	288.51
3-6 Months	395.66	164.24
6-12 Months	207.69	569.52
> 12 months	293.57	4,350.22



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Financial institutions:		
- Principal		
0-3 Months	400.00	1,225.00
3-6 Months	400.00	50.00
6-12 Months	3,192.13	225.00
> 12 months	800.00	593.24
- Interest		
0-3 Months	164.29	13.28
3-6 Months	223.16	8.03
6-12 Months	125.16	5.18
6-12 Months	172.93	-

	As at March 31, 2020	As at March 31, 2019
<u>Note 21 : TRADE PAYABLES</u>		
Total outstanding dues of micro enterprises and small enterprises (Refer note 21.1)	53.71	42.36
Total outstanding dues of creditors other than micro enterprises and small enterprises	56,835.05	55,998.44
Total	56,888.76	56,040.80

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, 2020	As at March 31, 2019
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	23.51	16.02
- interest amount	14.46	14.15
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	30.20	26.34
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Note 22 : OTHER FINANCIAL LIABILITIES				
Current maturities of long term debt (Refer Note 17 & 22.2)	12,350.90	-	8,715.30	-
Derivative liability (Refer note 43)	2,762.56	-	3,130.61	-
Interest accrued on borrowings (Refer note 22.1)	-	-	4,028.05	-
Interest accrued on others	1,860.19	-	1,146.47	-
Book overdrafts	185.73	-	108.12	-
Security deposits received	3,120.40	-	3,031.15	-
Payable against purchase of property, plant and equipment	17.32	-	42.66	-
Total	20,297.10	-	20,202.36	-

Note 22.1 The loan accounts of the Company have been classified as Non- Performing Assets by certain banks and they have not charged interest on the said accounts and also the Company has not charged interest on borrowings from certain banks/ Asset Reconstruction Company which had entered into Settlement agreement(s), therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to INR 1,809.46 lakhs for the year ended March 31, 2020 (INR 1,595.92 lakhs for the year ended March 31, 2019). The Company is already in discussion with the said banks and Asset Reconstruction Company for settlement of their dues.

Note 22.2 The Company had entered into Settlement agreement(s) ('Agreements') with certain banks/assets reconstruction company ('the Lenders') during the years/period ended March 31, 2018, March 31, 2019 and March 31, 2020 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred instalments. As at March 31, 2020, the Company has delayed payments in respect of the certain deferred instalments amounting INR 11,560.13 Lakhs (March 31, 2019: INR 5,096.00 lakhs) which were due and payable pursuant to these Agreements. So far, the Lenders have not given any written notice on event of default as per the agreements and the management is in discussions with the Lenders to condone the aforementioned delays.

Further, certain Lenders have filed an application with Debt Recovery Tribunal and other judicial authorities for recovery of its dues as they existed prior to the settlement agreement entered with it in earlier period. However, based on the terms of the agreement entered with such Lenders, the management believes that no additional liability shall devolve on the Company in addition to the carrying value of such liability as at March 31, 2020. The Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these standalone financial statements.

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.

	As at March 31, 2020	As at March 31, 2019
Note 23 : OTHER CURRENT LIABILITIES		
Advance purchase consideration against sale of property, plant and equipment	21.00	21.00
Advances from customers	4,016.89	7,366.87
Billing in excess of contract revenue	3,637.59	1,641.57
Other payables	615.59	5.48
Statutory dues payable (Refer Note 23.1)	13,280.67	13,721.20
Total	21,571.74	22,756.12

Note 23.1 During the financial year ended March 31, 2017, 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 received response to its application wherein the Authority 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,



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2020	For the year ended March 31, 2019
<u>Note 24 : REVENUE FROM OPERATIONS*</u>		
Sale/rendering of services		
Revenue from engineering services	37,590.07	48,384.76
Revenue from sale of power	241.00	87.01
Revenue from operation and maintenance services	384.09	1,933.71
Revenue from professional services	281.32	157.55
Revenue from data processing services	-	140.40
Other operating revenues:		
Sale of traded goods	26.16	21.97
Duty drawback	-	7.12
Total	38,522.64	50,732.52

* Refer Note- 41

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 25 : OTHER INCOME</u>		
Interest income:		
on fixed deposits	111.82	152.31
on loan given to subsidiaries/associate	1,063.22	908.69
on others	1.20	131.50
Other non-operating income		
Profit on sale of property, plant and equipment	-	25.79
Scrap sales	285.31	173.68
Provisions/liabilities written back	161.79	-
Foreign exchange fluctuation(net)	34.86	32.77
Miscellaneous	270.40	243.47
Total	1,928.60	1,668.21

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 26 : COST OF MATERIALS CONSUMED</u>		
Opening inventory	394.13	349.14
Add: Purchases *	12,673.61	21,418.81
Less: Recovery from contractors	(3.10)	-
Less: Inventory written off	(108.02)	-
Less: Closing inventory	-	(394.13)
Material consumed	12,956.62	21,373.82

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Freight and cartage	290.62	475.63
Sub contractor / erection expenses	18,388.73	15,601.93
Labour charges	26.62	147.70
Fabrication expenses	20.79	11.07
Site expenditure	47.06	30.94
Technical consultancy for projects	1,368.70	1,875.22
Power plant running expenses	583.54	346.50
Other direct cost	323.64	58.71
Total	34,006.32	39,921.52

[*] During the year, the Company has received an amount of INR Nil (March 31, 2019 INR 15.01 Lakhs) as insurance claim from the insurance company.

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 27: EMPLOYEE BENEFITS EXPENSE</u>		
Salaries and bonus including directors' remuneration	1,366.03	1,771.02
Contribution to provident and other funds (Refer Note 27.1)	55.51	91.98
Gratuity (Refer Note 19 ii)	32.47	41.49
Compensated absences benefits	(4.15)	1.66
Share-based payments (Refer Note 27.2)	269.05	170.73
Staff welfare expenses	31.33	66.15
Total	1,750.24	2,143.03

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 basic salary as per regulations. The contribution are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation the expense recognised during the year towards the defined contribution plan is INR 55.51 Lakhs (March 31, 2019 INR 91.98 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 Nomination and Remuneration 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 number of options in the aggregate.

(b) A2Z Employees Stock Option Plan, 2013- Tranche II

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on July 3, 2014 has granted 1,905,000 number of stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 19.95 each which is BSE closing market price on July 02, 2014 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then.



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(c) A2Z Employees Stock Option Plan, 2014

The members of the Company vide special resolution at the Annual General Meeting held on September 27, 2014 had approved the A2Z Employees Stock Option Plan, 2014. The ESOP Compensation Committee in its meeting held on July 6, 2015 has granted 4,500,000 number of stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 15.50 each which is NSE closing market price on July 03, 2015 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then.

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

The Nomination and remuneration Committee in its meeting held on August 17, 2017 has regranted 1,760,000 number of stock options (788,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 972,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 36.90 each which is NSE closing market price on August 16, 2017 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

(e) A2Z Employees Stock Option Plan, 2018- Tranche I

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

(f) A2Z Employees Stock Option Plan, 2018- Tranche II

The members of the Company vide special resolution at the Annual General Meeting held on September 29, 2018 had approved the A2Z Employees Stock Option Plan, 2018. The ESOP Compensation Committee in its meeting held on April 8, 2019 has granted 1,200,000 stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/Directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

	ESOP 2010 plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013-II Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2014 Plan (Number of shares)	Programme weighted average exercise price per share
Outstanding as at April 1, 2018	120,550	314.13	269,000	19.95	1,915,000	15.50
Granted	-	-	-	-	-	-
Lapsed/forfeited	42,750	314.13	-	-	-	-
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2019	77,800	314.13	269,000	19.95	1,915,000	15.50
Granted	-	-	-	-	-	-
Lapsed/forfeited	41,950	314.13	-	-	160,000	15.50
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2020	35,850	314.13	269,000	19.95	1,755,000	15.50
Exercisable at March 31, 2019	77,800	314.13	269,000	19.95	1,915,000	15.50
Exercisable at March 31, 2020	35,850	314.13	269,000	19.95	1,755,000	15.50

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	ESOP 2013 & 2014 (Regrant I) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018-I Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018-II Plan (Number of shares)	Programme weighted average exercise price per share
Outstanding as at April 1, 2018	1,760,000	36.90	-	-	-	-
Granted	-	-	3,800,000	10.00	-	-
Lapsed/forfeited	490,000	36.90	-	-	-	-
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2019	1,270,000	36.90	3,800,000	10.00	-	-
Granted	-	-	-	-	1,200,000	10.00
Lapsed/forfeited	-	-	25,000	10.00	-	-
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2020	1,270,000	36.90	3,775,000	10.00	1,200,000	10.00
Exercisable at March 31, 2019	1,270,000	36.90	3,800,000	10.00	-	-
Exercisable at March 31, 2020	1,270,000	36.90	3,775,000	10.00	1,200,000	10.00

The following table lists the inputs to the models used for the ESOP plans as at March 31, 2020:

	ESOP 2010 Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant I) Plan (Number of shares)	ESOP 2018-I Plan	ESOP 2018-II Plan
Grant date	June 2, 2010	July 3, 2014	July 6, 2015	August 17, 2017	October 24, 2018	April 8, 2019
Vesting period ends	June 1, 2015	July 2, 2017	July 5, 2018	August 16, 2020	October 23, 2021	April 7, 2021
Share price at date of grant	INR 221.75	INR 14.52	INR 10.48	INR 39.40	INR 10.40	INR 18.75
Volatility	34.93%	67.05%	65.50%	50.14%	61.62%	58.73%
Option life	10 years	8 years	8 years	8 years	8 years	7 years
Dividend yield	2.25%	0%	0%	0%	0%	0%
Risk-free investment rate	7.45%	8.64%	8.19%	6.74%	7.38%	6.67%
Fair value at grant date	INR 58.23	INR 14.52	INR 11.15	INR 24.81	INR 6.09	INR 12.81
Exercise price at date of grant	INR 314.13	INR 19.95	INR 15.50	INR 36.90	INR 10.00	INR 10.00
Exercisable from	June 2, 2015	July 3, 2017	July 6, 2018	August 17, 2020	October 24, 2021	April 8, 2021
Exercisable till	June 1, 2020	July 2, 2022	July 5, 2023	August 16, 2025	October 23, 2026	April 7, 2026
Weighted average remaining contractual life (In years)	0.17	2.24	2.94	4.48	5.66	5.52
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, 2019:

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



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	ESOP 2010 Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant I) Plan (Number of shares)	ESOP 2018-I Plan	ESOP 2018-II Plan
Risk-free investment rate	7.45%	8.64%	8.19%	6.74%	7.38%	-
Fair value at grant date	INR 58.23	INR 14.52	INR 11.15	INR 24.81	INR 6.09	-
Exercise price at date of grant	INR 314.13	INR 19.95	INR 15.50	INR 36.90	INR 10.00	-
Exercisable from	June 2, 2015	July 3, 2017	July 6, 2018	August 17, 2020	October 24, 2021	-
Exercisable till	June 1, 2020	July 2, 2022	July 5, 2023	August 16, 2025	October 23, 2026	-
Weighted average remaining contractual life (In years)	1.18	3.24	3.97	5.48	6.67	-
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	-

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 28 : FINANCE COSTS</u>		
Interest expense (Refer Note 22.1)[*]	4,404.76	3,647.21
Other borrowing costs		
Bank commission and other charges	469.38	462.73
Total	4,874.14	4,109.94
[*] The break up of interest expense into major heads is given below:		
On term loans	142.73	203.01
On other bank loans	3,018.51	1,517.95
On others	1,243.52	1,926.25
Total	4,404.76	3,647.21

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 29 : DEPRECIATION AND AMORTISATION EXPENSES</u>		
Depreciation of property, plant and equipment (Refer Note 3)	972.02	1,096.62
Amortisation of intangible assets (Refer Note 4)	0.59	11.86
Depreciation on Right to use asset (Refer Note 3)	28.53	-
Total	1,001.14	1,108.48

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 30 : OTHER EXPENSES</u>		
Electricity	50.52	55.24
Rent (Refer Note 42)	116.05	184.56
Rates and taxes	53.22	84.05
Insurance	82.22	322.09
Repair and maintenance - Others	80.38	72.81
Traveling expenses	257.41	389.75
Communication expenses	15.06	16.98
Printing and stationery	15.24	16.45

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
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	For the year ended March 31, 2020	For the year ended March 31, 2019
Legal and professional fees	501.73	605.63
Director sitting fees	16.00	16.50
Payment to auditors (Refer Note 30.1)	117.91	109.07
Loss on disposal of property, plant and equipment	7.54	-
Provision for contract revenue in excess of billing	165.35	164.52
Inventory written off	108.02	-
Provision for bad and doubtful debts	3,130.90	1,287.32
Provision for bad and doubtful loans and advance	947.92	221.86
Fees and subscription / inspection charges	19.92	58.51
Business promotion	19.70	26.34
Warranty expense (Refer Note 19.i)	716.58	707.06
Bad debts written off	0.04	-
Advances/earnest money deposit written off	-	44.47
Liquidated charges	115.77	-
Miscellaneous expenses	130.12	93.86
Total	6,667.60	4,477.07

Note 30.1 : *Details of payment to auditors

	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor		
Statutory audit fee	44.50	42.50
Limited review fee	54.00	37.50
Certification fee	0.75	9.85
Other matters**	12.78	12.50
Reimbursement of expenses	5.88	6.72
Total	117.91	109.07

* Excluding Goods and Service Tax, as applicable.

** Including INR 10.78 lakhs as audit fee of branch auditor (March 31, 2019 INR 10.50 lakhs)

Note 31:

The Company has accumulated losses amounting INR 72,673.92 lakhs as at March 31, 2020 (March 31, 2019 INR 43,672.11 lakhs) 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. Also, one of the bank has filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to INR 696.43 lakhs and the matter has not been admitted yet with the NCLT and the management is in discussion with the said lender for amicably settling the matter. Further, during the year, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Company amounting to INR 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. The Company has also delayed in repayments due to certain lenders as further detailed in note 22.2. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders (as described in note 22.2), including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Company will be able to settle its remaining



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, a new facility from a lender and expected start of commercial production of the biomass-based power generation plants, no adjustments are required in the standalone financial statements and accordingly, these have been prepared on a going concern basis.

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 32 : TAX EXPENSE</u>		
Current tax		
Current tax expense *	3.60	71.55
	3.60	71.55
Deferred tax		
Deferred tax expenses (Refer Note 8)	3,606.00	47.47
Tax expense	3,609.60	119.02

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(Loss) before tax	(25,479.10)	3,331.24
Corporate tax rate as per income tax act, 1961	25.17%	34.94%
Tax on accounting profit	(6,413.09)	1,164.07
i) Tax effect on non deductible expenses/non taxable income	(833.49)	(9,274.89)
ii) Tax effect on temporary timing differences on which deferred tax not created	2,739.30	-
iii) Tax effect on losses of current year on which no deferred tax is created	3,475.31	9,979.52
iv) Tax effect on temporary timing differences on which deferred tax was not created but now created in current year	-	(1,749.68)
v) Tax effect on temporary timing differences on which deferred tax was created but now reversed in current year	4,003.53	-
vi) Effect of change in tax rates	638.04	-
Tax expense	3,609.60	119.02

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

	As at March 31, 2020			As at March 31, 2019		
	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	631.17	March 31, 2022	2,507.61	867.83	March 31, 2022
Assessment Year 2014-15	13,971.29	3,516.57	March 31, 2023	13,971.29	4,835.19	March 31, 2023
Assessment Year 2015-16	15,307.92	3,853.00	March 31, 2024	15,307.92	5,297.76	March 31, 2024
Assessment Year 2017-18	11,147.83	2,805.91	March 31, 2026	11,147.83	3,858.04	March 31, 2026
Assessment Year 2018-19	3,352.60	843.85	March 31, 2027	5,000.04	1,730.41	March 31, 2027
Assessment Year 2019-20	23,276.00	5,858.57	March 31, 2028	27,132.88	9,481.31	March 31, 2028
Assessment Year 2020-21	12,590.25	3,168.97	March 31, 2029	-	-	-
Total	82,153.51	20,678.04		75,067.57	26,070.55	

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
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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, 2020			As at March 31, 2019		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	9,536.89	2,400.43	Not applicable	8,306.46	2,902.61	Not applicable
Provision for doubtful advances	7,295.21	1,836.20	Not applicable	-	-	Not applicable
Impairment loss	22,413.72	5,641.53	Not applicable	6,167.28	2,155.09	Not applicable
	39,245.81	9,878.16		14,473.74	5,057.70	

* The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognised provision for income-tax for the quarter and year ended March 31, 2020 and re-measured its deferred tax assets/liabilities basis the rate prescribed in the aforesaid section.

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, 2020 or March 31, 2019.

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, 2020	As at March 31, 2019
Weighted average number of shares used in basic earnings per share	176,119,858	176,119,858
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	176,119,858	176,373,950

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

(Loss)/Profit attributable to shareholders	INR in Lakhs	(29,088.70)	3,212.22
Weighted average number of equity shares outstanding during the year	Numbers	176,119,858	176,373,950
Nominal value of equity share	INR	10.00	10.00
Basic EPS	INR	(16.52)	1.82
Diluted EPS	INR	(16.52)	1.82

Note 34 : INFORMATION ABOUT INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

A) Interest in subsidiaries

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

S. No.	Name	Principal place of business	Proportion of ownership interest as at March 31, 2020	Proportion of ownership interest as at March 31, 2019
I	Subsidiary companies			
1	A2Z Infraservices Limited	India	93.83%	93.83%
2	A2Z Powercom Limited	India	100.00%	100.00%
3	A2Z Powertech Limited	India	100.00%	100.00%
4	Mansi Bijlee & Rice Mills Limited	India	100.00%	100.00%
5	Magic Genie Services Limited	India	75.00%	75.00%
6	Chavan Rishi International Limited	India	100.00%	100.00%
7	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	India	60.00%	60.00%



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
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S. No.	Name	Principal place of business	Proportion of ownership interest as at March 31, 2020	Proportion of ownership interest as at March 31, 2019
II	Step down subsidiaries			
	Subsidiaries of A2Z Infraserivces Limited			
1	Ecogreen Envirotech Solutions Limited	India	49.00%	49.00%
2	A2Z Infraserivces Lanka Private Limited (Refer Note 34.2)	Sri Lanka	100.00%	100.00%
3	A2Z Waste Management (Aligarh) Limited (Refer Note 34.4) (w.e.f July 15, 2019)	India	80.00%	-
4	A2Z Waste Management (Ludhiana) Limited (Refer Note 34.4) (w.e.f July 15, 2019)	India	70.00%	-
B)	Associates			
	The Company's interest and share in Associate Companies			
I	Associate Companies			
1	A2Z Green Waste Management Limited (Refer Note 5.1.4)	India	42.61%	42.61%
2	A2Z Waste Management (Nainital) Private Limited (Refer Note 34.1)	India	48.00%	48.00%
II	Subsidiaries of A2Z Green Waste Management Limited (Refer Note 5.1.4)			
1	A2Z Waste Management (Aligarh) Limited (till July 14, 2019) (Refer Note 34.4)	India	-	80.00%
2	A2Z Waste Management (Moradabad) Limited	India	80.00%	80.00%
3	A2Z Waste Management (Merrut) 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 (till July 14, 2019) (Refer Note 34.4)	India	-	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 (Refer Note 34.3)	India	100.00%	100.00%
17	A2Z Mayo SNT Waste Management (Nanded) Private Limited (strike off w.e.f. December 02, 2019)	India	-	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	Associate of A2Z Green Waste Management Limited			
1	A2Z Waste Management (Ludhiana) Limited (w.e.f July 15, 2019)	India	30.00%	0.00%
IV	Subsidiary of A2Z Waste Management (Ludhiana) Limited			
1	Magic Genie Smartech Solutions Limited	India	100.00%	100.00%

Note 34.1: The Company directly holds 48% (March 31, 2019 : 48%) of the share capital and 26% (March 31, 2019 : 26%) indirectly through its associate, A2Z Green Waste Management Limited.

Note 34.2: A2Z Infraserivces Limited is initial shareholder by virtue of shares subscription arrangement with A2Z Infraserivces Lanka Limited and has committed to make investment in the company.

Note 34.3: The Company directly holds 20% (March 31, 2019 : 20%) of the share capital and 80% (March 31, 2019 : 80%) indirectly through its associate, A2Z Green Waste Management Limited.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
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Note 34.4: A2Z Waste Management (Aligarh) Limited and A2Z Waste Management (Ludhiana) Limited (alongwith its subsidiary company i.e. "Magic Genie Smartech Solutions Limited") ceased to be subsidiary of A2Z Green Waste Management Limited and became subsidiary of A2Z Infraserivices Limited with effect from July 15, 2019. As a result, these two companies have become step subsidiaries of A2Z Infra Engineering Limited.

C) Interest in joint ventures

The Company's interest and share in joint ventures in the jointly controlled operations as at March 31, 2020 and 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	*



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(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
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	*
13	M/S Richardson & Cruddas (1972) Limited	Jointly controlled operations	Joint Venture agreement effective from September 19, 2008. The principal activity of the venture is to bid for tender and enter into contract with Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RRVPNL), Jaipur for Design, Manufacture and Supply of materials for construction of 220KV/132KV transmission lines on turnkey basis.	See Note 34(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 : 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 (strike off w.e.f. December 16, 2019)
- 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 (Merrut) Limited
- A2Z Waste Management (Moradabad) Limited
- A2Z Waste Management (Varanasi) Limited
- A2Z Waste Management (Aligarh) Limited (till July 14, 2019)
- A2Z Waste Management (Badaun) Limited



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

- 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 (till July 14, 2019)
- n) A2Z Waste Management (Jaipur) Limited
- o) A2Z Mayo SNT Waste Management (Nanded) Private Limited (Strike off w.e.f. December 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
- 5 Subsidiaries of A2Z Infraserivices Limited**
 - a) Ecogreen Envirotech Solutions Limited
 - b) A2Z Waste Management (Ludhiana) Limited (w.e.f. July 15, 2019)
 - c) A2Z Waste Management (Aligarh) Limited (w.e.f. July 15, 2019)
 - d) A2Z Infraserivices 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) Mrs. Dipali Mittal (Non-Executive Director)
 - d) Mr. Surender Kumar Tuteja (Non- executive independent director)
 - e) Dr. Ashok Kumar (Non- executive independent director)
 - f) Ms. Atima Khanna (Non-executive independent director w.e.f. May 23, 2019)
 - g) Mr. Ashok Kumar Saini (Whole time director till November 30, 2018 and Non- executive director w.e.f. December 01, 2018)
 - h) Mr. Atul Kumar Agarwal (Company Secretary)
 - i) Dr. G.R. Nagendran (Chief Financial Officer till February 13, 2019)
 - j) Mr. Rajiv Chaturvedi (Chief Financial Officer w.e.f. February 14, 2019)
- 8 Relatives of Key Management Personnel**
 - a) Mrs. Sudha Mittal (Mother of Mr. Amit Mittal)
- 9 Entity in which Director/Relative of the Director is Director**
 - a) Fibzy Infraserivices Private Limited



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(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, 2020					For the year ended March 31, 2019				
	Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors
Sale of goods / services										
- A2Z Waste Management (Ludhiana) Limited	-	2.55	-	-	-	1.08	-	-	-	-
- Ecogreen Envirotech Solution Limited	-	-	-	-	-	2.10	-	-	-	-
- A2Z Powercom Limited	-	-	-	-	-	692.65	-	-	-	-
Interest income										
- A2Z Green Waste Management Limited	-	994.47	-	-	-	821.69	48.07	-	-	-
- A2Z Waste Management (Ludhiana) Limited	26.55	3.25	-	-	-	4.68	0.26	-	-	-
- Mansi Bijlee & Rice Mills Limited	38.95	-	-	-	-	33.99	-	-	-	-
Liability written back										
- Richardson & Cruddas (1972) Limited	-	-	-	-	-	-	-	14.61	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	140.12	-	-	-	-	-	-	-	-	-
- A2Z Powercom Limited	128.20	-	-	-	-	-	-	-	-	-
- Cobra Instalaciones Y Servicios, S. A.	-	-	4.85	-	-	-	-	-	-	-
- Sudhir Power Projects Limited	-	-	629.17	-	-	-	-	-	-	-
Purchase of goods or services										
- A2Z Infraserivces Limited	22.57	-	-	-	-	100.73	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	11.00	44.62	-	-	-	179.32	-	-	-	-
- Fibzy Infrasoletions Private Limited	-	-	-	122.03	-	-	-	-	-	-
Rent expense										
- Sucha Mittal	-	-	-	-	5.28	-	-	-	-	5.28
- Dipali Mittal	-	-	-	-	10.54	-	-	-	-	10.54
- Chavan Rishi International Limited	30.00	-	-	-	-	30.00	-	-	-	-
Share based payment expenses (refer note 5.1.3)										
- A2Z Green Waste Management Limited	-	-	-	-	-	0.50	-	-	-	-
- A2Z Infraserivces Limited	6.45	-	-	-	-	15.00	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	1.54	-	-	-	-
- A2Z Waste Management (Balia) Limited	-	-	-	-	-	0.23	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	-	-	-	-	0.78	-	-	-	-
- Ecogreen Envirotech Solution Limited	7.90	-	-	-	-	0.77	-	-	-	-
- Chavan Rishi International Limited	1.08	-	-	-	-	-	-	-	-	-
- A2Z Powertech Limited	5.06	-	-	-	-	-	-	-	-	-
- Shree Hari Om Utensils Private Limited	-	-	-	-	-	0.77	-	-	-	-
- A2Z Powercom Limited	2.15	-	-	-	-	0.78	-	-	-	-
- Rajesh Jain	-	-	-	-	170.53	-	-	-	-	66.43
- Ashok Kumar Saini	-	-	-	-	13.43	-	-	-	-	16.65
- Gaurav Jain	-	-	-	-	-	-	-	-	-	0.86
- Atul Kumar Agarwal	-	-	-	-	22.69	-	-	-	-	28.98

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(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, 2020					For the year ended March 31, 2019				
	Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors
<u>Reversal of ESOP option to employees</u>										
- A2Z Green Waste Management Limited	-	2.27	-	-	-	-	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	8.92	-	-	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	2.26	-	-	-	-	-	-	-	-
- Shree Hari Om Utensils Private Limited	-	0.77	-	-	-	-	-	-	-	-
<u>Fund transferred / includes expenses incurred on behalf of related party</u>										
- A2Z Green Waste Management Limited	-	3.82	-	-	-	0.77	-	-	-	-
- A2Z Infraservices Limited	443.22	-	-	-	-	-	-	-	-	-
- A2Z Powercom Limited	-	-	-	-	-	1.56	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	1.82	-	-	-	-	4.08	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	72.77	-	-	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	70.92	-	-	-	-
- A2Z Waste Management (Moradabad) Limited	-	-	-	-	-	-	12.74	-	-	-
- Chavan Rishi International Limited	-	-	-	-	-	9.79	-	-	-	-
<u>Fund received / includes expenses incurred on behalf of Company</u>										
- A2Z Infraservices Limited	451.34	-	-	-	-	25.83	-	-	-	-
- A2Z Powercom Limited	128.20	-	-	-	-	-	-	-	-	-
- Ecogreen Envirotech Solution Limited	-	-	-	-	-	3.17	-	-	-	-
- Magic Genie Service Limited	-	-	-	-	-	0.78	-	-	-	-
- Chavan Rishi International Limited	45.10	-	-	-	-	7.27	-	-	-	-
<u>Provision created/(reversed) for doubtful debts expense</u>										
- UB Engineering Limited	-	-	(2,672.05)	-	-	-	-	(493.63)	-	-
- SPIC-SMO	-	-	(832.78)	-	-	-	-	(339.97)	-	-
<u>Write off of trade receivables</u>										
- UB Engineering Limited	-	-	6,375.00	-	-	-	-	1,189.09	-	-
- SPIC-SMO	-	-	1,673.65	-	-	-	-	-	-	-



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(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, 2020					For the year ended March 31, 2019				
	Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors
Provision created/write off of loans and advances										
- A2Z Powertech Limited	-	-	-	-	-	19.58	-	-	-	-
- A2Z Waste Management (Jaipur) Limited	-	-	-	-	-	-	733.09	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	-	-	-	-	-	1,074.51	-	-	-	-
- Mansi Bijlee & Rice Mills 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	-	-	-
- Mansi Bijlee & Rice Mills Limited	1,647.39	-	-	-	-	-	-	-	-	-
- Magic Genie Services Limited	6.00	-	-	-	-	-	-	-	-	-
- A2Z Waste Management (Jaipur) Limited	-	1.00	-	-	-	-	-	-	-	-
Loan given / advances given										
- A2Z Green Waste Management Limited	-	-	-	-	-	381.16	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	-	-	-	-	89.46	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	2.00	-	-	-	-	35.40	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	452.72	145.56	-	-	-	77.48	7.50	-	-	-
- Mansi Bijlee & Rice Mills Limited	5.48	-	-	-	-	110.64	-	-	-	-
- A2Z Infraservices Limited	4.00	-	-	-	-	571.80	-	-	-	-
Amount recoverable during the year										
- Rajesh Jain	-	-	-	-	-	-	-	-	-	16.50
- Ashok Kumar Saini	-	-	-	-	-	-	-	-	-	10.50

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(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, 2020						For the year ended March 31, 2019					
	Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors		Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
<u>Loan / advances refunded</u>												
- A2Z Green Waste Management Limited	8.00	-	-	-	-		604.09	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	260.10	10.00	-	-	-		-	-	-	-	-	-
- A2Z Waste Management (Jaunpur) Limited	-	-	-	-	-		-	7.50	-	-	-	-
- A2Z Infraservices Limited	213.66	-	-	-	-		36.26	-	-	-	-	-
- Amit Mittal	-	-	-	-	40.00		-	-	-	-	50.00	-
- UB Engineering Limited	-	-	-	-	-		-	-	295.28	-	-	-
- SPIC-SMO	-	-	49.84	-	-		-	-	425.19	-	-	-
<u>Guarantees revoked on behalf of subsidiaries</u>												
- A2Z Infraservices Limited	(144.00)	-	-	-	-		-	-	-	-	-	-
<u>Imprest given during the year</u>												
- Atul Kumar Agarwal	-	-	-	-	0.50		-	-	-	-	5.23	-
- Rajesh Jain	-	-	-	-	6.95		-	-	-	-	0.02	-
- Ashok Kumar Saini	-	-	-	-	0.08		-	-	-	-	0.08	-
<u>Remuneration/sitting fee</u>												
- Ashok Kumar Saini	-	-	-	-	0.75		-	-	-	-	0.75	-
- Dipali Mittal	-	-	-	-	3.00		-	-	-	-	3.50	-
- Surender Kumar Tuteja	-	-	-	-	5.50		-	-	-	-	6.50	-
- Ashok Kumar	-	-	-	-	3.75		-	-	-	-	5.75	-
- Atima Khanna	-	-	-	-	3.00		-	-	-	-	-	-
- Atul Kumar Agarwal	-	-	-	-	38.97		-	-	-	-	36.15	-
- G R Nagendran	-	-	-	-	-		-	-	-	-	21.92	-
- Rajiv Chaturvedi	-	-	-	-	23.49		-	-	-	-	4.00	-



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year

	For the year ended March 31, 2020						For the year ended March 31, 2019					
	Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors		Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
Loan/advances given												
- A2Z Green Waste Management Limited	-	399.73	-	-	-		-	372.63	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	897.30	-	-	-	-		-	490.55	-	-	-	-
- A2Z Waste Management (Dhanbad) Private Limited	-	230.56	-	-	-		-	230.56	-	-	-	-
- A2Z Waste Management (Ranchi) Limited	-	350.00	-	-	-		-	350.00	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	72.77	-	-	-		-	-	-	-	-	-
- Mansi Bijlee & Rice Mills Limited	206.78	-	-	-	-		-	-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited	938.21	-	-	-	-		-	-	-	-	-	-
- and Satya Builder - (AOP)												
Investment in equity shares												
- A2Z Green Waste Management Limited	-	40.39	-	-	-		-	40.39	-	-	-	-
- A2Z Infraseservices Limited	6,072.29	-	-	-	-		6,072.29	-	-	-	-	-
- A2Z Powercom Limited	10.00	-	-	-	-		10.00	-	-	-	-	-
- Mansi Bijlee & Rice Mills Limited	5.00	-	-	-	-		5.00	-	-	-	-	-
- Magic Genie Services Limited	-	-	-	-	-		6.00	-	-	-	-	-
- Chavan Rishi International Limited	1,031.69	-	-	-	-		1,031.69	-	-	-	-	-
- A2Z Waste Management (Jaipur) Limited	-	-	-	-	-		-	1.00	-	-	-	-
Investment in shares - ESOP Scheme												
- A2Z Green Waste Management Limited	-	10.45	-	-	-		-	13.75	-	-	-	-
- A2Z Powercom Limited	45.51	-	-	-	-		43.36	-	-	-	-	-
- A2Z Infraseservices Limited	71.88	-	-	-	-		65.43	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	1.02	-	-	-	-		-	2.26	-	-	-	-
- Chavan Rishi International Limited	1.08	-	-	-	-		-	-	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	19.19	-	-	-		-	28.11	-	-	-	-
- A2Z Waste Management (Balia) Limited	-	12.11	-	-	-		-	12.11	-	-	-	-
- Shree Hari Om Utensils Private Limited	-	-	-	-	-		-	0.77	-	-	-	-
- Ecogreen Envirotech Solution Limited	8.67	-	-	-	-		0.77	-	-	-	-	-
- A2Z Powertech Limited	5.06	-	-	-	-		-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year

	For the year ended March 31, 2020						For the year ended March 31, 2019					
	Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors		Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
Trade receivable / advances recoverable												
- A2Z Green Waste Management Limited	-	1,345.36	-	-	-	-	-	1,288.62	-	-	-	-
- UB Engineering Limited	-	-	400.00	-	-	-	-	-	6,776.67	-	-	-
- SPIC-SMO	-	-	200.00	-	-	-	-	-	1,923.49	-	-	-
- Karamtara Engineering Private Limited	-	-	84.27	-	-	-	-	-	84.27	-	-	-
- Atul Kumar Agarwal	-	-	-	-	3.93	-	-	-	-	-	5.23	-
- Amit Mittal (refer note 35.3)	-	-	-	-	34.93	-	-	-	-	-	74.93	-
- Rajesh Jain (refer note 35.4)	-	-	-	-	16.50	-	-	-	-	-	16.50	-
- Ashok Kumar Saini (refer note 35.4)	-	-	-	-	10.50	-	-	-	-	-	10.58	-
Security deposit paid												
- Chavan Rishi International Limited	12.00	-	-	-	-	-	11.11	-	-	-	-	-
- A2Z Infraserivces Limited	57.31	-	-	-	-	-	546.96	-	-	-	-	-
Investment in preference shares (debt portion)												
- A2Z Green Waste Management Limited	-	7,640.97	-	-	-	-	-	6,685.50	-	-	-	-
- Mansi Bijlee & Rice Mills Limited	-	-	-	-	-	-	272.54	-	-	-	-	-
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	-	-	-	-	-
Investment in subsidiaries/associates, other than in shares	133.21	41.75	-	-	-	-	166.56	-	-	-	-	-
Provision for doubtful debts/advances												
- UB Engineering Limited	-	-	28.00	-	-	-	-	-	2,700.05	-	-	-
- SPIC-SMO	-	-	36.93	-	-	-	-	-	869.71	-	-	-
- A2Z Green Waste Management Limited	-	877.12	-	-	-	-	-	877.17	-	-	-	-
Provision created/write off of loans and advances												
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	934.39	-	-	-	-	-	1,074.51	-	-	-	-	-
- Mansi Bijlee & Rice Mills Limited	201.30	-	-	-	-	-	201.30	-	-	-	-	-



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year

	For the year ended March 31, 2020						For the year ended March 31, 2019					
	Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors		Subsidiary Companies	Associates Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	
Remuneration/sitting fees payable												
- Ashok Kumar Saini	-	-	-	-	1.13		-	-	-	-	0.68	
- Dipali Mittal	-	-	-	-	7.65		-	-	-	-	4.95	
- Surender Kumar Tuteja	-	-	-	-	4.73		-	-	-	-	5.85	
- Ashok Kumar	-	-	-	-	9.95		-	-	-	-	6.80	
- Suresh Prasad Yadav	-	-	-	-	0.90		-	-	-	-	0.90	
- Gaurav Jain	-	-	-	-	2.03		-	-	-	-	2.03	
- Atul Kumar Agarwal	-	-	-	-	7.03		-	-	-	-	6.85	
- G R Nagendran	-	-	-	-	0.56		-	-	-	-	5.67	
- Rajiv Chaturvedi	-	-	-	-	7.08		-	-	-	-	3.98	
Trade payable/imprest payable												
- A2Z Infraservices Limited	97.29	-	-	-	-		87.95	-	-	-	-	
- Chavan Rishi International Limited	95.12	-	-	-	-		84.52	-	-	-	-	
- Cobra Instalaciones Y Servicios, S.A	-	-	-	-	-		-	-	4.85	-	-	
- Magic Genie Service Limited	3.28	-	-	-	-		3.28	-	-	-	-	
- Dipali Mittal	-	-	-	-	7.12		-	-	-	-	7.12	
- Rajesh Jain	-	-	-	-	7.38		-	-	-	-	0.43	
- Sudha Mittal	-	-	-	-	9.50		-	-	-	-	4.75	
- Fibzy Infrasolutions Private Limited	-	-	-	55.76	-		-	-	-	-	-	
Guarantees given on behalf of subsidiaries/ associates (Refer Note 40(a))												
- A2Z Infraservices Limited	10,674.00	-	-	-	-		10,818.00	-	-	-	-	
- A2Z Green Waste Management Limited	-	25,025.00	-	-	-		-	25,025.00	-	-	-	
- A2Z Waste Management (Merrut) Limited	-	1,100.00	-	-	-		-	1,100.00	-	-	-	
- A2Z Waste Management (Moradabad) Limited	-	480.00	-	-	-		-	480.00	-	-	-	
- A2Z Waste Management (Varanasi) Limited	-	2,000.00	-	-	-		-	2,000.00	-	-	-	
- 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, 2020
(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, 2020	For the year ended March 31, 2019
Short term employee benefits	62.46	62.07
Defined contribution plan	-	-
Share-based payment expenses	206.65	112.92
Sitting fees	16.00	16.50
Total compensation paid/payable to key management personnel	285.12	191.49

Note 35.3: Due to unexpected change in the profitability of the Company during the financial year 2012-13 and 2013-14, the managerial remuneration paid to the Managing Director exceeded the limits in terms of the provision of Section 198, 309, 310 read with schedule XIII of the erstwhile Companies Act, 1956. Subsequent to the approval by shareholders in the 13th Annual General Meeting of the Company duly held on September 27, 2014, the Company had made an application for the approval from the Central Government for the waiver of excess remuneration so paid. The Central Government has rejected the Company's application for the waiver of the excess remuneration so, paid remuneration amounting to INR 189.48 Lakhs is being held in trust by him. Till date out of the excess remuneration an amount of INR 154.55 Lakhs has been received/adjusted from him and the balance outstanding as at March 31, 2020 is INR 34.93 Lakhs (March 31, 2019 INR 74.93 Lakhs). The said amount shall be recovered from the Managing Director within the time line as defined in the Companies Act, 2013.

Note 35.4: During the earlier years, 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 the said directors. Further, the said amount INR 16.50 lakhs (March 31, 2019 INR 16.50 lakhs) and INR 10.50 Lakhs (March 31, 2019 INR 10.50 lakhs) is due for recover from the said directors within time line 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, 2020	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative liability	-	-	2,762.56	2,762.56
Total	-	-	2,762.56	2,762.56
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

(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, 2020
(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 by the market vlaue approach. The significant unobservable inputs used in the fair value measurements are as shown below:-

	As at March 31, 2020
Significant unobservable inputs	
Market price of equity share	3.15
Sensitivity	
The sensitivity of profit or loss and equity to changes in volatility	
Market Price– increase by 10%	23.74
Market Price– decrease by 10%	(23.74)

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
Volatility of underlying equity share market prices	58.03-67.60%
Sensitivity*	
The sensitivity of profit or loss and equity to changes in volatility	
Volatility – increase by 5%	(3.80)
Volatility – decrease by 5%	3.07

* 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, 2020		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Investments in Preference shares	-	-	7,952.46
Trade receivables	-	-	81,837.39
Loans	-	-	2,582.22
Cash and cash equivalents	-	-	543.47
Other financial assets	-	-	17,774.67
Total	-	-	110,690.21
Financial liabilities			
Borrowings	-	-	38,464.29
Lease liability	-	-	84.04
Trade payables	-	-	56,888.76
Other financial liabilities	2,762.56	-	7,946.20
Total	2,762.56	-	103,383.29

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Investments in Preference shares	-	-	6,958.04
Trade receivables	-	-	89,474.71
Loans	-	-	2,711.75
Cash and cash equivalents	-	-	842.88
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

(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:



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Not more than 30 days	13,265.73	12,572.13
More than 30 days but not more than 60 days	2,795.80	1,779.09
More than 60 days but not more than 90 days	126.99	7,119.46
More than 90 days	70,741.18	74,178.17
	86,929.71	95,648.85
Less: Provision for impairment	(5,092.32)	(6,174.14)
Total	81,837.39	89,474.71

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 7%. Further, specific provision is made for any individual debtors which are considered to be doubtful and non-recoverable in part or in full. The reconciliation of expected credit losses on trade receivables is given below.

	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year	6,174.14	14,958.46
Changes in provisions		
Additional Provision	3,130.90	1,287.32
Reversal/Write-off	(4,212.72)	(10,071.64)
Balance as at the end of the year	5,092.32	6,174.14

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, 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings(including estimated future interest)	38,868.34	199.26	42.36	-	39,109.96
Trade payables	56,888.76	-	-	-	56,888.76
Lease liability	41.35	34.73	17.08	2.09	95.25
Other financial liabilities	7,946.20	-	-	-	7,946.20
Derivative financial liabilities					
Other financial liabilities	2,762.56	-	-	-	2,762.56
Total	106,507.21	233.99	59.44	2.09	106,802.73



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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

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, 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

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

	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	25,439.21	23,524.17
Fixed rate borrowing	13,025.08	9,521.54
Total borrowings	38,464.29	33,045.71

Sensitivity

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

	As at March 31, 2020	As at March 31, 2019
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	(190.36)	(153.04)
Interest rates – decrease by 100 basis points (100 bps)	190.36	153.04

* Holding all other variables constant

(b) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Ugandan Shillings, 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, 2020			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Trade Receivable	USD	47.99	75.10	3,604.28
	Tanzania Shillings	99,864.48	0.03	3,227.62
Cash and cash equivalents	USD	3.92	75.10	294.33
	Uganda Shillings	159.97	0.02	3.14
	Zambian Kwacha	0.01	4.21	0.02
	Tanzania Shillings	224.31	0.03	7.25



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Other financial assets	USD	0.66	75.10	49.26
Trade Payables	USD	12.05	75.10	905.04
	Uganda Shillings	385.01	0.02	7.56
	Zambian Kwacha	0.74	4.21	3.11
	Tanzania Shillings	1,35,211.79	0.03	4,370.05
	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

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, 2020	As at March 31, 2019
USD sensitivity		
INR/USD- increase by 6.82% (for previous year - 6.82%)	155.29	79.73
INR/USD- decrease by 6.82%(for previous year - 6.82%)	(155.29)	(79.73)
Uganda Shillings (UGX) sensitivity		
INR/UGX- increase by 6.05% (for previous year - 6.05%)	(0.20)	(4.58)
INR/UGX- decrease by 6.05% (for previous year - 6.05%)	0.20	4.58
Zambian Kwacha (ZMW) sensitivity		
INR/ZMW- increase by 12.26% (for previous year - 12.26%)	(0.28)	4.87
INR/ZMW- decrease by 12.26% (for previous year - 12.26%)	0.28	(4.87)
TZS sensitivity		
INR/TZS- increase by 6.41% (for previous year - 6.41%)	(54.45)	9.90
INR/TZS- decrease by 6.41% (for previous year - 6.41%)	54.45	(9.90)

* Holding all other variables constant

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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.

	As at March 31, 2020	As at March 31, 2019
Borrowings	38,464.29	34,167.48
Trade payables	56,888.76	56,040.80
Other financial liabilities	7,946.20	11,487.06
Less: cash and cash equivalents	543.47	842.88
Net debt	1,02,755.78	1,00,852.46
Equity	35,995.10	64,775.29
Capital and net debt	1,38,750.88	1,65,627.75
Gearing ratio	74.06%	60.89%

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, 2020 and 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 :

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



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2020			
	Engineering services	Power generation projects	Others	Total
Revenue				
Segment revenue	37,871.39	241.00	410.25	38,522.64
Other income	752.36	-	-	752.36
Total segment revenue	38,623.75	241.00	410.25	39,275.00
Cost				
Segment cost	(41,437.08)	(1,599.52)	(391.46)	(43,428.06)
Total segment cost	(41,437.08)	(1,599.52)	(391.46)	(43,428.06)
Segment operating (loss)/profit	(2,813.33)	(1,358.52)	18.79	(4,153.06)
Total reportable segment operating (loss)/profit				(4,153.06)
Interest income				1,176.24
Interest expense				(4,404.76)
Exceptional item				(17,630.90)
Unallocable expenditure net off unallocable income				(466.62)
(Loss) before tax				(25,479.10)
Tax expense				
Current tax				3.60
Deferred tax (net)				3,606.00
(Loss) after tax				(29,088.70)
Reclassification of net actuarial gain on employee defined benefit obligations				31.07
Total comprehensive income for the year (comprising loss and other comprehensive income)				(29,057.63)

	As At March 31, 2020			
	Engineering services	Power generation projects	Others	Total
Assets				
Segment assets	1,12,674.74	8,242.25	3,694.22	1,24,611.21
Unallocable corporate assets	-	-	-	37,656.75
Total assets	1,12,674.74	8,242.25	3,694.22	1,62,267.96
Liabilities				
Segment liabilities	80,986.49	183.68	6,554.36	87,724.53
Unallocable corporate liabilities	-	-	-	38,548.33
Total liabilities	80,986.49	183.68	6,554.36	1,26,272.86
Capital expenditure	5.09	-	-	5.09
Depreciation	169.38	802.63	-	972.01
Provision for impairment/write off	-	14,996.81	-	14,996.81
Other non-cash expenditure				5,363.26

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	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 credit				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 profit and other comprehensive income)				3,247.54

	As At March 31, 2019			
	Engineering services	Power generation projects	Others	Total
Assets				
Segment assets	1,23,672.01	23,828.91	2,364.92	1,49,865.84
Unallocable corporate assets	-	-	-	40,472.99
Total assets	1,23,672.01	23,828.91	2,364.92	1,90,338.83
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	1,25,563.54
Capital expenditure	60.10	-	-	60.10
Depreciation	268.31	828.31	-	1,096.62
Provision for Impairment	-	4,200.00	-	4,200.00
Other non-cash expenditure				2,639.12

Unallocated operating income and expense mainly consist of exceptional items and tax expense. The unallocable assets includes tax receivable from Government authorities.



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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 25,028.15 lakhs (March 31, 2019 INR 33,867.85 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, 2020	As at March 31, 2019
Corporate guarantees given to banks on account of facilities granted by said banks to subsidiaries, associates and others\$	41,660.83	40,003.00
Right to recompense (CDR Scheme)	8,949.61	5,521.87
Litigations under workmen compensation act*	39.23	39.23
Litigations with contractors and others*	308.29	308.29
Sales tax demand under dispute*	8,790.85	8,993.97
Income Tax demand under dispute**	2,792.10	2,792.10
	62,540.91	57,658.46

\$ 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 INR 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 against the matters where the relief has been given to the Company.

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

During the year ended March 31, 2019, the Company has received orders from CIT (Appeals) quashing the penalty orders aggregating INR 477.71 lakhs out of the aforementioned and upholding the rest. 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 judgement by the Hon'ble Supreme Court of India dated February 28, 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.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(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, 2020	As at March 31, 2019
Commitments	66,602.55	36,511.28
	66,602.55	36,511.28

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

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

(a) Disaggregation of revenue into operating segments and geographical areas

i. For the year ended March 31, 2020:

Segment	Revenue as per Ind AS 115	Other revenue	Total
Sale/rendering of services			
Revenue from engineering services	37,590.07	-	37,590.07
Revenue from sale of power	241.00	-	241.00
Revenue from operation and maintenance services	384.09	-	384.09
Revenue from professional services	281.32	-	281.32
Other operating revenues:			
Sale of traded goods	26.16	-	26.16
Total	38,522.64	-	38,522.64

ii. 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 38,255.48 lakhs (March 31, 2019 : INR 50,616.42 lakhs) is recognised over a period of time and INR 267.16 lakhs (March 31, 2019 : 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	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening balance as at April 1	6,174.14	14,958.46	377.78	1,713.99
Changes in allowance for expected credit loss:				
Provision/(reversal) of allowance for expected credit loss	3,130.90	1,287.32	165.35	164.52
Write off as bad debts (Refer Note-37 (ii)(A))	(4,212.72)	(10,071.64)	(172.44)	(1,500.73)
Closing balance as at March 31	5,092.32	6,174.14	370.69	377.78



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

(c) Contract balances:

(i) Movement in contract balances during the year:

Particulars	As at March 31, 2020			As at March 31, 2019		
	Trade Receivable*	Contract assets *	Contract liabilities	Trade Receivable*	Contract assets *	Contract liabilities
Opening balance as at April 1	89,474.71	13,499.08	9,008.44	117,216.35	22,630.50	7,758.00
Closing balance as at March 31	81,837.39	10,488.36	7,654.48	89,474.71	13,499.08	9,008.44
Net (decrease)/ increase	(7,637.32)	(3,010.72)	(1,353.96)	(27,741.64)	(9,131.42)	1,250.44

*(Refer Note- 43)

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to INR 3,959.07 lakhs (March 31, 2019: 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 Nil (March 31, 2019: NIL)

(d) Cost to obtain the contract :

(i) Amount of amortisation recognised in Profit and Loss : NIL (March 31, 2019: NIL)

(ii) Amount recognised as assets as at March 31, 2020: NIL (March 31, 2019: NIL)

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

Particulars	March 31, 2020	March 31, 2019
Opening contracted price of orders as at April 1*	336,440.49	349,173.09
Add:		
Fresh orders/change orders received (net)	25,350.69	17,379.43
Less:		
Orders completed during the year	2,744.61	30,112.02
Closing contracted price of orders as at March 31*	359,046.56	336,440.50
Total Revenue recognised during the year:	38,522.64	50,725.40
Less: Revenue out of orders completed during the year	826.04	2,380.36
Revenue out of orders under execution at the end of the year (I)	37,696.60	48,345.04
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	246,745.06	200,181.62
Balance revenue to be recognised in future viz. Order book (III)	74,604.90	87,913.84
Closing contracted price of orders as at March 31* (I+II+III)	359,046.56	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:

As at March 31, 2020

Particulars	Total	Expected conversion in revenue	
		Upto 1 Year	More than 1 Year
Transaction price allocated to remaining performance obligation	74,604.90	74,604.90	-

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

As at March 31, 2019

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.

Note 42 : DISCLOSURE PURSUANT TO IND AS 116 “LEASES”

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Gross rental expenses aggregate to INR 116.05 Lakhs (March 31, 2019: INR 184.56 Lakhs).

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the prospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.15%

Lease payments not included in measurement of lease liability:

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at March 31, 2020
Short-term leases	116.05
Leases of low value assets	-
Variable lease payments	-
Closing Balance	116.05



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Particulars	For the year ended March 31, 2020
Balance as on April 1, 2019	47.57
Addition during the year	77.56
Depreciation during the year	28.53
Deletion during the year	11.58
Closing Balance	85.01

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Particulars	For the year ended March 31, 2020
Balance as on April 1, 2019	47.37
Addition during the year	74.75
Finance cost accrued during the year	4.95
Payment of lease liabilities	31.30
Deletion during the year	11.73
Closing Balance	84.04

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows:

Particulars	As at March 31, 2020
Current lease liabilities	37.53
Non-current lease liabilities	46.51
Total	84.04

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Particulars	As at March 31, 2020
Less than one year	41.35
One to five years	53.90
More than five years	-
Total	95.25

The information about extension and termination options are as follows:

Particulars	Guest House	Office premises	Warehouse and related facilities
Number of leases	2.00	3.00	1.00
Range of remaining term (in years)	0.85-4.00	0.17- 2.50	0.48
Average remaining lease term (in years)	2.42	1.39	0.48
Number of leases with extension option	Nil	Nil	Nil
Number of leases with purchase option	Nil	Nil	Nil
Number of leases with termination option	1.00	2.00	1.00

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 43 : EXCEPTIONAL ITEMS

	For the year ended March 31, 2020	For the year ended March 31, 2019
One time settlement with banks and financial institutions (refer note 43.1)	8,639.32	39,135.13
Liabilities written back	2,404.09	1,498.47
Impact of fair valuation of derivative liability on subsequent measurement (refer note 43.2)	(2,224.09)	(692.62)
Capital assets impaired/written off (refer note 3.1)	(14,996.81)	(4,200.00)
Trade receivable written off	(8,472.12)	(18,922.59)
Loans and advances provision/written off	-	(4,042.33)
Investment provision/written off	(1,654.39)	(931.40)
Contract revenue in excess of billing written off	(1,326.90)	(8,959.11)
Loss on control of subsidiary	-	(195.00)
Total	(17,630.90)	2,690.55

Note 43.1: Gain on one time settlement agreements with banks and financial institutions for borrowings pertains to excess of outstanding loan liabilities against the settlement consideration paid/to be paid under the settlement agreement entered by the Company.

Note 43.2: 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 lenders.

Note 44 : Disclosure Pursuant to Ind AS - 7 "Statement Of Cash Flows"- Change In Liabilities Arising From Financing Activities:

	Non- current borrowings (Including current maturities) (Refer Note 17 & Note 22)	Current borrowings (Refer Note 20)	Interest accrued on borrowings (Refer Note 22)	Total
Balance as at April 1, 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 charge 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				
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	22,717.55	4,028.05	38,195.54
(a) Changes from financing cash flow	(2,195.65)	7,158.87	(1,808.52)	3,154.70
(b) Other changes				
(i) Reclassification within categories	6,152.24	(4,945.46)	(1,206.78)	-
(ii) Interest charges to statement of profit and loss	-	-	3,161.25	3,161.25



Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	Non- current borrowings (Including current maturities) (Refer Note 17 & Note 22)	Current borrowings (Refer Note 20)	Interest accrued on borrowings (Refer Note 22)	Total
(iii) Reclassification with other financial liabilities	-	2,592.12	-	2,592.12
(iv) One time settlement (Refer Note 43.1)				
Gain on one time settlement with banks of borrowing and financial institutions	(2,832.26)	(1,633.07)	(4,174.00)	(8,639.32)
Balance as at March 31, 2020	12,574.28	25,890.01	-	38,464.29

Note 45 : 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, 2020 and March 31, 2019.

Note 46 :

The outbreak of SARS-CoV-2 virus ('Covid-19') has severely impacted businesses around the world. In many countries, including India, there has been severe disruption of regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The management has made a detailed assessment of its liquidity position, including recoverability/ carrying values of its trade receivables, business and other advances, and investments as at balance sheet date, however, the actual impact of Covid-19 pandemic on the company's results remains uncertain and dependent on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these results. The Company has filed a disclosure of material impact of Covid-19 pandemic on the company under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 dated May 28, 2020.

Note 47 :

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

Note 48 : POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the March 31, 2020 reporting date and the date of authorisation July 30, 2020.

Note 49 : AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended March 31, 2020 (including comparatives) were approved by the board of directors on July 30, 2020.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Manish Agrawal

Partner

Membership No. 507000

Place : Ghaziabad

Date : July 30, 2020

For and on behalf of the Board of Directors

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Place : Gurugram

Date : July 30, 2020

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

Disclaimer of Opinion

1. We were engaged to audit the accompanying consolidated financial statements of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates, as listed in Annexure 1, which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. We do not express an opinion on the accompanying consolidated financial statements of the Group and its associate companies. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

- 3a. As stated in Note 52 to the accompanying consolidated financial statements, the Holding Company has incurred a net loss before exceptional items of Rs. 7,848.20 lakhs during the year ended 31 March 2020, and as of that date, the Holding Company's accumulated losses amount to Rs. 72,673.92 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 6,925.90 lakhs. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in Note 52. The Holding Company has also delayed in repayment of borrowings and payment of other dues payable to other lenders including delays with respect to dues payable under one time settlement agreements as further detailed in Note 51. As confirmed by the management, the Holding Company has been in discussions with the lenders regarding restructuring of these borrowings, the resolution for which is yet to be finalised. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Holding Company is in discussions is uncertain in the absence of any confirmations from such customers and potential impact of Covid-19. Such events and conditions, together with the uncertainty arising on account of Covid-19 pandemic and its possible impact on management's assumptions, as further described in Note 55, and other matters as set forth in the Note 52, cast significant doubt on the Holding Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the management's assessment with respect to restructuring of borrowings and availability of funds, we are unable to comment on the ability

of the Holding Company to continue as a going concern.

- 3b. As stated in Note 50 and 51 to the accompanying consolidated financial statements, the Holding Company has borrowings from certain banks which have been classified as non-performing assets ('NPA borrowings') and those from certain other banks/ asset reconstruction company (together referred to as 'the Lenders'). The Holding Company had entered into settlement agreements ("Settlement Agreements") with some of these Lenders for the aforesaid loans. As described in the said note, the Holding Company has delayed payments in respect of the instalments due to these Lenders pursuant to the relevant loan agreements and Settlement Agreements. In respect of the aforementioned NPA borrowings and delayed payments under the Settlement Agreements, the Holding Company has not recognised interest for the year ended 31 March 2020 aggregating to Rs. 1,809.46 lakhs (Rs. 1,595.92 lakhs for the year ended 31 March 2019) payable under the terms of the said agreements, as estimated by the management, on the basis of expected re-negotiation with the Lenders.

Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreements, and the consequential impact of such adjustments on the accompanying Statement. Our opinion on the consolidated financial statements for the year ended 31 March 2019 was also qualified in respect of this matter.

- 3c. As stated in Note 6.2 to the accompanying consolidated financial statements, the Holding Company's non-current investment (net of impairment) in A2Z Green Waste Management Limited ("GWM"), its associate company and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 March 2020, aggregate to Rs. 20,889.42 lakhs, Rs. 418.24 lakhs and Rs. 399.73 lakhs, respectively. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints due to which it may not be able to meet the projections as per the approved business plans. Based upon the valuation report of an independent valuer as at 31 March 2020, arbitration awarded in favor of GWM and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying consolidated financial statement.



Emphasis of Matters

4. We draw attention to:

- a. Note 3.1 to the accompanying consolidated financial statements, which describes the significant estimates and assumptions used by the management for determining recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 2,533.87 lakhs and Rs. 4,374.29 lakhs respectively as at 31 March 2020, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, "Impairment of Assets". Basis such valuation, the management believes that no further adjustment is required to the carrying value of the aforesaid cogeneration power plants.
- b. Note 42.2 to the accompanying consolidated financial statements, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Holding Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.
- c. Note 21.1 to the accompanying consolidated financial statements, which describes the uncertainty relating to utilisation of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Holding Company will be able to avail the input tax credit for aforementioned matter.

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

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

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associates are responsible for assessing the ability of the Group and its associates continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

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

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

Other Matter

9. We did not audit the financial statements of twelve subsidiaries included in the consolidated financial statements, whose financial information reflects total assets of Rs. 48,444.38 lakhs and net assets of Rs. 9,517.60 lakhs as at 31 March 2020, total revenues of Rs. 31,496.46 lakhs, total net profit after tax of Rs. 155.68 lakhs, total comprehensive income of Rs. 275.84 lakhs, and cash outflows (net) of Rs. 35.59 lakhs for the year ended on that date, as considered in the consolidated financial statements. We also did not audit the financial statements of four branches included in the standalone audited financial statements of Holding Company, whose financial information reflects total assets of Rs. 11,472.49 lakhs as at 31 March 2020, total revenues of Rs. 10,612.94 lakhs, total net loss after tax of Rs. 110.53 lakhs, total comprehensive loss of Rs. 110.53 lakhs, and cash outflows (net) of Rs. 309.54 lakhs for the year ended on that date, as considered in the standalone audited financial statements of the Holding Company. The consolidated financial statements also includes the Group's share of net loss after tax of Rs. 135.27 lakhs and total comprehensive loss of Rs. 135.50 lakhs for the year ended 31 March 2020, in respect of twenty-two

associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors and branch auditors whose audit reports have been furnished to us, and this report, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the audit reports of such other auditors.

Further, of these subsidiaries/ associates/branches, all branches are located outside India, whose financial statements 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 Holding Company's management has converted the financial statements of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. This report, in so far as it relates to the balances and affairs of these branches, is based on the audit report of branch auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Report on Other Legal and Regulatory Requirements

10. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 9 above, on separate financial statements of the subsidiaries and associates, we report that a subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that Holding company, eleven subsidiary companies and twenty-two associate companies, have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such Holding company, its subsidiary companies and associate companies.
11. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates, we report, to the extent applicable, that:
 - a) as described in the Basis for Disclaimer of Opinion section, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books and the reports of the other auditors. Proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) the reports on the accounts of the branch offices of the Holding Company audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d) the consolidated financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - e) due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;
 - f) due to the possible effects of the matters described under the Basis for Disclaimer of Opinion section, we are unable to state whether these matters or the matters described in Emphasis of Matter section have any adverse effect on the functioning of the Holding Company;
 - g) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies covered under the Act, none of the directors of the Group companies and its associate companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - h) the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section, read with paragraph 11(b) above.
 - i) we were also engaged to audit the internal financial controls with reference to financial statements of the Holding Company as on 31 March 2020 in conjunction with our audit of the consolidated financial statements of the Holding Company, its subsidiary companies and associate companies for the year ended on that date and our report dated 30 July 2020 as per Annexure A expressed disclaimer of 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates:
 - i. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the consolidated financial statements disclose fully the impact of pending litigations on the consolidated financial position of the Group and its associates as at 31 March 2020;
 - ii. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether adequate provision has



been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies covered under the Act during the year ended 31 March 2020; 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

consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Manish Agrawal

Partner

Membership No.: 507000

UDIN: 20507000AAAACK8628

Place: Ghaziabad

Date: July 30, 2020

Annexure 1

List of entities included in the Consolidated Financial Statements

S. No.	Name	Relation
1	A2Z Infraservices Limited	Subsidiary
2	A2Z Powercom Limited	Subsidiary
3	A2Z Powertech Limited	Subsidiary
4	Mansi Bijlee & Rice Mills Limited	Subsidiary
5	Magic Genie Services Limited	Subsidiary
6	Chavan Rishi International Limited	Subsidiary
7	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Subsidiary
8	A2Z Infraservices Lanka Private Limited	Subsidiary
9	Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited)	Subsidiary
10	A2Z Waste Management (Aligarh) Limited	Associate till 15 July 2019 and post that subsidiary
11	A2Z Waste Management (Ludhiana) Limited	Associate till 15 July 2019 and post that subsidiary
12	Magic Genie Smartech Solutions Limited	Associate till 15 July 2019 and post that subsidiary
13	A2Z Mayo SNT Waste Management (Nanded) Private Limited	Strike-off on 21 October 2019
14	A2Z Green Waste Management Limited	Associate
15	A2Z Waste Management (Nainital) Private Limited	Associate
16	A2Z Waste Management (Moradabad) Limited	Associate
17	A2Z Waste Management (Merrut) Limited	Associate
18	A2Z Waste Management (Varanasi) Limited	Associate
19	A2Z Waste Management (Jaunpur) Limited	Associate
20	A2Z Waste Management (Badaun) Limited	Associate
21	A2Z Waste Management (Sambhal) Limited	Associate
22	A2Z Waste Management (Mirzapur) Limited	Associate
23	A2Z Waste Management (Balai) Limited	Associate
24	A2Z Waste Management (Fatehpur) Limited	Associate
25	A2Z Waste Management (Ranchi) Limited	Associate
26	A2Z Waste Management (Dhanbad) Private Limited	Associate
27	Shree Balaji Pottery Private Limited	Associate
28	Shree Hari Om Utensils Private Limited	Associate
29	A2Z Waste Management (Jaipur) Limited	Associate
30	A2Z Waste Management (Ahmedabad) Limited	Associate
31	Earth Environment Management Services Private Limited	Associate

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 2020

Annexure A

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. We were engaged to audit the internal financial controls with reference to consolidated financial statements of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as at 31 March 2020 in conjunction with our audit of the consolidated financial statements of the Group and its associates as at and for the year ended on that date.

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

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI.
4. Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to consolidated financial statements of the Group and its associates.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Disclaimer of Opinion

6. According to the information and explanations given to us and based on our audit and consideration of the report of the other auditor on internal financial controls with reference to financial statements of subsidiaries and associates, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Holding company's, its subsidiaries and associates internal financial controls with reference to financial statements were operating effectively as at 31 March 2020:

The Holding Company's internal controls with reference to financial statements with respect to (a) financial statements closure process towards assessing the Company's ability to continue as going concern were not operating effectively, which could potentially result in material misstatements in the carrying value and classification of assets and liabilities; (b) accrual of interest expenditure in accordance with Ind AS 23 'Borrowing Costs' and reconciliation of outstanding borrowings with lenders, were not operating effectively, which has resulted in a material misstatement in the amount of finance costs and other financial liabilities; and (c) estimating the fair value of its investment in an associate company A2Z GWM, including dues recoverable from such associate company in accordance with Ind AS 109 'Financial Instruments' were not operating effectively, which could potentially result in a material misstatement in the carrying values of investments, other current financial assets, current financial assets- loans and the consequential impact resulting from the aforesaid findings on the earnings, reserves and related disclosures in the financial statements.

7. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests



applied in our audit of the consolidated financial statements of the Group and its associates as at and for the year ended 31 March 2020, and the disclaimer has affected our opinion on the consolidated financial statements of the Group and its associates and we have issued a disclaimer of opinion on such consolidated financial statements.

Other Matter

8. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 12 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of Rs. 48,444.38 lakhs and net assets of Rs. 9,517.60 lakhs as at 31 March 2020, total revenues of Rs. 31,496.46 lakhs and net cash outflows amounting to Rs. 35.59 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. 135.50 lakhs for the year ended 31 March 2020, in respect of 22 associate companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to

such subsidiary companies and associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and its associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and associate companies is based solely on the reports of the auditors of such companies.

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

Manish Agrawal
Partner
Membership No.: 507000
UDIN: 20507000AAAACK8628

Place: Ghaziabad
Date: July 30, 2020

Consolidated Balance Sheet as at March 31, 2020

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

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	7,818.80	12,297.58
Right to use asset	3	125.51	-
Capital work-in-progress	3	9,033.16	14,235.49
Investment property	4	-	229.72
Goodwill	5	4,291.23	4,291.23
Other Intangible assets	5	14.26	19.08
Intangible assets under development	5	73.42	73.42
Investments accounted for using the equity method	6	21,293.63	22,553.55
Financial assets:			
Loans	7	227.50	157.90
Other financial assets	8	1,831.40	2,494.51
Deferred tax assets (net)	9	3,186.14	6,944.58
Non-current tax assets (net)	10	6,953.71	6,084.72
Other non-current assets	11	612.75	327.06
		55,461.51	69,708.84
Current assets:			
Inventories	12	590.58	420.01
Financial assets:			
Trade receivables	13	91,713.74	98,317.68
Cash and cash equivalents	14	1,038.43	1,287.87
Other bank balances	15	116.83	116.83
Loans	7	8,592.31	8,998.60
Other financial assets	8	23,039.48	21,707.00
Other current assets	11	15,775.92	14,426.29
Assets held for sale	40	3,041.48	2,534.55
		143,908.77	147,808.83
		199,370.28	217,517.67
EQUITY AND LIABILITIES:			
Equity:			
Equity share capital	16	17,611.99	17,611.99
Other equity		23,666.51	50,939.97
Equity attributable to equity holders of the Company			
Non-controlling interests		(488.95)	126.27
Total equity		40,789.55	68,678.23
Liabilities:			
Non-current liabilities:			
Financial liabilities:			
Borrowings	17	358.38	3,659.07
Lease liability	18	64.96	-
Other financial liabilities	19	12.08	8.74
Provisions	20	1,884.12	1,650.81
Deferred tax liabilities (net)	9	40.31	16.67
Other non-current liabilities	21	3,072.53	0.94
		5,432.38	5,336.23
Current liabilities:			
Financial liabilities:			
Borrowings	22	33,836.34	29,815.71
Lease liability	18	56.94	-
Trade payables	23	75.54	42.36
Total outstanding dues of micro and small enterprises		67,066.25	64,456.37
Total outstanding dues of creditors other than micro and small enterprises		22,874.44	21,746.92
Other financial liabilities	19	29,072.31	27,234.95
Other current liabilities	21	97.64	138.27
Provisions	20	68.89	68.63
Current tax liabilities (net)	24		
		153,148.35	143,503.21
		199,370.28	217,517.67

Summary of significant accounting policies

2

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

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Manish Agrawal

Partner

Membership No. 507000

Place : Ghaziabad

Date : July 30, 2020

For and on behalf of the Board of Directors

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Place : Gurugram

Date : July 30, 2020

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary



Consolidated Statement of Profit and Loss for the Period ended March 31, 2020

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

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Income:			
Revenue from operations	25	69,984.30	86,870.11
Other income	26	2,819.83	1,932.96
Total income		72,804.13	88,803.07
Expenses:			
Cost of materials consumed	27	42,705.99	47,827.75
Change in inventories	28	(162.65)	(0.58)
Employee benefits expense	29	21,592.94	26,246.58
Finance costs	30	6,034.47	5,977.90
Depreciation and amortisation expenses	31	1,370.47	2,698.67
Other expenses	32	8,746.35	7,036.18
Total expenses		80,287.57	89,786.50
(Loss) before share of loss from associates exceptional items and tax		(7,483.44)	(983.43)
Less: (Loss) share from associate accounted through equity method		(135.27)	(974.83)
(Loss) before exceptional items and tax		(7,618.71)	(1,958.26)
Exceptional items	43	(16,108.68)	31,344.07
(Loss) / profit before tax		(23,727.39)	29,385.81
Tax expense	33		
Current tax		347.12	518.24
Deferred tax (net)		3,739.87	144.43
		4,086.99	662.67
(Loss) / profit for the year		(27,814.38)	28,723.14
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
a) Remeasurement of defined benefit obligations		193.20	272.94
b) Income tax relating to items that will not be reclassified to profit or loss		(42.21)	(73.88)
Total other comprehensive income for the year		150.99	199.06
Total comprehensive income for the year			
(comprising (loss)/ profit and other comprehensive income)		(27,663.39)	28,922.20
(Loss) / Profit is attributable to:			
Equity holders of the Company		(27,695.95)	30,504.83
Non-controlling interests		(18.43)	(1,781.69)
Other comprehensive income is attributable to:			
Equity holders of the Company		145.05	195.02
Non-controlling interests		5.94	4.04
Total comprehensive income is attributable to:			
Equity holders of the Company		(27,550.90)	30,699.85
Non-controlling interests		(112.49)	(1,777.65)
(Loss) / Earning per equity share (INR) :	34		
(Nominal value of shares INR 10)			
Basic		(15.73)	17.32
Diluted		(15.73)	17.30
Summary of significant accounting policies	2		

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

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

Sd/-
Manish Agrawal
Partner
Membership No. 507000

Sd/-
Amit Mittal
Managing Director
(DIN 00058944)
Sd/-
Rajiv Chaturvedi
Chief Financial Officer
Place : Gurugram
Date : July 30, 2020

Sd/-
Rajesh Jain
Whole Time Director & CEO
(DIN 07015027)
Sd/-
Atul Kumar Agarwal
Company Secretary

Place : Ghaziabad
Date : July 30, 2020



Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(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, 2018	16	176,119,858	17,611.99
Changes during the year	-	-	-
Balance as at March 31, 2019	16	176,119,858	17,611.99
Changes during the year	-	-	-
Balance as at March 31, 2020	16	176,119,858	17,611.99

B. Other equity:

Attributable to equity holders of the Company									
	Equity component of compound financial instruments	Reserves and Surplus*					Total other equity	Non-controlling interests	Total
		Securities premium account	Capital reserve	General reserve	Employee stock option plan reserve	Retained earnings			
Balance as at April 1, 2018	-	89,586.56	14.57	640.14	472.98	(71,130.79)	19,583.46	(13,326.53)	6,256.93
Profit for the year	-	-	-	-	-	30,504.83	30,504.83	(1,781.69)	28,723.14
Other comprehensive income (net of tax)	-	-	-	-	-	195.02	195.02	4.04	199.06
Total comprehensive income	-	-	-	-	-	30,699.85	30,699.85	(1,777.65)	28,922.20
Transfer from Employee stock option plan reserve on lapse	-	-	-	-	(55.40)	55.40	-	-	-
Adjustment on account of disposal of subsidiary (Refer Note 44 ii)	465.54	-	-	-	-	-	465.54	15,230.45	15,695.99
Transactions with owners in their capacity as owners:									
Employee stock option (ESOP) expense for the year (Refer Note 29.2)	-	-	-	-	191.12	-	191.12	-	191.12
Balance as at March 31, 2019	465.54	89,586.56	14.57	640.14	608.70	(40,375.54)	50,939.97	126.27	51,066.24
(Loss) for the year	-	-	-	-	-	(27,695.95)	(27,695.95)	(118.43)	(27,814.38)
Other comprehensive income (net of tax)	-	-	-	-	-	145.05	145.05	5.94	150.99
Total comprehensive income	-	-	-	-	-	(27,550.90)	(27,550.90)	(112.49)	(27,663.39)
Transfer from Employee stock option plan reserve on lapse	-	-	-	-	(55.81)	55.81	-	-	-
Adjustment on account of acquisition of subsidiary (Refer Note 44 i)	-	-	-	-	-	-	-	(502.73)	(502.73)
Transactions with owners in their capacity as owners:									
Employee stock option (ESOP) expense for the year (Refer Note 29.2)	-	-	-	-	277.44	-	277.44	-	277.44
Balance as at March 31, 2020	465.54	89,586.56	14.57	640.14	830.33	(67,870.63)	23,666.51	(488.95)	23,177.56

* Refer Note 2(j) for the nature and purpose of reserves.

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

This is the consolidated statement of changes in equity referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Manish Agrawal

Partner

Membership No. 507000

Place : Ghaziabad

Date : July 30, 2020

For and on behalf of the Board of Directors

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Place : Gurugram

Date : July 30, 2020

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary



Consolidated Cash Flow Statement for the year ended March 31, 2020

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flows from operating activities:		
Net (Loss) / Profit before tax and non-controlling interest (after exceptional items)	(23,727.39)	29,385.81
Adjustments :		
Exceptional items (Loss/ (Gain))	16,108.68	(31,344.07)
Share of associates	135.27	974.83
Depreciation and amortisation expense	1,370.47	2,698.67
Interest expense	5,481.76	5,341.87
Interest income	(2,020.70)	(433.62)
Loss / (gain) on sale of property, plant and equipment (net)	7.54	(25.79)
Provision for contract revenue in excess of billing	165.35	164.52
Gain on modification of lease contract	(0.15)	-
Provision for doubtful debts and advances (net)	4,209.45	1,547.72
Provision for warranty	716.58	707.06
Advances/ earnest money deposit written - off	-	579.19
Liability / provision written back	(33.58)	(336.28)
Inventory written off	108.02	-
Bad debts written off	-	34.11
Actuarial gain on gratuity	193.20	272.94
Recognition of share based payments at fair value	277.44	191.12
Subsidy amortised	(45.36)	(586.17)
Rental income	(74.03)	(91.82)
Operating profit before working capital changes	2,872.55	9,080.09
Net changes in working capital		
Change in inventories	145.34	(15.23)
Change in trade receivables	(3,454.07)	(2,338.39)
Change in loans	441.24	(11,431.70)
Change in other financial assets	(2,775.41)	4,404.78
Change in other assets	(2,106.98)	(2,575.16)
Change in trade payables	3,417.91	(2,439.81)
Change in other financial liabilities	(413.43)	5,790.85
Change in other liabilities	894.63	9,896.09
Change in provisions	(611.22)	(315.61)
Net changes in working capital:	(4,461.99)	975.82
Cash (used in) / flow from operations	(1,589.44)	10,055.91
Current taxes paid (net of refunds)	(1,026.51)	(1,725.47)
Net cash (used in)/flow from operating activities (A)	(2,615.95)	8,330.44

Consolidated Cash Flow Statement for the year ended March 31, 2020

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
B Cash flows from investing activities:		
Payments for property, plant and equipment (including capital work in progress)	(612.32)	(271.54)
Purchase for intangible asset	-	(18.08)
Proceeds from sale of Property, plant and equipment	33.45	25.79
Outflow due to acquisition/loss of control	(666.72)	(31.67)
Fixed deposits matured - (net)	654.61	282.15
Rental income	74.03	91.82
Interest received	1,189.53	431.11
Net cash flow from investing activities (B)	672.58	509.58
C Cash flows from financing activities:		
Repayment of long term borrowings (net)	(3,207.60)	(10,612.01)
Proceeds from short term borrowings (net)	7,095.16	2,451.11
Payment of lease liability	(58.09)	-
Interest paid	(2,135.54)	(1,299.44)
Net cash flow from / (used in) financing activities (C)	1,693.93	(9,460.34)
Net decrease in cash and cash equivalents (A+B+C)	(249.44)	(620.32)
Cash and cash equivalents at the beginning of the year	1,287.87	1,908.19
Cash and cash equivalents at the end of the year	1,038.43	1,287.87
Reconciliation of cash and cash equivalents as per the cash flow statement.	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents as per above comprises of the following :		
a. Cash in hand	27.30	1.83
b. Balances with banks		
- in current account	1,009.13	1,284.04
- in fixed deposit account (less than 3 month maturity)	2.00	2.00
	1,038.43	1,287.87

Note: All figures in brackets are outflows.

Summary of significant accounting policies and other explanatory information are an integral part of consolidated financial statements.

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

Sd/-

Manish Agrawal

Partner

Membership No. 507000

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Place : Ghaziabad

Date : July 30, 2020

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Place : Gurugram
Date : July 30, 2020

Sd/-

Atul Kumar Agarwal

Company Secretary



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

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 consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries and associates collectively hereinafter referred to as the 'Group'.

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

These consolidated financial statements for the year ended March 31, 2020 were authorized and approved for issue by the Board of Directors on July 30, 2020. The revisions to the consolidated financial statements are permitted by the Board of Directors of the Holding Company after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

2 : 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, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements").

The financial statements have been prepared on going concern basis using a historical cost convention, except certain financial assets and financial liabilities which are measured at fair value as explained in relevant accounting policies.

The financial statements are presented in INR which is assessed to be the functional currency of the Group in accordance with Ind AS. All values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

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

2.2 Use of estimates and judgments

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

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

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

Significant management judgements

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

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 premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

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



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

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.

• Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

• Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. A tax provision is recognised when the Group has a present obligation as a result of a past event; it is probable that the Group will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability.

2.3 Significant accounting policies

a) Principles of consolidation

Subsidiary

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and

The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

Consolidation procedures:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group, unless the accounting standard specifies otherwise.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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 in 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 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 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.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

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 operation of plant

Revenue from operation of plant is recognised on transfer of significant risks and rewards of ownership to the buyer which is when delivered, and measured on an accrual basis based on the rates in accordance with the provisions of the Power Purchase Agreements (PPAs) entered into by the Company with the procurer/s of power. Claims for delayed payment charges and other claims are accounted by the Company on accrual basis in accordance with the provisions of the PPAs only when it is reasonable to expect ultimate collection. Excise Duty is not applicable on generation and sale of power. Sales exclude sales tax and value added tax, where applicable.

vi. 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.

vii. Export incentive

Income from export incentives such as duty drawback is recognized on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

viii. Interest

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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

ix. Dividends

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

x. Others

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

c) Foreign currencies and operations

Initial recognition

The Group's financial statements are presented in INR, which is also the Parent Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Translation of foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the INR are translated into INR upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into INR at the closing rate at the reporting date. Income and expenses have been translated into INR at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

d) Property, plant and equipment (PPE)

i. Initial recognition

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

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

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

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.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

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) Investment properties

Recognition and initial measurement

Investment properties are held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. 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 statement of profit and loss as incurred.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual valuation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Subsequent measurement (depreciation and useful lives)

The Group based on technical assessment made by it, depreciates building component of investment property on a straight line basis over a period of 60 years from the date of original purchase.

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

De-recognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

f) 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.

g) Leases

i Where the Group is lessee – Right of use assets and lease liabilities

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in notes). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

ii. Where the Group is lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease, except when the lease rentals, increase are in line with general inflation index. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

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

h) Financial instruments

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

i. Recognition, initial measurement and derecognition

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

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

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

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

ii. Classification and subsequent measurement of financial assets

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

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

☐ Debt instruments 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.



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

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

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

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

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

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

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

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

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

❑ **Equity instruments**

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

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

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

iii. **Classification and subsequent measurement of financial liabilities**

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

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

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

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

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

❑ **Financial liabilities measured at amortised cost**

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

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

❑ **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv. Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 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.

i) Equity shares

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

j) Reserve and surplus

Nature and purpose of reserves;

a) General reserve

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

b) Securities premium reserve

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

c) Net gain on fair value of defined benefit plans

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

d) Employee stock option plan reserves

The 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 29.2 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 subsidiary 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.

k) Cash and cash equivalents

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



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

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.

l) 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.

m) 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.

n) 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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020

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

o) 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.

p) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

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

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

q) 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.

r) 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



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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.

s) 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.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

t) 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.

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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.

u) 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.

v) 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.

w) 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 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

x) 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.

y) 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



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- 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.

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 Recent accounting pronouncements

Amendment to Ind AS 103, Business Combinations

On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 103 whereby definition of the business has been amended. Additionally, new amendments also provide new aspects to evaluate a set of activities as business. The effective date of these amendments is April 1, 2020. The Group is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 116, Leases

On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 116 in respect of rent concessions occurring as a direct consequence of the Covid-19 pandemic. The effective date of these amendments is April 1, 2020. However, in case an entity (lessee) has not yet approved the financial statements before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1, 2019 as well. Currently, the Group does not have any such scenario and hence, the Group has not considered any impact of this amendment on these financial statements.

Amendment to Ind AS 1, Presentation of Financial Statements

On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 1 whereby definition of the word 'Material' has been enhanced to make it more explanatory and it now covers more scenarios. The effective date of these amendments is April 1, 2020. The Group is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 10, Events After the Reporting Period

On July 24, 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 10 in respect of disclosure requirement related to non-adjusting event. This amendment requires additional information to be disclosed for material non-adjusting events. The effective date of these amendments is April 1, 2020. The Group is evaluating the requirements of the amendments and their impact on the financial statements.

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

Note 3 : PROPERTY, PLANT AND EQUIPMENT, RIGHT TO USE ASSETS AND CAPITAL WORK IN PROGRESS

	Freehold land	Leasehold improvement	Computers	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Tools and equipment	Office equipment	Total	Right to use of Assets (Refer Note 54)	Capital work in progress
Gross carrying amount:												
Balance as at April 1, 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	-	39,610.89
Additions	-	-	0.64	-	127.11	0.21	1.60	-	16.57	146.13	-	369.77
Disposals/adjustment	-	-	-	-	(9.89)	-	(190.20)	-	-	(200.09)	-	-
Loss of control of subsidiary (Refer Note 44 ii)	(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
Additions	-	-	3.73	-	65.16	1.73	198.96	-	5.23	274.81	183.23	278.88
Acquired through business combination (Refer Note 44 i)	-	-	1.24	1,527.29	1,296.52	5.29	1,111.00	260.60	28.77	4,230.71	-	3,792.99
Disposals/adjustment	-	-	1.99	-	216.59	2.90	49.11	-	0.93	271.52	13.48	-
Assets held for sale (Refer Note 40)	(19.58)	-	-	(275.83)	(18.88)	(108.72)	-	-	(9.03)	(432.04)	-	-
Balance as at March 31, 2020	635.10	73.47	914.90	5,288.07	17,273.79	322.17	3,014.61	275.40	732.65	28,530.16	169.75	30,938.57
Accumulated depreciation and impairment:												
Balance as at April 1, 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/adjustment	-	-	-	-	(6.39)	-	(173.56)	-	-	(179.95)	-	-
Loss of control of subsidiary (Refer Note 44 ii)	-	-	(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
Depreciation*	-	-	2.67	240.38	981.40	17.02	56.73	3.33	7.23	1,308.76	46.14	-
Acquired through business combination (Refer Note 44 i)	-	-	1.12	331.21	574.97	4.54	942.65	252.08	27.81	2,134.38	-	-
Impairment (Refer Note 3.1)	-	-	-	1,834.51	3,375.77	-	4.02	-	-	5,214.30	-	9,274.20
Disposals	-	-	1.99	-	176.56	2.90	48.24	-	0.84	230.53	1.90	-
Assets held for sale (Refer Note 40)	-	-	-	(39.45)	(10.04)	(87.65)	-	-	(9.03)	(146.17)	-	-
Balance as at March 31, 2020	-	73.47	911.66	3,810.69	12,024.23	298.04	2,629.80	266.10	697.37	20,711.36	44.24	21,905.41
Net carrying amount:												
Balance as at March 31, 2020	635.10	-	3.24	1,477.38	5,249.56	24.13	384.81	9.30	35.28	7,818.80	125.51	9,033.16
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

* Current year depreciation includes INR Nil (March 31, 2019: INR 69.64 lakhs) which has been carried under capital work in progress.

Note 3.1: Impairment

The management of the Holding Company has performed an 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, 2020, such plants have a power generation capacity of 15 MW each. Till the year ended March 31, 2019, the assessment had been done on the basis of assumptions of the useful life of assets, discounted cash flows with significant underlying assumptions, the 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. During the current year, certain disputes arose with sugar mills in respect of cogeneration power plants and accordingly the management of the Holding Company has decided to shift these power plants to other locations which is yet to be finalized. Accordingly, the management carried out an impairment assessment and has recorded an impairment of INR 29,536.28 lakhs (March 31, 2019: INR 14,539.47 lakhs) in carrying value of these assets as at March 31, 2020. 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 as at March 31, 2020, INR 22,413.72 lakhs (March 31, 2019: INR 12,631.21 lakhs) pertain to two power plants, which are yet to be capitalised and INR 7,122.56 lakhs (March 31, 2019: INR 1,908.25 lakhs) are for power plant which has already been capitalised. Accordingly, the Holding Company has charged the impairment for the power plants amounting INR 14,996.81 lakhs (March 31, 2019: INR 4,200 lakhs) under exceptional items in the statement of profit and loss. The recoverable amount of all three cogeneration power plants is based on their fair value determined based on the depreciated replacement cost.

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).



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 3.3: Property, plant and equipment are pledged as collateral for borrowings from banks (Refer Note 17 and Note 22).

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, 2020	As at March 31, 2019
Buildings under construction	1,302.02	190.04
Power plant equipment's under erection	19,756.43	13,723.03
Borrowing costs capitalised	5,364.37	5,716.51
Other expenses (directly attributable to construction/erection of assets)		
Employee benefit expense	1,099.27	2,664.34
Depreciation	491.36	334.80
Other directly attributable expenses (including trial/test run expenses)	3,433.43	4,237.98
Less:- Impairment (Refer Note 3.1)	(22,413.72)	(12,631.21)
Total	9,033.16	14,235.49

Note 4 : INVESTMENT PROPERTY

	Freehold land	Buildings	Plant and Equipment	Furniture and fixtures	Office equipment	Total
Gross carrying amount:						
Balance as at April 1, 2018	-	-	-	-	-	-
Transfer from property, plant and equipment	15.01	211.58	14.49	83.39	6.92	331.39
Disposals	-	-	-	-	-	-
Balance as at March 31, 2019	15.01	211.58	14.49	83.39	6.92	331.39
Additions	-	-	-	-	2.09	2.09
Disposals/adjustment	-	-	-	-	-	-
Reclassified as asset held for sale (Refer Note 40)	(15.01)	(211.58)	(14.49)	(83.39)	(9.01)	(333.48)
Balance as at March 31, 2020	-	-	-	-	-	-
Depreciation and impairment:						
Balance as at April 1, 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
Depreciation	-	2.62	0.77	7.05	0.30	10.75
Disposals/adjustment	-	-	-	-	-	-
Reclassified as asset held for sale (Refer Note 40)	-	(30.26)	(7.70)	(67.24)	(7.22)	(112.42)
Balance as at March 31, 2020	-	-	-	-	-	-
Net carrying amount:						
Balance as at March 31, 2020	-	-	-	-	-	-
Balance as at March 31, 2019	15.01	183.94	7.56	23.21	-	229.72

Note:

- (i) Fair Value of Investment Property as on March 31, 2020 : INR Nil (March 31, 2019 : INR 592.55 lakhs), except investment property classified as assets held for sale.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

(ii) Amount recognized in statement of profit and loss for investment properties

	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental income (Refer Note 26)	74.03	91.82
Less: direct operating expenses that generated rental income	-	-
Less: direct operating expenses that did not generate rental income	27.53	22.89
Profit from leasing of investment properties before depreciation	46.50	68.93
Less: depreciation expense	10.75	13.87
Profit from leasing of investment properties after depreciation	35.75	55.06

(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 4.1 : Investment property are pledged as collateral for borrowings from banks (Refer Note 17 and Note 22).

Note 5 : OTHER INTANGIBLE ASSETS

	Computer Software	Intangibles assets under development*	Goodwill (Refer Note 5.3)
Gross carrying amount:			
Balance as at April 1, 2018	879.72	73.42	4,291.98
Additions	18.08	-	-
Loss of control of subsidiary (Refer Note 44 ii)	(73.53)	-	(0.75)
Balance as at March 31, 2019	824.27	73.42	4,291.23
Additions	-	-	-
Disposal/adjustments	(30.60)	-	-
Balance as at March 31, 2020	793.67	73.42	4,291.23
Amortisation and impairment:			
Balance as at April 1, 2018	859.99	-	-
Amortisation	18.73	-	-
Loss of control of subsidiary (Refer Note 44 ii)	(73.53)	-	-
Balance as at March 31, 2019	805.19	-	-
Amortisation	4.82	-	-
Disposal/adjustments	(30.60)	-	-
Balance as at March 31, 2020	779.41	-	-
Net carrying amount:			
Balance as at March 31, 2020	14.26	73.42	4,291.23
Balance as at March 31, 2019	19.08	73.42	4,291.23

* 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: 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, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 5.3: 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, 2020	As at March 31, 2019
(i) Facility management services (FMS)	3,578.10	3,578.10
(ii) Power generation projects (PGP)	0.12	0.12
(iii) Others	713.01	713.01
	4,291.23	4,291.23

The Group performed its annual impairment test for years ended March 31, 2020 and 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, 2020 and 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 11.16% (March 31, 2019: 17.34%).

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 land/building, professional 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, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 6 : INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Carrying amount		
I. Investments in equity instruments	13,630.41	15,394.67
II. Investments in preference shares (Debt portion)	7,640.97	7,139.41
III. Investments in debentures (Debt portion)	22.25	19.47
Total	21,293.63	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 : (Refer Note 6.1.3)		
9,693,987 (March 31, 2019 9,693,987) equity shares of INR 10 each in A2Z Green Waste Management Limited	969.40	969.40
10,000 (March 31, 2019 10,000) equity shares of INR 10 each in A2Z Waste Management (Jaipur) Limited	1.00	1.00
24,000 (March 31, 2019 24,000) equity shares of INR 10 each in A2Z Waste Management (Nainital) Private Limited	2.40	2.40
	972.80	972.80
b. Investment in preference shares (Equity portion)		
171,200,000 (March 31, 2019 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Green Waste Management Limited (Refer note 6.1.2)	13,197.61	13,197.61
Nil (March 31, 2019 3,321,713) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Waste Management (Ludhiana) Limited (Refer Note 6.1.3)	-	1,613.51
	13,197.61	14,811.12
c. Investment in debentures (Equity portion)		
1,475,000 (March 31, 2019 Nil) fully paid-up, Zero Coupon debenture of INR 10 each in A2Z Green Waste Management Limited (Refer note 6.1.2)	1,461.04	1,461.04
	1,461.04	1,461.04
d. Investment in Associate, other than in shares (Refer Note 6.1.1 & 6.1.2)	41.75	56.00
	41.75	56.00
Less: Share of loss from associate accounted through equity method	(1,110.38)	(974.88)
Less: Provision for impairment in value of non-current investments		
A2Z Waste Management (Nainital) Private Limited	(2.40)	(2.40)
A2Z Green Waste Management Limited	(929.01)	(929.01)
A2Z Waste Management (Jaipur) Limited	(1.00)	-
	13,630.41	15,394.67
II. Investment in preference shares (Debt portion) [Valued at amortised cost]:		
Subsidiary companies [Unquoted]:		
171,200,000 (March 31, 2019 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Green Waste Management Limited (Refer note 6.1.2)	7,640.97	6,685.50
Nil (March 31, 2019 3,321,713) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in A2Z Waste Management (Ludhiana) Limited (Refer Note 6.1.3)	-	453.91
	7,640.97	7,139.41



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
III. Investment in debentures (Debt portion) [Valued at amortised cost]:		
1,475,000 (March 31, 2019 1,475,000) fully paid-up, Zero Coupon debenture of INR 10 each in A2Z Green Waste Management Limited (Refer note 6.1.2)	22.25	19.47
	22.25	19.47
Aggregate amount of unquoted investments	21,293.63	22,553.55
Aggregate amount of impairment in value of investment	(932.41)	(931.41)

Note 6.1.1 Investment in associates, other than in shares, represents employee stock option exercised by employees of associates. This amount pertains to employee stock option granted to employees of the Group which were earlier subsidiaries and now have become associates of the Group.

Note 6.1.2 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 indirect 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 (AWMJPL) 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 AWMJPL and AWMJL and therefore investment in AWMJPL and AWMJL has been accounted for as an associate in accordance with Ind AS 28 'Investments in Associates and Joint Ventures'.

Note 6.1.3 During the year ended March 31, 2020, 'A2Z Infraserivies Limited' a subsidiary company has acquired A2Z Waste Management (Ludhiana) Group and A2Z Waste Management (Aligarh) Limited which were earlier associate company of A2Z Infra Engineering Limited. A2Z Infraserivies has acquired 35,000 equity shares (i.e 70%) and 950,000 preference shares of A2Z Waste Management (Ludhiana) Limited and 40,000 equity shares (i.e 80%) and 6,450,000 preference shares of A2Z Waste Management (Aligarh) Limited. As a result, these two companies have become step subsidiaries of A2Z Infra Engineering Limited.

Note 6.2 The Holding Company, as at March 31, 2020, has non-current investments (net of impairment) amounting to INR 20,889.42 lakhs, other current financial assets (net of impairment) amounting to INR 418.24 lakhs and current financial assets-loan amounting to INR 399.73 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, 2020 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. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments (net of impairment), other current financial assets (net of impairment) and current financial assets-loans due to which these are considered as good and recoverable.

Note 6.3 The management has committed to provide continued operational and financial support to its subsidiaries/associates for meeting their working capital and other financial requirements and based upon approved future projections of the associates, believes that no impairment exist in excess of the provision already created and accordingly, no further adjustment is considered necessary in respect of carrying value of investments.

Note 6.4 The Group does not have any quoted investments.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
Note 7 : LOANS				
[Unsecured considered good, unless otherwise stated]				
Security deposits				
Considered good	884.94	227.50	699.27	157.90
Credit impaired	173.77	50.30	178.77	-
Less : Provisions for impairment	(173.77)	(50.30)	(178.77)	-
	884.94	227.50	699.27	157.90
Loan to employees	3.50	-	6.34	-
Loans to associate companies (Refer Note 7.1 and Note 7.2)	7,703.87	-	8,292.99	-
Total	8,592.31	227.50	8,998.60	157.90

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, 2020		As at March 31, 2019	
	Amount out-standing**	Maximum amount outstanding during the year	Amount out-standing**	Maximum amount outstanding during the year
Associates:				
A2Z Green Waste Management Limited	7,023.56	7,759.66	7,216.07	7,438.99
A2Z Waste Management (Ludhiana) Limited (Refer Note 46#)	-	688.38	490.55	669.87
A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56	230.56	230.56
A2Z Waste Management (Ranchi) Limited	350.48	350.48	350.00	350.00
Magic genie Smartech Solutions Limited	-	14.23	5.81	5.81
A2Z Waste Management (Varanasi) Limited	82.07	82.07	-	-
A2Z Waste Management (Merrut) Limited	8.92	9.30	-	-
Shree Balaji Pottery Private Limited	0.22	0.22	-	-
Shree Hari Om Utensils Private Limited	0.99	0.99	-	-
A2Z Waste Management (Jaunpur) Limited	0.44	0.44	-	-
A2Z Waste Management (Moradabad) Limited	6.64	6.64	-	-
	7,703.87	9,142.97	8,292.99	8,695.23

** net of impairment



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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, 2020	As at March 31, 2019
(A) Loan and advances:		
Associates:		
A2Z Green Waste Management Limited	7,023.56	7,216.07
A2Z Waste Management (Ludhiana) Limited (Refer Note 46#)	-	490.55
A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56
A2Z Waste Management (Ranchi) Limited	350.48	350.00
Magic Genie Smartech Solutions Limited	-	5.81
A2Z Waste Management (Varanasi) Limited	82.07	-
A2Z Waste Management (Merrut) Limited	8.92	-
Shree Balaji Pottery Private Limited	0.22	-
Shree Hari Om Utensils Private Limited	0.99	-
A2Z Waste Management (Jaunpur) Limited	0.44	-
A2Z Waste Management (Moradabad) Limited	6.64	-
Total	7,703.87	8,292.99
(B) Guarantees:*		
Associates:		
A2Z Green Waste Management Limited	25,025.00	25,025.00
A2Z Waste Management (Merrut) Limited	1,100.00	1,100.00
A2Z Waste Management (Moradabad) Limited	480.00	480.00
A2Z Waste Management (Varanasi) Limited	2,000.00	2,000.00
	28,605.00	28,605.00

All transactions are in ordinary course of business

* Also Refer Note 42(a)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
<u>Note 8 : OTHER FINANCIAL ASSETS</u>				
[Unsecured, considered good unless otherwise stated]				
Advance recoverable in cash	110.87	-	-	-
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	892.58	-	1,503.51	-
Considered doubtful	226.88	-	-	-
Less: Provisions for doubtful assets	(226.88)	-	-	-
	892.58	-	1,503.51	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
Other assets*#\$				
Considered good	7,210.73	455.24	3,448.83	499.38
Considered doubtful	320.73	99.00	302.94	99.00
Less: Provisions for doubtful assets	(320.73)	(99.00)	(302.94)	(99.00)
	7,210.73	455.24	3,448.83	499.38
Contract revenue in excess of billings (Refer Note 8.1)				
Considered good	13,947.33	-	16,275.93	-
Considered doubtful assets	370.69	-	377.78	-
Less: Provisions for doubtful assets	(370.69)	-	(377.78)	-
	13,947.33	-	16,275.93	-
Amount recoverable from associates				
Considered good	738.50	-	463.35	-
Considered doubtful	877.12	-	877.12	-
Less: Provisions for doubtful assets	(877.12)	-	(877.12)	-
	738.50	-	463.35	-
Subsidy receivable (Refer Note 21.2)	135.37	-	-	-
Interest accrued on fixed deposits	4.10	0.14	15.38	-
Bank deposits with more than 12 months maturity**	-	1,376.02	-	1,995.13
Total	23,039.48	1,831.40	21,707.00	2,494.51

*Includes amount due from a director of the Company-
Mr Amit Mittal (Refer Note 36.3)

34.93 - 74.93 -

#Includes amount due from a director of the Company-
Mr Rajesh Jain (Refer Note 36.4)

16.50 - 16.50 -

\$Includes amount due from a director of the Company-
Mr Ashok Kumar Saini (Refer Note 36.4)

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



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	Credit/(Charge) to statement of profit and loss and other comprehensive income	As at March 31, 2019	Disposal of subsidiary (Refer Note 44 ii)	Credit/(Charge) to statement of profit and loss and other comprehensive income	As at March 31, 2018
Note 9 : DEFERRED TAX						
a) Deferred tax assets (net)						
Deferred tax liabilities/ (assets)						
Property, plant and equipment	(830.10)	(1,383.19)	553.09	-	49.60	503.49
	(830.10)	(1,383.19)	553.09	-	49.60	503.49
Deferred tax assets						
Unabsorbed losses and depreciation	19.45	0.64	18.81	-	(82.65)	101.46
Provision for doubtful advances and others*	842.01	(2,588.75)	3,430.76	-	1,952.20	1,478.56
Provision for doubtful debts and unbilled receivables	8.08	(1,621.38)	1,629.46	-	(3,594.22)	5,223.68
Other provisions for expense allowance on payment basis under income tax act (net)	1,486.50	(932.14)	2,418.64	-	1,590.64	828.00
MAT credit entitlement	-	-	-	-	(18.81)	18.81
	2,356.04	(5,141.63)	7,497.67	-	(152.84)	7,650.51
Total	3,186.14	(3,758.44)	6,944.58	-	(202.44)	7,147.02
*Includes deferred tax charged to other comprehensive income INR 42.21 lakhs (previous year INR 73.88 lakhs)						
b) Deferred tax liabilities (net)						
Deferred tax liabilities						
Depreciation	57.14	0.60	56.54	(7.93)	12.22	52.25
	57.14	0.60	56.54	(7.93)	12.22	52.25
Deferred tax assets						
Unabsorbed losses and depreciation	16.83	(7.32)	24.15	-	(3.65)	27.80
Other provisions for expense allowance on payment basis under income tax act (net)	-	-	-	(0.25)	-	0.25
MAT credit entitlement	-	(15.72)	15.72	-	-	15.72
	16.83	(23.04)	39.87	(0.25)	(3.65)	43.77
Total	40.31	23.64	16.67	(7.68)	(15.87)	8.48

	As at March 31, 2020	As at March 31, 2019
Note 10 : NON-CURRENT TAX ASSETS (NET)		
Advance tax (net of provision)	6,953.71	6,084.72
Total	6,953.71	6,084.72

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
<u>Note 11 : OTHER ASSETS</u>				
[Unsecured, considered good unless otherwise stated]				
Capital advances				
Considered good	-	549.26	-	302.68
Considered doubtful	-	13.93	-	10.16
Less: Provision for doubtful advances	-	(13.93)	-	(10.16)
	-	549.26	-	302.68
Other advances				
Considered good	2,914.68	-	4,176.76	-
Considered doubtful	1,583.28	-	781.83	-
Less: Provision for doubtful advances	(1,583.28)	-	(781.83)	-
	2,914.68	-	4,176.76	-
Prepaid expenses	150.58	12.81	257.28	24.38
Balances with government authorities	12,710.66	50.68	9,992.25	-
Total	15,775.92	612.75	14,426.29	327.06

	As at March 31, 2020	As at March 31, 2019
<u>Note 12 : INVENTORIES</u>		
[Valued at lower of cost or net realisable value]		
Project stores and spares	7.17	420.01
Finished goods	583.41	-
Total	590.58	420.01

Note 12.1 : Inventories with a value of INR Nil (March 31, 2019 : INR 394.13 lakhs) are carried at net realisable value, this being lower than cost. During the year ended March 31, 2020, INR 108.02 lakhs (March 31, 2019 : INR Nil) 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 22)

	As at March 31, 2020	As at March 31, 2019
<u>Note 13 : TRADE RECEIVABLES</u>		
Trade receivables - (Unsecured):		
From other than related parties		
Considered good	90,744.91	92,721.34
Credit impaired	5,379.47	2,953.51
	96,124.38	95,674.85
From related parties		
Considered good	968.83	5,596.34
Credit impaired	64.93	3,569.76
	1,033.76	9,166.10
Less: Loss allowance (Refer Note 13.4)	(5,444.40)	(6,523.27)
Total	91,713.74	98,317.68



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 13.1 : Trade receivables include retention money of INR 46,123.11 lakhs (March 31, 2019 INR 47,846.64 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 their sub-contractors or respective banks who had provided the required non-fund based/fund based limit for the aforementioned project. Accordingly, cash-flows arising out of realization from certain projects amounting to INR 63,958.70 lakhs (March 31, 2019 INR 59,325.36 lakhs) will be transferred to the aforementioned contractors or banks according to their respective agreements. Further, out of the remaining INR 17,878.69 lakhs (March 31, 2019 INR 30,149.35 lakhs) an amount of INR 13,131.38 lakhs (March 31, 2019 INR 18,477.26 lakhs) are on account of retention receivable which is pending for more than 3 years as on date.

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 loss allowance is presented below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance as at the beginning of the year	6,523.27	15,438.40
Changes in loss allowance:-		
Add: Provided during the year	3,130.90	1,287.32
Add: Acquisition of subsidiary	2.95	-
Less: Write-off /(Reversal)	4,212.72	10,071.64
Less: Disposal of subsidiary	-	130.81
Balance as at the end of the year	5,444.40	6,523.27

	As at March 31, 2020	As at March 31, 2019
<u>Note 14 : CASH AND CASH EQUIVALENTS</u>		
Balances with banks in current account(Refer Note 14.1)	1,011.13	1,286.04
Cash in hand	27.30	1.83
Total	1,038.43	1,287.87
Note 14.1 Balances with banks include:		
i Balance in current account	1,009.13	1,284.04
ii Balances with Banks in deposits account having original maturity of less than three months	2.00	2.00
	1,011.13	1,286.04

	As at March 31, 2020	As at March 31, 2019
<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	116.83
Total	116.83	116.83

[^] Fixed deposits with banks held as margin money for issue of bank guarantees and as debt service reserve account against term loans from banks.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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, 2018	240,000,000	24,000.00
Changes in equity share capital	-	-
Balance as at March 31, 2019	240,000,000	24,000.00
Changes in equity share capital	-	-
Balance as at March 31, 2020	240,000,000	24,000.00
(ii) Issued, subscribed and fully paid up		
Equity Shares of INR 10 each		
Balance as at April 1, 2018	176,119,858	17,611.99
Issue of equity share capital	-	-
Balance as at March 31, 2019	176,119,858	17,611.99
Issue of equity share capital	-	-
Balance as at March 31, 2020	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, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	176,119,858	17,611.99	176,119,858	17,611.99
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:

Terns/rights attached to equity shares

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

- (v) No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2020 and March 31, 2019.
- (vi) No equity shares of INR 10.00 each bought back pursuant to Section 68, 69 and 70 of the Companies Act, 2013 for the period of 5 years immediately preceding March 31, 2020 and March 31, 2019

(vii) Shares reserved for issue under options

Information relating to Employee option plan, including details of options issues, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 29.2



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

(viii) Details of shares held by shareholders holding more than 5% equity shares of the Company:

Equity shares of INR 10 each fully paid up	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	Holding	Number of shares held	Holding
Amit Mittal	27,350,601	15.53%	27,350,601	15.53%
Mestric Consultants Private Limited	22,200,000	12.61%	22,200,000	12.61%
Standard Chartered Bank	-	-	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%
	60,982,762	34.63%	73,545,577	41.76%

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
<u>Note 17 : NON-CURRENT BORROWINGS*</u>				
Carried at amortised cost - secured				
Term loans				
From banks (Refer Note 17.2 and Refer Note 17.9)	8,281.65	95.58	6,542.43	1,545.03
From financial institution (Refer Note 17.3 and Refer Note 17.9)	3,776.35	-	2,503.70	1,005.91
Working capital term loans				
From banks (Refer Note 17.4 and Refer Note 17.9)	226.50	127.80	129.60	305.30
Funded interest term loans				
From banks (Refer Note 17.5, 17.6 and 17.9)	1,128.90	-	789.57	796.63
Vehicle loans				
From banks (Refer Note 17.7 and Refer Note 17.9)	-	27.57	-	-
From financial institution (Refer Note 17.7 and Refer Note 17.9)	-	66.21	-	-
Carried at amortised cost - Unsecured				
Debt portion of debentures (Refer Note 17.8)	-	41.22	-	6.20
Total	13,413.40	358.38	9,965.30	3,659.07

* 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 (including current maturities) and security provided in respect of secured non-current borrowings:

Note 17.2: Term loans from banks:

- 1) Term loans from banks amounting to INR 169.48 lakhs (March 31, 2019 INR 199.67 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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

- (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.
 - (iv) Second Pari passu charge on the landed property first charged to DBS & SCB given for Term Loan.
- 2) Term loans from banks amounting to INR 488.65 lakhs (March 31, 2019 INR 525.22 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.
 - (iii) Second Pari passu charge on the landed property first charged to DBS & SCB given for Term Loan.
- 3) Term loans from bank amounting to INR 6,656.60 lakhs (March 31, 2019 INR 5,194.35 lakhs), pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of cash credit facilities. For Standard Chartered Bank, it is repayable in 12 installments and the first installment shall be due in July 2018, carrying Nil interest rate till September 30, 2019 and 13% per annum thereafter and for DBS, it is repayable in 9 installments and the first installment shall be due in July 2019. The above loan is secured against shares of A2Z Infrservices Limited (subsidiary company) and immovable property lying in subsidiary company. (Refer Note: 43.1).
- The above mentioned loans of Standard Chartered Bank is secured against:-
- i) Equity shares of A2Z Infrservices Limited.
 - ii) First charge by the way of equitable/registered mortgage over following two immovable properties in unit No 701, 7th Floor, Medicity support area, next to Medanta, Sector 38, Gurugram Haryana and unit No 801, 8th Floor, Medicity Support Area, Next to Medanta, Sector 38, Gurugram, Haryana.
- The above mentioned loans of DBS Bank is secured against:-
- i) Equity shares of A2Z Infrservices Limited.
 - ii) First charge on the property at B-38, Sector-32, Gurugram of Chavan Rishi International Limited.
 - iii) Corporate guarantee of Chavan Rishi International Limited.
- 4) Term loan outstanding of INR 1,062.50 lakhs (March 31, 2019 INR 2,168.22 lakhs), in case of A2Z Infrservices Limited, from Yes Bank Limited is secured by first pari-passu charge on all the Fixed assets of A2Z Infrservices Limited (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 Holding Company. The loan is repayable in 48 equal monthly instalment after a moratorium of 12 months from the date of first disbursement shall be due from July 2015. The loan carries an interest rate of 1.05% ("spread") over and above 6 Months MCLR.

Note 17.3: Term loans from financial institution:

Term loan from bank amounting to INR 3,776.35 lakhs (March 31, 2019 INR 3,509.61 lakhs) is secured against first pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited.

The above loan is secured against

- (i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
- (ii) Second pari-passu charge on fixed assets and current assets on EPC business.
- (iii) Second pari-passu charge on exclusive property with DBS & SCB Bank given for the term Loan.

Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during previous year. the same is repayable in 9 quarterly installment and the 1st installment was due in March 2019 (Refer Note 43.1)



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 17.4 : Working Capital Term Loan :

Working capital term loans from bank amounting to INR 354.30 lakhs (March 31, 2019 INR 434.90 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.
- (iii) Second pari-passu charge on exclusive property with DBS & SCB Bank given for the term Loan.

Note 17.5 : Funded Interest Term Loan -1 (EPC) :

Funded interest term loans from bank amounting to INR 817.66 lakhs (March 31, 2019 INR 1,274.96 lakhs) having an interest rate of 10.15%-10.75% per annum as per CDR Scheme are repayable in 25 quarterly instalments. First instalment was due in March 2015.

The above loan is secured against:

- (i) First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders.
- (ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.
- (iii) Second Pari passu charge on the landed property first charged to DBS & SCB given for Term Loan.

Note 17.6 : Funded Interest Term Loan -2 (EPC) :

Funded interest term loans from bank amounting to INR 311.24 lakhs (March 31, 2019 INR 311.24 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in single instalment, which will due in March 2021.

The above loan is secured against:

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

Note 17.7: Vehicle loans:

- 1) Vehicle loan outstanding of INR 27.57 lakhs (March 31, 2019 INR Nil), in case of Ecogreen Envirotech Solutions Limited, from Bank of Baroda is secured by charge on all the respective vehicle. The loan is repayable in 60 equal monthly instalment and carries an interest rate of 9.10%.
- 2) Term loan outstanding of aggregate INR 66.21 lakhs (March 31, 2019 INR Nil), in case of Ecogreen Envirotech Solutions Limited, from Kogta Financial (India) Limited is secured by charge on all the respective vehicle. The loan is repayable in 48 and 35 equal monthly instalment and carries an interest rate of 17.81% p.a.

Note 17.8 Debt portion of debentures

1. Zero coupon debentures issued by A2Z Powertech Limited (subsidiary company) of INR 470.00 (March 31, 2019 INR 470.00 lakhs) lakhs issued to A2Z Green Waste Management Limited on April 1, 2016 till October 1, 2056. This being compound financial instrument, the same has been discounted and debt portion is shown as borrowing in the group financial statement.
2. Zero coupon debentures issued by A2Z Waste management (Aligarh) Limited (subsidiary company) of INR 630.00 (March 31, 2019 INR Nil) lakhs issued to A2Z Waste management (Ranchi) Limited on October 1, 2016 till October 1, 2056. This being compound financial instrument, the same has been discounted and debt portion is shown as borrowing in the group financial statement.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2020	As at March 31, 2019
Banks:		
- Principal		
0-3 Months	700.00	46.15
3-6 Months	1,015.14	-
6-12 Months	1,798.81	138.45
> 12 months	2,261.20	76.60
- Interest		
0-3 Months	30.71	1.39
3-6 Months	363.86	-
6-12 Months	193.27	2.22
> 12 months	56.86	10.44

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
<u>Note 18 : LEASE LIABILITY</u>				
Lease liability (Refer Note 54)	56.94	64.96	-	-
Total	56.94	64.96	-	-

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
<u>Note 19 : OTHER FINANCIAL LIABILITIES</u>				
Current maturities of long term debt (Refer Note 17 and Note 51)	13,413.40	-	9,965.30	-
Derivative liability (Refer Note 37)	2,762.56	-	3,130.61	-
Interest accrued on borrowings (Refer Note 50)	762.02	-	4,191.06	-
Interest accrued on others	1,860.19	-	1,146.47	-
Book overdrafts	200.63	-	229.57	-
Security deposits received	3,130.50	12.08	3,041.25	8.74
Payable against purchase of property, plant and equipment: dues of creditors other than micro and small enterprises	143.08	-	42.66	-
Payable to others	602.06	-	-	-
Total	22,874.44	12.08	21,746.92	8.74



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Note 20 : PROVISIONS				
Provision for employee benefits				
Provision for gratuity (Refer Note 20 ii)	28.70	790.90	23.81	819.73
Provision for compensated absences	20.18	-	16.35	-
Others				
Provision for Liquidated damages (Refer Note 20 i)	-	-	-	-
Provision for warranty (Refer Note 20 i)	48.76	1,093.22	98.11	831.08
Total	97.64	1,884.12	138.27	1,650.81

Movements in provisions:

i) Movement in provisions for warranty/liquidated damages during the financial year as follows:	Liquidated damages	Warranty
As at April 1, 2018	24.28	222.65
Charged/ (credited) to profit /loss		
Additional provision recognized	-	707.06
Unwinding of discount	-	38.54
Amount reversed during the year	(24.28)	(39.06)
As at March 31, 2019	-	929.19
Charged/ (credited) to profit /loss		
Additional provision recognized	-	716.58
Unwinding of the discounting	-	52.88
Amount reversed during the year	-	(556.67)
As at March 31, 2020	-	1,141.98

i) 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 2 years and all would have been incurred within 3 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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2020	As at March 31, 2019
Present value of obligation	894.06	913.81
Fair value of plan assets	(74.46)	(70.27)
Net liability	819.60	843.54

Expenses recognised during the year

	For the year ended March 31, 2020	For the year ended March 31, 2019
In statement of profit and loss	276.07	136.68
In other comprehensive income	(193.20)	(272.94)
Total expenses recognized during the year	82.87	(136.26)

Defined benefit obligation

The details of the Group's DBO are as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Present value of obligation as at the beginning	913.81	1,190.92
Current service cost	161.28	101.90
Past service cost	50.34	-
Interest expense	72.23	40.95
Re-measurement or actuarial (gain) / loss arising from:		
- change in demographic assumptions	(0.55)	-
- change in financial assumptions	105.93	(3.28)
- experience adjustments	(298.81)	(270.56)
Adjustment on account of acquisition/disposal of subsidiary	27.18	(32.62)
Benefits paid	(137.35)	(113.50)
Present value of obligation as at the year end	894.06	913.81

Bifurcation of net liability

	As at March 31, 2020	As at March 31, 2019
Current liability	28.70	23.81
Non-current liability	790.90	819.73
Net liability	819.60	843.54

Plan assets

The reconciliation of the balance of the assets held for the Group's defined benefit plan is presented below:



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Changes in the fair value of plan assets

	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of plan assets as at the beginning	70.27	81.55
Interest income	5.42	6.17
Employer's contribution	136.11	116.93
Benefits paid	(137.35)	(113.50)
Return on plan assets (excluding amount recognised in net interest expense)	0.01	(0.84)
On account of disposal of subsidiary	-	(20.04)
Fair value of plan assets as at the year end	74.46	70.27

Expenses recognised in the profit and loss statement

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	161.28	101.90
Past service cost	50.34	-
Net interest cost / (income) on the net defined benefit liability / (asset)	66.81	34.78
Adjustment on account of acquisition of subsidiary	(2.36)	-
Expenses recognised in the statement of profit and loss	276.07	136.68

Other comprehensive income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gains) / losses		
- change in demographic assumptions	(0.55)	-
- change in financial assumptions	105.93	(3.28)
- experience variance (i.e. Actual experience vs assumptions)	(298.81)	(270.56)
Return on plan assets (excluding amount recognised in net interest expense)	(0.01)	0.84
Share of other comprehensive income- associate	0.24	0.06
Adjustment on account of acquisition/disposal of subsidiary	-	
Components of defined benefit costs recognised in other comprehensive income	(193.20)	(272.94)

Financial assumptions

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

	As at March 31, 2020	As at March 31, 2019
Discount rate (per annum)	6.55-7.70%	7.65-7.80%
Salary growth rate (per annum)	5.00%	5.00%

Demographic assumptions

	As at March 31, 2020	As at March 31, 2019
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Normal Retirement age	60 Years	60 Years
Withdrawal rates, based on service years: (per annum)		
4 and below years	2-20%	2-20%
Above 4 years	2-10%	2-10%

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2020	As at March 31, 2019
Defined benefit obligation (Base)	894.06	913.81

	As at March 31, 2020		As at March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,027.47	784.83	1,051.13	800.04
(% change compared to base due to sensitivity)	14.92%	(12.22%)	15.03%	(12.45%)
Salary Growth Rate (- / + 1%)	783.01	1,027.45	796.96	1,052.81
(% change compared to base due to sensitivity)	(12.42%)	14.92%	(12.79%)	15.21%
Attrition Rate (- / + 50%)	911.86	873.07	941.95	876.14
(% change compared to base due to sensitivity)	1.99%	(2.35%)	3.08%	(4.12%)
Mortality Rate (- / + 10%)	893.41	894.70	911.81	914.05
(% change compared to base due to sensitivity)	(0.07%)	0.07%	(0.22)%	0.03%

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, 2020	As at March 31, 2019
Within the next 12 months [next annual reporting period]	43.02	41.20
Between 2 and 5 years	179.28	190.39
Between 5 and 10 years	300.97	320.51
Beyond 10 years	2,234.55	2,955.59
Total expected payments	2,757.81	3,507.69

The average duration of the defined benefit plan obligation at the end of reporting period is 7-20 years (March 31, 2019 7-18 years).



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
Note 21 : OTHER LIABILITIES				
Advance purchase consideration against sale of property, plant and equipment	21.00	-	21.00	-
Advances from customers	4,021.59	-	7,402.46	-
Billing in excess of contract revenue	3,764.47	-	1,641.57	-
Statutory dues payable (Refer Note 21.1)	19,905.22	-	18,086.47	-
Other payables				
Subsidy (Refer Note 21.2)	-	2,784.67	-	-
Lease equalisation reserve	-	287.86	-	-
Others	1,360.03	-	83.45	0.94
Total	29,072.31	3,072.53	27,234.95	0.94

Note 21.1: 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 21.2: 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, 2020	As at March 31, 2019
Note 22 : CURRENT BORROWINGS*		
Carried at amortised cost		
Secured borrowings from banks (Refer Note 22.1 and 22.2)		
Working capital loans	-	5,569.99
Cash credit facilities	27,037.82	20,301.29
Term loans	2,685.36	2,689.56
Other borrowings	-	737.58
Secured borrowings from financial institution (Refer Note 22.2)	2,592.13	-
Secured borrowings from related party (Refer Note 22.3)	61.94	-
Unsecured borrowings (Refer Note 22.4)		
From related parties	1,261.03	517.29
From others	198.06	-
Total	33,836.34	29,815.71

* Refer Note 50 and 51

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 22.1: Working capital loans from banks and other secured loans

- 1 a) The working capital loans of INR Nil (March 31, 2019 INR 5,569.99 lakhs) and cash credit facilities of INR 23,297.88 lakhs (March 31, 2019 INR 16,409.97 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.
 - 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 Sikar, 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 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: 43.1).
2. Cash credit facility from banks amounting to INR 3,739.94 lakhs (March 31, 2019: INR 3,891.32 lakhs), in case of A2Z Infraserivces Limited, are secured by first pari passu charge on the current assets of subsidiary company including book debts and other receivable and fixed assets of the subsidiary company and also by Corporate Guarantee of the Holding Company and personal guarantee of Mr. Amit Mittal (Managing Director) and Ms. Dipali Mittal (Director) of the Company.
3. Term loan from Yes Bank amounting to INR 2,685.36 lakhs (March 31, 2019 INR 2,689.56 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 22.2: Other borrowing

1. Term loans from financial institution amounting to INR 2,592.13 lakhs (March 31, 2019 NIL), pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of facilities taken from bank. For SICOM, it is repayable



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

within 30 days from the date of communication of the shortfall amount i.e. September 18, 2019 along with 19% interest rate per annum with monthly rests from the said date till the date of actual payment. The above loan is secured by first charge by way of Hypothecation and escrow in favour of SICOM of the entire retention money receivables of the Holding Company both present and future.

2. Other borrowings amounting to INR Nil (March 31, 2019 INR 737.58 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 43.1). 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 17.2.3 , Note 17.4, Note 17.5 and Note 22.1.1).

Note 22.3: The loan amounting to INR 61.94 lakhs (March 31, 2019 INR Nil) is repayable within twelve months from the date of disbursement having an interest rate of 14.00% p.a. The above loan is secured against charge on immovable property of the A2Z Infraservices limited.

Note 22.4: 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 22.5: 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, 2020	As at March 31, 2019
Banks:		
- Principal		
0-3 Months	1,271.00	1,816.01
3-6 Months	6,419.71	150.00
6-12 Months	-	2,000.00
> 12 months	2,500.00	8,181.27
- Interest		
0-3 Months	896.96	172.38
3-6 Months	395.66	135.50
6-12 Months	207.69	333.91
> 12 months	478.93	4,719.02
Financial institutions:		
- Principal		
0-3 Months	400.00	2,820.99
3-6 Months	400.00	50.00
6-12 Months	3,192.13	2,225.00
> 12 months	800.00	-
- Interest		
0-3 Months	164.29	13.28
3-6 Months	223.16	8.03
6-12 Months	125.16	5.18
> 12 months	172.93	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
<u>Note 23 : TRADE PAYABLES</u>		
Total outstanding dues of micro and small enterprises (Refer Note 23.1)	75.54	42.36
Total outstanding dues of creditors other than micro and small enterprises	67,066.25	64,456.37
Total	67,141.79	64,498.73

Note 23.1 Disclosures under Micro, Small and Medium Enterprises Act, 2006 *

The micro and small enterprises have been identified by the Group from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:

	As at March 31, 2020	As at March 31, 2019
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	45.34	16.02
- interest amount	14.46	14.15
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	30.20	26.34
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 Group.

	As at March 31, 2020	As at March 31, 2019
<u>Note 24 : CURRENT TAX LIABILITIES</u>		
Current tax liabilities (net of advance tax)	68.89	68.63
	68.89	68.63



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 25 : REVENUE FROM OPERATIONS*</u>		
Sale/rendering of services		
Revenue from engineering services	37,590.07	49,223.16
Revenue from facility management services	23,019.40	26,622.23
Revenue from collection and transportation of municipal solid waste	8,192.80	8,366.07
Revenue from sale of power	241.00	87.01
Revenue from operation and maintenance services	450.67	1,974.03
Revenue from professional services	302.34	157.55
Revenue from data processing services	-	140.40
Sale of products		
Compost sale	0.04	90.03
Miscellaneous sale	161.82	179.32
Other operating revenues:		
Sale of traded goods	26.16	21.97
Duty drawback	-	7.12
Scrap sale	-	1.22
Total	69,984.30	86,870.11

*Refer Note 45

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 26 : OTHER INCOME</u>		
Interest income:		
on fixed deposits	190.84	202.97
on income tax refund	0.98	-
on others	1,828.88	230.65
Other non-operating income		
Rental income	74.03	91.82
Foreign exchange fluctuation (net)	34.86	32.77
Subsidy amortised	45.36	586.17
Provisions/liabilities written back	33.58	336.28
Profit from sale of property, plant and equipment	-	25.79
Bad debt recovered	9.52	-
Miscellaneous	601.78	426.51
Total	2,819.83	1,932.96

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 27 : COST OF MATERIALS CONSUMED</u>		
Opening inventory - project	25.88	-
Opening inventory - raw material	394.13	409.39
Add: Acquisition of subsidiary	3.17	-
Add: Raw material purchased*	16,169.51	22,928.58
Add: Material purchased for execution of projects	254.56	244.95
Less: Recovery from contractors	3.10	-
Less: Inventory written off	108.02	-
Less: Closing inventory - Disposal of subsidiary	-	5.59
Less: Closing inventory - raw material	-	394.13
Less: Closing inventory - project	7.17	25.88
Material consumed	16,728.96	23,157.32
Freight and cartage	302.55	517.90
Sub contractor / erection expenses	19,337.48	17,243.38
Labour charges	26.62	147.70
Fabrication expenses	20.79	11.07
Site expenditure	1,200.58	1,367.18
Deduction and demurrage	-	393.40
Technical consultancy for projects	1,368.70	2,012.40
Power plant running expenses	583.54	346.50
Consumables / stores and spares	12.04	2.20
Other direct cost	3,124.73	2,628.70
Total	42,705.99	47,827.75

* During the year, the Group has received an amount of INR Nil (March 31, 2019 INR 15.01 lakhs) as insurance claim from the insurance group.

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 28 : CHANGE IN INVENTORIES</u>		
Opening inventory of finished goods	-	1,388.69
Add: On account of acquisition of subsidiaries	420.76	-
Less: On account of disposal of subsidiary	-	1,389.27
Less: Closing inventory of finished goods	583.41	-
Decrease in inventory	(162.65)	(0.58)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 29 : EMPLOYEE BENEFITS EXPENSE</u>		
Salaries and bonus including directors' remuneration	18,987.21	23,186.03
Contribution to provident and other funds (Refer Note 29.1)	1,989.10	2,615.95
Gratuity (Refer Note 20 ii)	276.07	136.68
Compensated absences benefits	(1.08)	0.72
Share-based payments (Refer Note 29.2)	277.44	191.12
Staff welfare expenses	64.20	116.08
Total	21,592.94	26,246.58



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020 (Unless otherwise stated, all amounts are in INR Lakhs)

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 1,989.10 lakhs (March 31, 2019 INR 2,615.95 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 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 Nomination and Remuneration 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 number of options in the aggregate.

(b) A2Z Employees Stock Option Plan, 2013- Tranche II

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on July 3, 2014 has granted 1,905,000 number of stock options convertible into equivalent number of equity shares of INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 19.95 each which is BSE closing market price on July 02, 2014 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then.

(c) A2Z Employees Stock Option Plan, 2014

The members of the Company vide special resolution at the Annual General Meeting held on September 27, 2014 had approved the A2Z Employees Stock Option Plan, 2014. The ESOP Compensation Committee in its meeting held on July 6, 2015 has granted 4,500,000 number of stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 15.50 each which is NSE closing market price on July 03, 2015 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then.

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

The Nomination and remuneration Committee in its meeting held on August 17, 2017 has regranted 1,760,000 number of stock options (788,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 972,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 36.90 each which is NSE closing market price on August 16, 2017 (i.e. previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

(e) A2Z Employees Stock Option Plan, 2018 - Tranche I

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

(f) A2Z Employees Stock Option Plan, 2018 - Tranche II

The members of the Company vide special resolution at the Annual General Meeting held on September 29, 2018 had approved the A2Z Employees Stock Option Plan, 2018. The ESOP Compensation Committee in its meeting held on April 8, 2019 has granted 1,200,000 stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/ Directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

	ESOP 2010 plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013-II Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2014 Plan (Number of shares)	Programme weighted average exercise price per share
Outstanding as at March 31, 2018	120,550	314.13	269,000	19.95	1,915,000	15.50
Granted	-	-	-	-	-	-
Lapsed/Forfeited	42,750	314.13	-	-	-	-
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2019	77,800	314.13	269,000	19.95	1,915,000	15.50
Granted	-	-	-	-	-	-
Lapsed/Forfeited	41,950	314.13	-	-	160,000	15.50
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2020	35,850	314.13	269,000	19.95	1,755,000	15.50
Exercisable at March 31, 2019	77,800	314.13	269,000	19.95	1,915,000	15.50
Exercisable at March 31, 2020	35,850	314.13	269,000	19.95	1,755,000	15.50

	ESOP 2013 and 2014 (Regrant I) Plan (Number of shares)	Programme weighted average exercise price	ESOP 2018 plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018-II Plan (Number of shares)	Programme weighted average exercise price per share
Outstanding as at March 31, 2018	1,760,000	36.90	-	-	-	-
Granted	-	-	3,800,000	10.00	-	-
Lapsed/Forfeited	490,000	36.90	-	-	-	-
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2019	1,270,000	36.90	3,800,000	10.00	-	-
Granted	-	-	-	-	1,200,000	10.00
Lapsed/Forfeited	-	-	25,000	10.00	-	-
Exercised	-	-	-	-	-	-
Outstanding as at March 31, 2020	1,270,000	36.90	3,775,000	10.00	1,200,000	10.00
Exercisable at March 31, 2019	1,270,000	36.90	3,800,000	10.00	-	-
Exercisable at March 31, 2020	1,270,000	36.90	3,775,000	10.00	1,200,000	10.00



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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, 2020

	ESOP 2010 Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant-I) plan	ESOP 2018-I Plan	ESOP 2018-II Plan
Grant date	June 2, 2010	July 3, 2014	July 6, 2015	August 17, 2017	October 24, 2018	April 8, 2019
Vesting period ends	June 1, 2015	July 2, 2017	July 5, 2018	August 16, 2020	October 23, 2021	April 7, 2021
Share price at date of grant	INR 221.75	INR 14.52	INR 10.48	INR 39.40	INR 10.40	INR 18.75
Volatility	34.93%	67.05%	65.50%	50.14%	61.62%	58.73%
Option life	10 years	8 years	8 years	8 years	8 years	7 years
Dividend yield	2.25%	0%	0%	0%	0%	0%
Risk-free investment rate	7.45%	8.64%	8.19%	6.74%	7.38%	6.67%
Fair value at grant date	INR 58.23	INR 14.52	INR 11.15	INR 24.81	INR 6.09	INR 12.81
Exercise price at date of grant	INR 314.13	INR 19.95	INR 15.50	INR 36.90	INR 10.00	INR 10.00
Exercisable from	June 2, 2015	July 3, 2017	July 6, 2018	August 17, 2020	October 24, 2021	April 8, 2021
Exercisable till	June 1, 2020	July 2, 2022	July 5, 2023	August 16, 2025	October 23, 2026	April 7, 2026
Weighted average remaining contractual life (In Years)	0.17	2.24	2.94	4.48	5.66	5.52
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, 2019

	ESOP 2010 Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant-I) plan	ESOP 2018-I Plan	ESOP 2018-II Plan
Grant date	June 2, 2010	July 3, 2014	July 6, 2015	August 17, 2017	October 24, 2018	-
Vesting period ends	June 1, 2015	July 2, 2017	July 5, 2018	August 16, 2020	October 23, 2021	-
Share price at date of grant	INR 221.75	INR 14.52	INR 10.48	INR 39.40	INR 10.40	-
Volatility	34.93%	67.05%	65.50%	50.14%	61.62%	-
Option life	10 years	8 years	8 years	8 years	8 years	-
Dividend yield	2.25%	0%	0%	0%	0%	-
Risk-free investment rate	7.45%	8.64%	8.19%	6.74%	7.38%	-
Fair value at grant date	INR 58.23	INR 14.52	INR 11.15	INR 24.81	INR 6.09	-
Exercise price at date of grant	INR 314.13	INR 19.95	INR 15.50	INR 36.90	INR 10.00	-
Exercisable from	June 2, 2015	July 3, 2017	July 6, 2018	August 17, 2020	October 24, 2021	-
Exercisable till	June 1, 2020	July 2, 2022	July 5, 2023	August 16, 2025	October 23, 2026	-
Weighted average remaining contractual life (In Years)	1.18	3.24	3.97	5.48	6.67	-
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, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 30 : FINANCE COSTS</u>		
Interest expense [*] [^]	5,481.76	5,341.87
Other borrowing costs		
Bank commission & charges	552.71	636.03
Total	6,034.47	5,977.90
[*] The break up of interest expense into major heads is given below:		
On term loans	299.58	666.75
On other bank loans	3,532.46	2,145.02
On loan from others	185.26	217.38
On others	1,464.46	2,312.72
Total	5,481.76	5,341.87

[^] Refer Note 50

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 31 : DEPRECIATION AND AMORTISATION EXPENSES</u>		
Depreciation of property, plant and equipment (Refer Note 3)	1,308.76	2,666.07
Depreciation of investment property (Refer Note 4)	10.75	13.87
Depreciation of right to use asset (Refer Note 3)	46.14	-
Amortisation of intangible assets (Refer Note 5)	4.82	18.73
Total	1,370.47	2,698.67

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 32 : OTHER EXPENSES</u>		
Electricity	190.13	180.26
Rent (Refer Note 54)	190.96	512.24
Rates and taxes	66.04	90.21
Freight outward expenses	15.33	31.75
Insurance	154.99	370.64
Repair and maintenance		
- Building	13.17	8.04
- Plant & machinery	14.52	13.38
- Vehicles	28.41	34.35
- Others	82.24	111.02
Brokerage	1.54	1.25
Travelling expenses	669.52	894.74
Communication expenses	32.12	44.35
Printing and stationery	45.82	60.99
Legal and Professional fees	757.25	988.79
Director sitting fees	16.00	16.92
Loss on disposal of property, plant and equipment	7.54	-
Provision for contract revenue in excess of billing	165.35	164.52



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 32 : OTHER EXPENSES (contd...)</u>		
Provision for bad and doubtful debts	3,130.90	1,287.32
Provision for diminishing value in inventory	108.02	-
Fees and subscription / inspection charges	24.79	107.91
Business promotion expenses	44.04	40.20
Watch and ward expenses	21.51	31.16
Warranty expense	716.58	707.06
Bad debts written off	0.04	34.11
Provision for bad and doubtful advance	1,088.03	260.40
Assets written off	-	579.19
Liquidated charges	793.97	260.81
Miscellaneous expenses	367.54	204.57
Total	8,746.35	7,036.18

	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Note 33 : TAX EXPENSE</u>		
Current tax expense*	347.12	518.24
Deferred tax charge (Refer Note 9)	3,739.87	144.43
Tax expense	4,086.99	662.67

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
(Loss)/ Profit before tax	(23,727.39)	29,385.81
Corporate tax rate as per income tax act, 1961	25.17%	34.94%
Tax on accounting profit	(5,972.18)	10,268.58
i) Tax effect on non deductible expenses/ non-taxable income	(662.20)	(9,207.39)
ii) Tax effect on disposal/acquisition of subsidiary	(19.93)	(8,921.23)
iii) Tax effect on temporary timing differences on which deferred tax not created	(407.06)	2.10
iv) Tax effect on temporary differences on which no deferred tax was not created but now created in current year	2,739.30	(1,749.68)
v) Tax effect on losses of current year on which no deferred tax is created	3,598.19	9,980.55
vi) Effect of change/different tax rate	772.81	289.74
vii) Tax effect on temporary timing differences on which deferred tax was created, now reversed during the year	4,038.05	-
Tax expense	4,086.99	662.67

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 33.1: a) Detail of unused tax losses for which no deferred tax is recognised in balance sheet:

	As at March 31, 2020			As at March 31, 2019		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Tax losses						
Assessment Year 2012-13	195.88	49.30	March 31, 2021	195.88	50.92	March 31, 2021
Assessment Year 2013-14	2,786.38	701.33	March 31, 2022	2,786.38	940.30	March 31, 2022
Assessment Year 2014-15	14,054.10	3,537.42	March 31, 2023	14,054.10	4,856.72	March 31, 2023
Assessment Year 2015-16	15,585.85	3,922.96	March 31, 2024	15,585.85	5,370.02	March 31, 2024
Assessment Year 2016-17	83.06	20.91	March 31, 2025	83.06	21.50	March 31, 2025
Assessment Year 2017-18	11,525.22	2,900.90	March 31, 2026	11,525.22	3,955.95	March 31, 2026
Assessment Year 2018-19	3,708.32	933.38	March 31, 2027	5,371.71	1,826.79	March 31, 2027
Assessment Year 2019-20	23,371.01	5,882.48	March 31, 2028	27,230.49	9,506.69	March 31, 2028
Assessment Year 2020-21	12,961.54	3,262.42	March 31, 2029	-	-	
	84,271.36	21,211.10		76,832.69	26,528.89	

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, 2020			As at March 31, 2019		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	11,730.92	2,952.67	Not applicable	8,432.53	2,902.61	Not applicable
Impairment loss	22,413.72	5,641.53	Not applicable	6,167.28	2,155.09	Not applicable
Other temporary differences	7,403.25	1,863.40	Not applicable	145.76	37.90	Not applicable
	41,547.89	10,457.60		14,745.57	5,095.60	

*The Group has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has recognised provision for income-tax for the year ended March 31, 2020 and re-measured its deferred tax assets/liabilities basis the rate prescribed in the aforesaid section.

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, 2020 or March 31, 2019.

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, 2020	As at March 31, 2019
Weighted average number of shares used in basic earnings per share	176,119,858	176,119,858
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	176,119,858	176,373,950

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

(Loss)/Profit attributable to equity holders of the company	INR in lakhs	(27,695.95)	30,504.83
Weighted average number of equity shares outstanding during the year	Numbers	176,119,858	176,119,858
Nominal value of equity share	INR	10.00	10.00
Basic EPS	INR	(15.73)	17.32
Diluted EPS	INR	(15.73)	17.30



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 35: INTEREST IN JOINT VENTURES

The Group's interest and share in joint ventures in the jointly controlled operations as at March 31, 2020 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 Wagoora-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 & stringing of ACSR PANTHER Conductor, Testing and Commissioning of Transmission lines from Badampora – Bandipora and from Lassipora – Sopian.	See Note 35(a).1 below	*
9	M/s Linkwell Telesystems Private Limited	Jointly Controlled Operations	Joint Venture Agreement effective from August 9, 2008. The principal activity of the Venture is to bid jointly and enter into contract with Madhya Pradesh Poorva Kshetra Vidyut Vitaran Co. Ltd. ('MPPKVCL'), 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	*

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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 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
1	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	*
2	Eco Save System Private Limited (Representative of Burn Environmental and Technologies Private Limited)#\$	Jointly Controlled Operations	Joint venture agreement effective from March 20, 2008. The principal activity of the venture is to bid for tender and take support in technical, plant engineering, installation, operations, maintenance and management of various municipal solid waste to compost projects in state of Uttar Pradesh.	See Note 35(a).1 below	*
3	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

\$ w.e.f July 15, 2019

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 Holding Company holds 60% interest in an Association of Person (AOP), formed between A2Z Infra Engineering Limited and Satya Builders, a jointly controlled entity which is involved in waste water projects at Alwar and Chittorgarh, Rajasthan.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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 (w.e.f. March 13, 2019)
- b) A2Z Waste Management (Nainital) Private Limited (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 (till July 14, 2019)
- 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 (till July 14, 2019)
- n) A2Z Waste Management (Jaipur) Limited
- o) A2Z Mayo SNT Waste Management (Nanded) Private Limited (Strike off w.e.f. December 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

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 Satya Builders
- g) M/s Linkwell Telesystems Private Limited
- h) M/s Shyama Power (India) Private Limited
- i) M/s Sudhir Power Projects Limited
- j) Eco Save System Private Limited
- k) M/s Bhumika Transport

5 Key Management Personnel ('KMP')

- a) Mr. Amit Mittal (Managing Director)
- b) Mr. Rajesh Jain (Chief Executive Officer and Whole time director)
- c) Mrs. Dipali Mittal (Non-Executive Director)
- d) Mr. Surender Kumar Tuteja (Non- executive independent director)
- e) Dr. Ashok Kumar (Non- executive independent director)
- f) Ms. Atima Khanna (Non-executive independent director w.e.f. May 23, 2019)
- g) Mr. Ashok Kumar Saini (Whole time director till November 30, 2018 and Non- executive director w.e.f. December 01, 2018)

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

- h) Mr. Atul Kumar Agarwal (Company Secretary)
- i) Dr. G.R. Nagendran (Chief Financial Officer till February 13, 2019)
- j) Mr. Rajiv Chaturvedi (Chief Financial Officer w.e.f. February 14, 2019)

6 Relative of Key Management Personnel

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

7 Entity in which Director/Relative of the Director is Director

- a) Fibzy Infrsolutions Private Limited
- b) Mestric Consultants Private Limited
- c) Devdhar Trading and Consultants Private Limited



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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, 2020				For the year ended March 31, 2019			
	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP
Services rendered:-								
- A2Z Waste Management (Ludhiana) Limited	-	2.55	-	-	-	-	-	-
- A2Z Green Waste Management Limited	-	36.02	-	-	-	0.68	-	-
Interest income								
- A2Z Green Waste Management Limited	-	1,568.73	-	-	-	81.63	-	-
- A2Z Waste Management (Ludhiana) Limited	-	18.90	-	-	-	3.02	-	-
- Shree Hari Om Utensils Private Limited	-	0.01	-	-	-	-	-	-
- Shree Balaji Pottery Private Limited	-	0.01	-	-	-	-	-	-
- A2Z Waste Management (Jaunpur) Limited	-	0.03	-	-	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	0.47	-	-	-	-	-	-
- Devdhar Trading and Consultants Private Limited	-	-	-	-	-	-	1.37	-
Interest expense								
- A2Z Green Waste Management Limited	-	109.72	-	-	-	0.09	-	-
- A2Z Waste Management (Merrut) Limited	-	58.49	-	-	-	2.87	-	-
- A2Z Waste Management (Ranchi) Limited	-	2.66	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	3.63	-	-	-	0.14	-	-
- A2Z Waste Management (Nainital) Private Limited	-	3.90	-	-	-	-	-	-
- Mestric Consultants Private Limited	-	-	6.86	-	-	-	-	-
Liability written back								
- Richardson & Cruddas (1972) Limited	-	-	-	-	14.61	-	-	-
- Cobra Instalaciones Y Servicios, S. A.	4.85	-	-	-	-	-	-	-
- Sudhir Power Projects Limited	629.17	-	-	-	-	-	-	-
Rent expense / equipment hiring charges								
- Dipali Mittal	-	-	-	10.54	-	-	-	10.54
- Sudha Mittal	-	-	-	5.28	-	-	-	5.28
Purchase of Goods or Services								
- Fibzy Infrastolutions Private Limited	-	-	122.03	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	44.62	-	-	-	-	-	-
Rent income								
- A2Z Green Waste Management Limited	-	2.40	-	-	-	0.12	-	-
Fund transferred (includes expenses incurred on behalf of others)								
- A2Z Waste Management (Varanasi) Limited	-	72.77	-	-	-	-	-	-
- A2Z Green Waste Management Limited	-	479.64	-	-	-	13.33	-	-
- A2Z Waste Management (Moradabad) Limited	-	-	-	-	-	12.74	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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, 2020				For the year ended March 31, 2019			
	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP
Fund received (includes expenses incurred on behalf of the Company)								
- A2Z Green Waste Management Limited	-	363.10	-	-	-	7.00	-	-
- A2Z Waste Management (Nainital) Private Limited	-	25.00	-	-	-	-	-	-
Share based payment expense								
- Rajesh Jain	-	-	-	170.53	-	-	-	66.43
- Ashok Kumar Saini	-	-	-	13.43	-	-	-	16.65
- Atul Kumar Agarwal	-	-	-	22.69	-	-	-	28.98
- Gaurav Jain	-	-	-	-	-	-	-	0.86
Provision created/(reversed) on doubtful debts expense								
- UB Engineering Limited	-	-	-	-	(493.63)	-	-	-
- SPIC-SMO	-	-	-	-	(339.97)	-	-	-
Short term borrowings taken								
- A2Z Green Waste Management Limited	-	645.57	-	-	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	59.33	-	-	-	-	-	-
- A2Z Waste Management (Nainital) Private Limited	-	11.80	-	-	-	-	-	-
- Amit Mittal	-	40.00	-	-	-	-	-	-
- SPIC-SMO	-	49.84	-	-	-	-	-	-
Write off of loans and advances								
- A2Z Waste Management (Nainital) Private Limited	-	11.80	-	-	-	-	-	-
Loan and advances given								
- UB Engineering Limited	-	-	-	-	-	-	-	-
- A2Z Green Waste Management Limited	-	11.40	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	145.56	-	-	-	7.50	-	-
- Magic Genie Smartech Solutions Limited	-	-	-	-	-	5.80	-	-
- A2Z Waste Management (Jaunpur) Limited	-	0.40	-	-	-	-	-	-
Short term borrowings refunded								
- A2Z Green Waste Management Limited	-	144.38	-	-	-	-	-	-
- Mestric Consultants Private Limited	-	-	126.06	-	-	-	-	-
Reversal of ESOP option to employees								
- A2Z Green Waste Management Limited	-	2.27	-	-	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	8.92	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	2.26	-	-	-	-	-	-
- Shree Hari Om Utensils Private Limited	-	0.77	-	-	-	-	-	-



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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, 2020				For the year ended March 31, 2019			
	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP
Short term borrowings taken								
- Mestric Consultants Private Limited	-	-	188.00	-	-	-	-	-
Amount written off								
- UB Engineering Limited	6,375.00	-	-	-	-	-	-	-
- SPIC-SMO	1,673.65	-	-	-	-	-	-	-
Amount paid and recoverable								
- Rajesh Jain	-	-	-	-	-	-	-	16.50
- Ashok Kumar Saini	-	-	-	-	-	-	-	10.50
Loan and advances refunded								
- A2Z Waste Management (Jaunpur) Limited	-	-	-	-	-	7.50	-	-
- A2Z Waste Management (Ludhiana) Limited	-	10.00	-	-	-	-	-	-
- UB Engineering Limited	-	-	-	-	295.28	-	-	-
- SPIC-SMO	-	-	-	-	425.19	-	-	-
- Amit Mittal	-	-	-	-	-	-	-	50.00
Provision created/(reversed) for doubtful debts								
- UB Engineering Limited	(2,672.05)	-	-	-	(493.63)	-	-	-
- SPIC-SMO	(832.78)	-	-	-	(339.97)	-	-	-
Write off of trade receivables								
- UB Engineering Limited	-	-	-	-	1,189.09	-	-	-
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	-	-
Imprest given during the year								
- Atul Kumar Agarwal	-	-	-	0.50	-	-	-	5.23
- Rajesh Jain	-	-	-	-	-	-	-	0.02
- Ashok Kumar Saini	-	-	-	0.08	-	-	-	0.08

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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, 2020				For the year ended March 31, 2019			
	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP
Remuneration								
- Dipali Mittal	-	-	-	27.00	-	-	-	27.50
- Rajesh Jain	-	-	-	48.00	-	-	-	16.00
- Ashok Kumar Saini	-	-	-	0.75	-	-	-	0.75
- Amit Mittal	-	-	-	48.00	-	-	-	48.00
- Surender Kumar Tuteja	-	-	-	5.50	-	-	-	6.50
- Ashok Kumar	-	-	-	4.55	-	-	-	6.45
- GR Nagendran	-	-	-	-	-	-	-	21.92
- Atul Kumar Agarwal	-	-	-	38.97	-	-	-	36.15
- Rajiv Chaturvedi	-	-	-	23.49	-	-	-	4.00
- Jivan chandra Pant(Sitting fees)	-	-	-	0.90	-	-	-	-
- Atima Khanna	-	-	-	3.00	-	-	-	-



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2020				Balance outstanding as at March 31, 2019			
	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP
Investment in equity shares								
- A2Z Green Waste Management Limited	-	969.40	-	-	-	969.40	-	-
- A2Z Waste Management (Jaipur) Limited	-	1.00	-	-	-	1.00	-	-
- A2Z Waste Management (Nainital) Private Limited	-	2.40	-	-	-	2.40	-	-
Provision on investment in equity shares								
- A2Z Green Waste Management Limited	-	(929.01)	-	-	-	(929.01)	-	-
- A2Z Waste Management (Jaipur) Limited	-	(1.00)	-	-	-	-	-	-
- A2Z Waste Management (Nainital) Private Limited	-	(2.40)	-	-	-	(2.40)	-	-
Investment in preference shares/debentures (debt Portion)								
- A2Z Green Waste Management Limited	-	7,663.22	-	-	-	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	-	-	-	14,658.65	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	1,613.51	-	-
Investment in shares(ESOP scheme)								
- A2Z Green Waste Management Limited	-	10.45	-	-	-	12.75	-	-
- A2Z Waste Management (Merrut) Limited	-	19.19	-	-	-	28.11	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	2.26	-	-
- A2Z Waste Management (Balia) Limited	-	12.11	-	-	-	12.11	-	-
- Shri Hari Om Utensils Limited	-	-	-	-	-	0.77	-	-
Non-current borrowing (debt portion of preference shares)								
- A2Z Green Waste Management Limited	-	7.09	-	-	-	6.20	-	-
- A2Z Waste Management (Merrut) Limited	-	34.13	-	-	-	-	-	-
Other equity(equity portion of preference shares)								
- A2Z Green Waste Management Limited	-	465.55	-	-	-	465.55	-	-
Current borrowings								
- A2Z Waste Management (Merrut) Limited	-	486.50	-	-	-	486.50	-	-
- A2Z Green Waste Management Limited	-	759.05	-	-	-	8.70	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	22.09	-	-
- Mestric Consultants Private Limited	-	-	61.94	-	-	-	-	-
- A2Z Waste Management (Nainital) Private Limited	-	11.80	-	-	-	-	-	-
- A2Z Waste Management (Ranchi) Limited	-	3.68	-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2020				Balance outstanding as at March 31, 2019			
	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP
Interest payable (other financial liabilities)								
- A2Z Waste Management (Merrut) Limited	-	5.57	-	-	-	102.95	-	-
- A2Z Green Waste Management Limited	-	723.42	-	-	-	1.41	-	-
- A2Z Waste Management (Balija) Limited	-	0.04	-	-	-	-	-	-
- A2Z Waste Management (Ranchi) Limited	-	1.75	-	-	-	-	-	-
- A2Z Waste Management (Moradabad) Limited	-	0.15	-	-	-	-	-	-
- A2Z Waste Management (Nainital) Private Limited	-	3.79	-	-	-	-	-	-
- Mestric Consultants Private Limited	-	-	6.86	-	-	-	-	-
Interest receivable (loans)								
- A2Z Green Waste Management Limited	-	2,754.47	-	-	-	-	-	-
- Shree Balaji Pottery Private Limited	-	0.09	-	-	-	-	-	-
- Shree Hari Om Ustensils Private Limited	-	0.09	-	-	-	-	-	-
- A2Z Waste Management (Jaunpur) Limited	-	0.04	-	-	-	-	-	-
- A2Z Waste Management (Moradabad) Limited	-	6.64	-	-	-	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	4.58	-	-	-	-	-	-
- A2Z Waste Management (Ranchi) Limited	-	0.48	-	-	-	-	-	-
Trade receivable / other recoverable								
- UB Engineering Limited	400.00	-	-	-	6,776.67	-	-	-
- SPIC-SMO	200.00	-	-	-	1,923.49	-	-	-
- Karamtara Engineering Private Limited	84.27	-	-	-	84.27	-	-	-
- Satya Builders	-	-	-	-	51.44	-	-	-
- A2Z Waste Management (Mirzapur) Limited	-	-	-	-	-	4.33	-	-
- A2Z Waste Management (Balija) Limited	-	-	-	-	-	9.02	-	-
- A2Z Waste Management (Varanasi) Limited	-	15.73	-	-	-	15.73	-	-
- A2Z Green Waste Management Limited	-	1,143.88	-	-	-	1,584.86	-	-
- A2Z Waste Management (Balija) Limited	-	9.02	-	-	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	0.01	-	-
- A2Z Waste Management (Merrut) Limited	-	-	-	-	-	2.67	-	-
- A2Z Waste Management (Mirzapur) Limited	-	4.33	-	-	-	-	-	-
- A2Z Waste Management (Fatehpur) Limited	-	2.12	-	-	-	2.12	-	-
- A2Z Waste Management (Aligarh) Limited	-	-	-	-	-	56.92	-	-
- A2Z Waste Management (Badaun) Limited	-	1.57	-	-	-	1.57	-	-
- A2Z Waste Management (Sambhal) Limited	-	2.00	-	-	-	2.00	-	-
- A2Z Waste Management (Dhanbad) Private Limited	-	0.82	-	-	-	0.82	-	-



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2020				Balance outstanding as at March 31, 2019			
	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP
- A2Z Waste Management (Moradabad) Limited	-	0.74	-	-	-	0.74	-	-
- A2Z Waste Management (Jaunpur) Limited	-	(10.46)	-	-	-	(10.47)	-	-
- Magic Genie Smartech Solutions Limited	-	-	-	-	-	0.41	-	-
- Rajesh Jain	-	-	-	16.50	-	-	-	16.50
- Amit Mittal	-	-	-	34.93	-	-	-	74.93
- Ashok Kumar Saini	-	-	-	10.50	-	-	-	10.58
- Atul Kumar Agarwal	-	-	-	3.93	-	-	-	-
- A2Z Waste Management (Muzaffarnagar) Limited	-	2.50	-	-	-	-	-	-
Security deposit received								
- A2Z Green Waste Management Limited	-	1.20	-	-	-	1.50	-	-
Provision for doubtful debts								
- UB Engineering Limited	28.00	-	-	-	2,700.05	-	-	-
- SPIC-SMO	36.93	-	-	-	869.71	-	-	-
- A2Z Green Waste Management Limited	-	877.12	-	-	-	877.17	-	-
Remuneration/ sitting fees payable								
- Dipali Mittal	-	-	-	13.65	-	-	-	11.23
- Rajesh Jain	-	-	-	12.00	-	-	-	1.40
- Ashok Kumar Saini	-	-	-	1.13	-	-	-	0.68
- Amit Mittal	-	-	-	-	-	-	-	5.88
- Surender Kumar Tuteja	-	-	-	4.73	-	-	-	5.85
- Ashok Kumar	-	-	-	11.12	-	-	-	6.80
- Suresh Prasad Yadav	-	-	-	0.90	-	-	-	0.90
- Gaurav Jain	-	-	-	2.03	-	-	-	2.03
- GR Nagendran	-	-	-	0.56	-	-	-	5.67
- Atul Kumar Agarwal	-	-	-	7.03	-	-	-	6.85
- Rajiv Chaturvedi	-	-	-	7.08	-	-	-	3.98
- Jivan chandra Pant	-	-	-	1.98	-	-	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2020				Balance outstanding as at March 31, 2019			
	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP
Short term loans and advances								
- A2Z Waste Management (Varanasi) Limited	-	77.48	-	-	-	-	-	-
- A2Z Green Waste Management Limited	-	4,269.09	-	-	-	7,216.07	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	490.55	-	-
- 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	-	-
- A2Z Waste Management (Merrut) Limited	-	8.92	-	-	-	-	-	-
- Shree Balaji Pottery Private Limited	-	0.13	-	-	-	-	-	-
- Shree Hari Om Utensils Private Limited	-	0.90	-	-	-	-	-	-
- A2Z Waste Management (Jaunpur) Limited	-	0.40	-	-	-	-	-	-
Trade payable/imprest payable								
- Eco Save Systems Private Limited	-	-	2.46	-	-	-	-	-
- Cobra Instalaciones Y Servicios, S.A	-	-	-	-	4.85	-	-	-
- Dipali Mittal	-	-	-	7.12	-	-	-	7.12
- Fibzy Infrsolutions Private Limited	-	-	55.76	-	-	-	-	-
- Sudha Mittal	-	-	-	9.50	-	-	-	4.75
- Rajesh Jain	-	-	-	7.38	-	-	-	0.43
- Bhumika Transport	-	-	0.04	-	-	-	-	-
- A2Z Green Waste Management Limited	-	198.11	-	-	-	31.75	-	-
Other financial liability								
- A2Z Green Waste Management Limited	-	507.67	-	-	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	59.33	-	-	-	-	-	-
- A2Z Waste Management (Nainital) Private Limited	-	25.00	-	-	-	-	-	-
Guarantees given on behalf of associates								
- A2Z Green Waste Management Limited	-	25,025.00	-	-	-	25,025.00	-	-
- A2Z Waste Management (Merrut) Limited	-	1,100.00	-	-	-	1,100.00	-	-
- A2Z Waste Management (Moradabad) Limited	-	480.00	-	-	-	480.00	-	-
- A2Z Waste Management (Varanasi) Limited	-	2,000.00	-	-	-	2,000.00	-	-



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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, 2020	For the year ended March 31, 2019
Short term employee benefits	181.02	148.23
Defined contribution plan	1.44	1.84
Share-based payment transactions	206.65	112.92
Sitting fees	17.70	17.20
Total compensation paid/payable to key management personnel	406.81	280.19

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 Holding Company duly held on September 27, 2014, the Holding Company had made an application for the approval from the Central Government for the waiver of excess remuneration so paid. The Central Government has rejected the Holding Company's application for the waiver of the excess remuneration so, paid remuneration amounting to INR 189.48 Lakhs is being held in trust by him. Till date out of the excess remuneration an amount of INR 154.55 Lakhs has been received/adjusted from him and the balance outstanding as at March 31, 2020 is INR 34.93 Lakhs (March 31, 2019 INR 74.93 Lakhs). The said amount shall be recovered from the Managing Director within the time line as defined in the Companies Act, 2013.

Note 36.4: During the earlier years, 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 the said directors. Further, the said amount INR 16.50 lakhs (March 31, 2019 INR 16.50 lakhs) and INR 10.50 Lakhs (March 31, 2019 INR 10.50 lakhs) is due for recover from the said directors within time line as defined in the Companies Act, 2013.

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, 2020	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative liability	-	-	2,762.56	2,762.56
Total financial liabilities	-	-	2,762.56	2,762.56
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

(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, 2020
(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, 2020
Significant unobservable inputs	
Market price of equity share	3.15
Sensitivity	
The sensitivity of profit or loss and equity to changes in volatility	
Market Price– increase by 10%	23.74
Market Price– decrease by 10%	(23.74)
	As at March 31, 2019
Volatility of underlying equity share market prices	58.03-67.60%
Sensitivity*	
The sensitivity of profit or loss and equity to changes in volatility	
Volatility – increase by 5%	(3.80)
Volatility – decrease by 5%	3.07

* 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, 2020		
	FVPL	FVOCI	Amortised cost
Financial assets			
Investment in Preference shares and debentures	-	-	7,663.22
Trade receivables	-	-	91,713.74
Loans	-	-	8,819.81
Cash and cash equivalents	-	-	1,038.43
Other bank balances	-	-	116.83
Other financial assets	-	-	24,870.88
Total	-	-	134,222.91
Financial liabilities			
Borrowings	-	-	47,608.12
Lease liability	-	-	121.90
Trade payables	-	-	67,141.79
Other financial liabilities	2,762.56	-	6,710.56
Total	2,762.56	-	121,582.37



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019		
	FVPL	FVOCI	Amortised cost
Financial assets			
Investment in 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

(ii) Risk management

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

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

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

A. Credit risk

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

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

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
Not more than 30 days	16,344.35	16,098.55
More than 30 days but not more than 60 days	4,553.14	3,221.93
More than 60 days but not more than 90 days	788.18	7,425.37
More than 90 days	75,472.47	78,095.10
	97,158.14	104,840.95
Less: Provision for impairment	(5,444.40)	(6,523.27)
	91,713.74	98,317.68

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 7%. Further, specific provision is made for any individual debtors which are considered to be doubtful and non-recoverable in part or in full. The reconciliation of expected credit losses on trade receivables is given below.

	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year	6,523.27	15,438.40
Changes in provision		
Additional provision	3,130.90	1,287.32
Reversal of provision	(4,212.72)	(10,071.64)
Disposal of subsidiary	-	(130.81)
Acquisition of subsidiary	2.95	-
Balance as at the end of the year	5,444.40	6,523.27

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.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

As at March 31, 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings (including estimated future interest)	47,984.26	231.98	62.53	1,156.80	49,435.56
Lease liability	42.19	69.96	18.88	2.09	133.11
Trade payables	67,141.79	-	-	-	67,141.79
Other financial liabilities	6,698.48	-	-	-	6,698.48
Derivative financial liabilities					
Other financial liabilities	2,722.71	39.85	-	-	2,762.56
Total	1,24,547.23	271.83	62.53	1,156.80	1,26,038.39

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	1,16,885.96	4,530.87	235.60	512.36	1,22,164.79

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, 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

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

	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	34,583.04	33,918.54
Fixed rate borrowing	13,025.08	9,521.54
Total	47,608.12	43,440.08

Sensitivity

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

	As at March 31, 2020	As at March 31, 2019
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	(258.78)	(221.79)
Interest rates – decrease by 100 basis points (100 bps)	258.78	221.79

* 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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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, 2020			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Trade receivables	USD	47.99	75.10	3,604.28
	Tanzania Shillings	99,864.48	0.03	3,227.62
Cash and cash equivalents	USD	3.93	75.10	294.53
	Uganda Shillings	159.97	0.02	3.14
	Zambian Kwacha	0.01	4.21	0.02
	Tanzania Shillings	224.31	0.03	7.25
Other financial assets	USD	0.66	75.10	49.26
Trade payables	USD	12.05	75.10	905.04
	Uganda Shillings	385.01	0.02	7.56
	Zambian Kwacha	0.74	4.21	3.11
	Tanzania Shillings	1,35,211.79	0.03	4,370.05
	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

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, 2020	As at March 31, 2019
USD sensitivity		
INR/USD- increase by 6.82% (for previous year - 6.82%)	155.30	79.73
INR/USD- decrease by 6.82%(for previous year - 6.82%)	(155.30)	(79.73)
UGX sensitivity		
INR/UGX- increase by 6.05% (for previous year - 6.05%)	(0.20)	(4.58)
INR/UGX- decrease by 6.05% (for previous year - 6.05%)	0.20	4.58



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
ZMW sensitivity		
INR/ZMW- increase by 12.26% (for previous year - 12.26%)	(0.28)	4.87
INR/ZMW- decrease by 12.26% (for previous year - 12.26%)	0.28	(4.87)
TZS sensitivity		
INR/TZS- increase by 6.41% (for previous year - 6.41%)	(54.45)	9.90
INR/TZS- decrease by 6.41% (for previous year - 6.41%)	54.45	(9.90)

* 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.

	As at March 31, 2020	As at March 31, 2019
Borrowings	47,608.12	33,474.78
Trade payable	67,141.79	64,498.73
Other financial liabilities	9,461.04	11,781.62
Less: cash and cash equivalents	(1,038.43)	(1,287.87)
Net debt	1,23,172.52	1,08,467.26
Equity	41,278.50	68,551.96
Capital and net debt	1,64,451.02	1,77,019.22
Gearing ratio	74.90%	61.27%

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, 2020 and 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, 2020 and March 31, 2019.

Assets/Group of assets	Reportable segment
Building (Refer Note 40.2)	Engineering services
Land and Building (Refer Note 40.3)	Others

- 2) 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 property is 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. Expected date of sale of building held for sale is March 31, 2021.
- 3) During the current year the Group has re-classified land/building held in one of the subsidiary company from property, plant and equipment and investment property to asset held for sale as the management of the Company intends to sell of this land/building as per the approved plan of the Board of Directors.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

4) The details of group of disposable assets classified as held for sale are as under:

	As at March 31, 2020	As at March 31, 2019
Non-current assets		
Property, plant and equipment	2,820.42	2,534.55
Investment property	221.06	-
	3,041.48	2,534.55

5) Assets held for sale are pledged as collateral for borrowings from banks (Refer Note 17 and Note 22).

Note 41 : SEGMENT REPORTING

Segmental information

Business segments:

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

- (i) Engineering Service (ES)
- (ii) Facility Management Services (FMS)
- (iii) Municipal Solid Waste Management (MSW)
- (iv) Power Generation Projects ('PGP')
- (v) Others represents trading of goods, renting of equipments, manufacturing of electrical equipment and operation and maintenance services, etc.

	For the year ended March 31, 2020						
	Engineering Services	Facility Management Services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Revenue							
Segment revenue	37,871.39	23,085.98	8,354.67	241.00	431.26	-	69,984.30
Other income	901.99	-	45.62	-	119.84	-	1,067.45
Intersegment revenue	-	23.80	11.00	-	60.00	94.80	-
Total segment revenue	38,773.38	23,109.78	8,411.29	241.00	611.10	94.80	71,051.75
Cost							
Segment cost	(41,601.48)	(22,509.90)	(7,946.34)	(1,603.50)	(686.68)	(94.80)	(74,253.10)
Total segment cost	(41,601.48)	(22,509.90)	(7,946.34)	(1,603.50)	(686.68)	(94.80)	(74,253.10)
Segment operating (loss)/profit	(2,828.10)	599.88	464.95	(1,362.50)	(75.58)	-	(3,201.35)
Total reportable segment operating (loss)							(3,201.35)
Interest income							1,752.38
Interest expense							(5,481.76)
Share of loss of associates and bank charges							(687.98)
Exceptional Item (Refer Note 43)							(16,108.68)
Loss before tax							(23,727.39)
Tax expense							
Current tax							347.12
Deferred tax (net)							3,739.87
Tax expense relating to prior years							-
Loss after tax							(27,814.38)
Reclassification of net actuarial gain on employee defined benefit obligations							150.99
Total comprehensive income for the year (comprising loss and other comprehensive income)							(27,663.39)



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020						
	Engineering Services	Facility Management Services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Assets							
Segment assets	1,13,097.06	16,350.78	13,019.41	8,831.85	5,694.05	11,850.51	1,45,142.64
Unallocable corporate assets	-	-	-	-	-	-	54,227.64
Total assets	1,13,097.06	16,350.78	13,019.41	8,831.85	5,694.05	11,850.51	1,99,370.28
Liabilities							
Segment liabilities	82,067.97	14,128.86	10,487.91	203.14	7,608.64	7,089.26	1,07,407.26
Unallocable corporate liabilities	-	-	-	-	-	-	51,173.47
Total liabilities	82,067.97	14,128.86	10,487.91	203.14	7,608.64	7,089.26	1,58,580.73
Capital expenditure	6.13	62.11	485.45	-	-	-	553.69
Depreciation	1,009.79	193.65	50.20	-	116.83	-	1,370.47
Provision for impairment/write off	-	-	-	14,488.51	-	-	14,488.51
Other non-cash expenditure							5,670.04
	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
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							144.43
Profit 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



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2019						
	Engineering Services	Facility Management Services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Assets							
Segment assets	1,23,515.05	15,536.88	1,828.61	24,421.98	4,045.66	8,663.81	1,60,684.37
Unallocable corporate assets	-	-	-	-	-	-	56,833.30
Total assets	1,23,515.05	15,536.88	1,828.61	24,421.98	4,045.66	8,663.81	2,17,517.67
Liabilities							
Segment liabilities	91,415.15	12,284.91	2,166.46	211.17	1,949.89	4,708.38	1,03,319.20
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	1,48,839.44
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	-	-	-	4,200.00	-	-	4,200.00
Other non-cash expenditure	-	-	-	-	-	-	2,574.21

Unallocated operating income and expense mainly consist of exceptional items and tax expense. The unallocable assets includes tax receivable from Government authorities.

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

The revenue from customers (having more than 10% of total revenue) during the year is INR 11,802.36 lakhs (March 31, 2019 INR 25,523.04 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, 2020	As at March 31, 2019
Corporate guarantees given to banks on account of facilities granted by said banks to associates and others\$	30,406.83	28,605.00
Right to recompense (CDR Scheme)	8,949.61	5,521.87
Litigations under workmen compensation act (Refer Note 42.1)	39.23	39.23
Litigations with contractors and others (Refer Note 42.1)	308.29	308.29
Sales tax demand under dispute (Refer Note 42.1)	8,790.85	8,993.97
Income Tax demand under dispute (Refer Note 42.2)	2,848.92	2,792.10
	51,343.73	46,260.46

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.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020 (Unless otherwise stated, all amounts are in INR Lakhs)

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

During the year ended March 31, 2019, the Holding Company has received orders from CIT (Appeals) squashing the penalty orders aggregating INR 477.71 lakhs out of the aforementioned and upholding the rest. 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 February 28, 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 INR 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.

b) Commitments outstanding:

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

	As at March 31, 2020	As at March 31, 2019
Capital Commitments	-	-
Other Commitments	66,602.55	36,511.28
	66,602.55	36,511.28

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

Note 43 : EXCEPTIONAL ITEMS

	For the year ended March 31, 2020	For the year ended March 31, 2019
One time settlement with banks and financial institutions (Refer Note 43.1)	8,639.32	39,135.13
Liabilities written back	2,404.09	1,498.47
Loss of control of subsidiary (Refer Note 44)	-	25,530.09
Exception gain (A)	11,043.41	66,163.69
Impact of fair valuation of derivative liability on subsequent measurement (Refer Note 43.2)	2,224.08	692.62
Contract revenue in excess of billing written off	1,326.90	8,959.11
Capital assets and inventories impaired/Written off	14,488.51	4,200.00
Goodwill written off	639.48	-
Trade receivable written off	8,472.12	18,922.60
Loans and advances provision/written off	-	2,045.29
Provision for investment	1.00	-
Exceptional loss (B)	27,152.09	34,819.62
Net exceptional (loss)/gain	(16,108.68)	31,344.07

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
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Note 43.1: Gain on one time settlement agreements with banks and financial institutions for borrowings pertains to excess of outstanding loan liabilities against the settlement consideration paid/to be paid under the settlement agreement entered by the Holding company.

Note 43.2: 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 lenders.

Note 44 : ACQUISITION/ DISPOSAL OF SUBSIDIARY

(i) Acquisition of subsidiary in 2019-20

During the year, 'A2Z Infraserivces Limited' a subsidiary company has acquired A2Z Waste Management (Ludhiana) Group and A2Z Waste Management (Aligarh) Limited which were earlier associate company of A2Z Infra Engineering Limited. A2Z Infraserivces has acquired 35,000 equity shares (i.e 70%) and 950,000 preference shares of A2Z Waste Management (Ludhiana) Limited (alongwith with its subsidiary company i.e. "Magic Genie Smartech Solutions Limited") and 40,000 equity shares (i.e 80%) and 6,450,000 preference shares of A2Z Waste Management (Aligarh) Limited. As a result, these two companies have become step subsidiaries of A2Z Infra Engineering Limited.

	As at July 14, 2019		
	A2Z Waste Management (Aligarh) Limited	A2Z Waste Management (Ludhiana) Limited	Magic Genie Smartech Solutions Limited
(a) Carrying amount of subsidiary's assets and liabilities acquired			
Assets			
Property, plant and equipment	1,809.69	284.71	1.94
Capital work-in-progress	1.85	3,791.14	-
Investments	-	7.55	-
Loans	4.92	8.22	-
Other financial assets	1.96	-	35.00
Non-current tax assets (net)	15.15	169.46	4.73
Other non-current assets	98.32	182.08	-
Total non-current assets	1,931.88	4,443.16	41.67
Inventories	423.93	-	-
Trade receivables	612.24	913.25	-
Cash and cash equivalents	2.71	63.26	10.04
Other bank balances	-	-	14.81
Loans	149.44	82.12	-
Other financial assets	142.50	77.54	38.69
Other current assets	11.62	160.64	-
Total current assets	1,342.44	1,296.81	63.54
Total assets	3,274.32	5,739.97	105.21
Liabilities			
Borrowings (debt protion excluding preference shares)	31.97	469.56	-
Long term provisions	13.45	13.89	2.18
Other non-current liabilities	860.87	1,933.18	-
Total non-current liabilities	906.29	2,416.64	2.18
Borrowings	769.14	226.99	34.10
Trade payables	307.46	1,129.90	40.81
Other financial liabilities	569.86	1,195.89	8.50
Short term provisions	1.40	3.14	0.37
Other current liabilities	190.13	75.32	16.50
Total current liabilities	1,837.99	2,631.23	100.28
Total liabilities	2,744.28	5,047.87	102.46
Total net assets acquired	530.04	692.10	2.75



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at July 14, 2019		
	A2Z Waste Management (Aligarh) Limited	A2Z Waste Management (Ludhiana) Limited	Magic Genie Smartech Solutions Limited
(c) Net cash outflow on acquisition of subsidiary			
Consideration paid	650.00	100.00	5.00
Less: Preference shares investment by group before acquisition	-	1,612.09	-
Less: Minority stake on acquisition	-	(502.73)	-
Net Goodwill written off	(119.96)	(517.26)	(2.25)

(ii) 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;

	As at September 30, 2018	As at March 12, 2019	
	Selligence Technologies Services Private Limited	A2Z Waste Management (Nainital) Private Limited	A2Z Green Waste Management Limited (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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at September 30, 2018	As at March 12, 2019	
	Selligence Technologies Services Private Limited	A2Z Waste Management (Nainital) Private Limited	A2Z Green Waste Management Limited (Group)
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 current liabilities	-	587.20	55,110.57
Total liabilities	-	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
(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)



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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, 2020 & March 31, 2019

Segment	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Revenue as per Ind AS 115	Other Revenue	Total	Revenue as per Ind AS 115	Other Revenue	Total
Sale/rendering of services						
Revenue from engineering services	37,590.07	-	37,590.07	49,223.16	-	49,223.16
Revenue from facility management services	23,019.40	-	23,019.40	26,622.23	-	26,622.23
Revenue from collection and transportation of municipal solid waste	8,192.80	-	8,192.80	8,366.07	-	8,366.07
Revenue from power generation projects	241.00	-	241.00	87.01	-	87.01
Revenue from operation and maintenance services	450.67	-	450.67	1,974.03	-	1,974.03
Revenue from professional services	302.34	-	302.34	157.55	-	157.55
Revenue from data processing services	-	-	-	140.40	-	140.40
Revenue from sale of products	161.86	-	161.86	269.35	-	269.35
Other operating revenues:						
Sale of traded goods and scrap sale	26.16	-	26.16	23.19	7.12	30.31
Duty drawback	-	-	-	-	-	-
Total	69,984.30	-	69,984.30	86,862.99	7.12	86,870.11

(b) Out of the total revenue recognised under IND AS-115 during the year, INR 69,555.28 lakhs (Previous year : INR 86,483.44 lakhs) is recognised over a period of time and INR 429.02 lakhs (Previous year : 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	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening balance as at April 1	6,523.27	15,438.40	377.78	1,713.99
Changes in allowance for expected credit loss:				
Provision/(reversal) of allowance for expected credit loss	3,130.90	1,287.32	165.35	164.52
Disposal of subsidiary	-	(130.81)	-	-
Write off as bad debts	(4,212.72)	(10,071.64)	(172.44)	(1,500.73)
Acquisition of subsidiary	2.95	-	-	-
Closing balance as at March 31	5,444.40	6,523.27	370.69	377.78

(d) Contract balances:

(i) Movement in contract balances during the year:

Particulars	As at March 31, 2020				As at March 31, 2019			
	Trade Receivable*	Contract assets *	Contract liabilities	Net contract balances	Trade Receivable*	Contract assets*	Contract liabilities	Net contract balances
Opening balance as at April 1	98,317.68	16,275.93	7,402.46	8,873.47	130,916.48	25,161.49	6,084.84	19,076.65
Closing balance as at March 31	91,713.74	13,947.33	4,021.59	9,925.74	98,317.68	16,275.93	7,402.46	8,873.47
Net increase/(decrease)	(6,603.94)	(2,328.60)	(3,380.87)	1,052.27	(32,598.80)	(8,885.56)	1,317.62	(10,203.18)

*(Refer Note- 43)



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

- (ii) Revenue recognised during the year from opening balance of contract liabilities amounts to INR 3,959.07 Lakhs (March 31, 2019: 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 (March 31, 2019: INR Nil).

(e) Cost to obtain the contract :

- (i) Amount of amortisation recognised in Profit and Loss during the year 2019-20: INR Nil (March 31, 2019: INR Nil).
- (ii) Amount recognised as assets as at March 31, 2020: INR Nil (March 31, 2019: INR Nil).

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

Particulars	March 31, 2020	March 31, 2019
Opening contracted price of orders as at April 1*	3,99,563.95	4,29,101.09
Add:		
Fresh orders/change orders received (net)	39,745.49	45,168.20
Less:		
Orders completed during the year	13,954.92	74,705.34
Closing contracted price of orders as at March 31*	4,25,354.52	3,99,563.95
Total Revenue recognised during the year:	69,984.30	86,862.99
Less: Revenue out of orders completed during the year	9,316.58	13,619.58
Revenue out of orders under execution at the end of the year (I)	60,702.51	73,243.41
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	2,75,856.85	2,18,199.83
Balance revenue to be recognised in future viz. Order book (III)	88,795.16	1,08,120.71
Closing contracted price of orders as at March 31* (I+II+III)	4,25,354.52	3,99,563.95

*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	As at March 31, 2020			As at March 31, 2019		
	Total	Expected conversion in revenue		Total	Expected conversion in revenue	
		Upto 1 Year	More than 1 year		Upto 1 Year	More than 1 year
Transaction price allocated to remaining performance obligation	88,795.16	83,244.66	5,550.50	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.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 46 : GROUP INFORMATION

Consolidated financial statements as at March 31, 2020 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, 2020	Proportion of equity Interest as at March 31, 2020	Proportion of equity Interest as at March 31, 2019
I	Subsidiary companies						
1	A2Z Infraservices Limited	Combined facilities support activities	81100	India	Audited	93.83%	93.83%
2	A2Z Powercom Limited	Engineering Services	42202	India	Audited	100.00%	100.00%
3	A2Z Powertech Limited	Manufacture, Fabricate, develop, and assemble electronic equipments of all description	26109	India	Audited	100.00%	100.00%
4	Mansi Bijlee & Rice Mills Limited	Electric Power Generation, transmission and distribution	35106	India	Audited	100.00%	100.00%
5	Magic Genie Services Limited	Facility Management Services Provider	36000	India	Audited	75.00%	75.00%
6	Chavan Rishi International Limited	Leasing Services	68100	India	Audited	100.00%	100.00%
7	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Water Waste Management	38110/38210	India	Audited	60.00%	60.00%
II	Step down subsidiaries						
	Subsidiaries of A2Z Infraservices Ltd.						
1	Ecogreen Envirotech Solutions Limited	Waste management processing facility	38110/38210	India	Audited	79.47%	45.98%
2	A2Z Infraservices Lanka Private Ltd.***	Combined facilities support activities	Incorporated	Srilanka	Audited	93.83%	93.83%
3	A2Z Waste Management (Ludhiana) Limited#	Waste management processing facility	38110/38210	India	Audited	65.68%	0.00%
4	A2Z Waste Management (Aligarh) Ltd.#	Waste management processing facility	38110/38210	India	Audited	75.06%	0.00%
5	Magic Genie Smartech Solutions Ltd.#	Installation of Sanitation Equipment	43221	India	Audited	65.68%	0.00%
I	Associate Companies						
1	A2Z Green Waste Management Limited (Group) *	India	38110/38210	India	Audited	42.61%	42.61%
2	A2Z Waste Management (Nainital) Private Limited **	India	38110/38210	India	Audited	48.00%	48.00%

* 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 Associated and Joint Ventures'.

** Till March 12, 2019, the Company directly holds 48% of total the share capital and 26% (March 31, 2018 26%) indirectly through its subsidiary, A2Z Green Waste Management Limited.

During the year, 'A2Z Infraservices Limited' a subsidiary company has acquired A2Z Waste Management (Ludhiana) Group and A2Z Waste Management (Aligarh) Limited which were earlier associate company of A2Z Infra Engineering Limited. A2Z Infraservices has acquired 35,000 equity shares (i.e 70%) and 950,000 preference shares of A2Z Waste Management (Ludhiana) Limited (alongwith with its subsidiary company i.e. "Magic Genie Smartech Solutions Limited") and 40,000 equity shares (i.e 80%) and 6,450,000 preference shares of A2Z Waste Management (Aligarh) Limited. As a result, these two companies have become step subsidiaries of A2Z Infra Engineering Limited.

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 47:

(a) Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to division II of Schedule III to the Companies Act, 2013 for the year ended March 31, 2020:

	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	88.25	35,995.10	104.58	(29,088.70)	20.58	31.07	105.04	(29,057.63)
Subsidiaries:								
Indian:								
1 A2Z Infraserivies Limited	18.79	7,665.51	(1.33)	369.64	83.11	125.49	(1.79)	495.13
2 A2Z Powercom Limited	0.27	108.65	(0.03)	7.54	-	-	(0.03)	7.54
3 A2Z Powertech Limited	(0.47)	(190.45)	0.01	(3.10)	-	-	0.01	(3.10)
4 Mansi Bijlee & Rice Mills Limited	2.26	922.61	(0.01)	2.82	-	-	(0.01)	2.82
5 Magic Genie Services Limited	(0.40)	(161.60)	(0.00)	0.63	0.51	0.77	(0.01)	1.40
6 Chavan Rishi International Limited	0.19	75.77	(0.01)	1.49	-	-	(0.01)	1.49
7 A2Z Waste Management (Aligarh) Limited	0.61	248.94	(0.08)	21.29	(1.52)	(2.30)	(0.07)	18.99
8 A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	(2.33)	(951.54)	0.88	(245.90)	-	-	0.89	(245.90)
9 Ecogreen Envirotech Solutions Limited	2.03	829.61	(1.27)	353.66	0.57	0.86	(1.28)	354.52
10 A2Z Waste Management (Ludhiana) Limited	0.72	294.10	1.26	(349.80)	(2.50)	(3.77)	1.28	(353.57)
11 Magic Genie Smartech Solutions Limited	(0.01)	(5.73)	0.01	(2.59)	(0.59)	(0.89)	0.01	(3.48)
Associates:								
1 A2Z Green Waste Management Group#	-	-	0.49	(135.27)	(0.15)	(0.23)	0.49	(135.50)
Foreign:								
1 A2Z Infraserivies Lanka Private Limited**	-	-	-	-	-	-	-	-
Total non-controlling interest in all subsidiaries	(1.20)	(488.95)	0.43	(118.43)	3.93	5.94	0.41	(112.49)
Total eliminations and other consolidation adjustments	(8.71)	(3,552.46)	(4.93)	1,372.34	(3.94)	(5.95)	(4.94)	1,366.39
Total	100.00	40,789.55	100.00	(27,814.38)	100.00	150.99	100.00	(27,663.39)

** 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).

(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, 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 Infraserivies 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)



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	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
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 Infraserivices Lanka Private 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).

Note 48 : DISCLOSURE OF SUBSIDIARY HAVING MATERIAL NON-CONTROLLING INTEREST

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Name of subsidiary	Ecogreen Envirotech Solutions Limited		A2Z Waste Management (Ludhiana) Limited	
Principal place of business	India	India	India	India
Proportion of ownership interest held by non-controlling interests	79.47%	54.02%	34.32%	NA
Proportion of voting right held by non-controlling interests	79.47%	54.02%	34.32%	NA

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
i) Summarised balance sheet				
Current assets	3,902.03	2,604.68	1,610.47	-
Current liabilities	3,119.95	2,070.66	3,204.83	-
Net current assets	782.07	534.02	(1,594.36)	-
Non-current assets	301.70	42.07	4,721.27	-
Non-current liabilities	249.15	103.90	2,827.93	-
Net non-current assets	52.55	(61.83)	1,893.34	-
Net assets	834.62	472.19	298.98	-
Accumulated non-controlling interest	147.23	195.90	(471.91)	-
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
ii) Summarised statement of profit and loss				
Profit / (Loss) for the year	353.67	406.83	(404.32)	-
Other comprehensive income for the year	0.86	27.02	(3.77)	-
Total comprehensive income	354.53	433.85	(408.09)	-
Gain/(loss) allocated to non-controlling interest	72.77	195.90	(121.35)	-
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
iii) Summarised statement of cash flow				
Cash flow from operating activities	144.40	90.16	82.34	-
Cash used in investing activities	(194.06)	(20.73)	(345.86)	-
Cash flow/(used in) from financing activities	48.94	(114.89)	262.72	-
Net (decrease)/ increase in cash and cash equivalents	(0.72)	(45.46)	(0.80)	-
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Name of subsidiary	A2Z Maintenance and Engineering Services Limited & Satya Builders (Association of person)		A2Z Infraservices Limited	
Principal place of business	India	India	India	India
Proportion of ownership interest held by non-controlling interests	40.00%	40.00%	6.17%	6.17%
Proportion of voting right held by non-controlling interests	40.00%	40.00%	6.17%	6.17%



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
i) Summarised balance sheet				
Current assets	606.78	814.14	21,723.88	20,758.34
Current liabilities	2,084.25	2,039.32	18,820.87	16,968.51
Net current assets	(1,477.46)	(1,225.18)	2,903.01	3,789.83
Non-current assets	55.74	49.38	5,615.18	5,246.12
Non-current liabilities	0.21	0.25	470.35	1,490.42
Net non-current assets	55.53	49.13	5,144.83	3,755.70
Net assets	(1,421.93)	(1,176.05)	8,047.84	7,545.53
Accumulated non-controlling interest	(568.80)	(470.44)	488.71	458.15
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
ii) Summarised statement of profit and loss				
(Loss)/ Profit for the year	(245.89)	(62.89)	369.64	601.52
Other comprehensive income for the year	-	-	125.49	137.54
Total comprehensive income	(245.89)	(62.89)	495.13	739.06
Gain/(loss) allocated to non-controlling interest	(98.36)	(25.16)	30.56	45.60
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
iii) Summarised statement of cash flow				
Cash flow from operating activities	134.22	(29.17)	2,266.66	2,315.94
Cash used in investing activities	-	-	(439.60)	6.58
Cash (used in)/flow from financing activities	(144.63)	29.17	(1,836.22)	(2,125.66)
Net (decrease)/ increase in cash and cash equivalents	(10.41)	-	(9.16)	196.86

Note 48.1 : All above mention figures are based on consolidate financial statement of the subsidiary company.

Note 49 : DISCLOSURE OF SUMMARISED FINANCIAL INFORMATION OF ASSOCIATES

Summarized financial information of the associates, based on its consolidated Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	As at March 31, 2020	As at March 31, 2019
Name of associate	A2Z Green Waste Management Limited (including its subsidiaries)	
Principal place of business	India	India
Proportion of ownership interest held by Holding Company	42.61%	42.61%
Proportion of voting right held by Holding Company	42.61%	42.61%

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2020	As at March 31, 2019
i) Summarised balance sheet		
Cash and cash equivalents	16.69	21.29
Other assets	13,323.70	13,635.68
Current assets (A)	13,340.39	13,656.97
Non-current assets (B)	41,719.58	49,790.19
Current financial liabilities (excluding trade payables and provisions)	46,306.21	46,581.79
Trade payables and provisions	7,897.04	8,541.15
Current liabilities (C)	54,203.25	55,122.94
Non-current financial liabilities (excluding provisions)	32,159.90	35,715.29
Provisions	2.14	12.42
Non-current liabilities (D)	32,162.04	35,727.71
Net assets (A+B-C-D)	(31,305.32)	(27,403.49)
Equity	2,275.00	2,275.00
Carrying amount of the investment	21,293.63	22,553.55
	For the year ended March 31, 2020	For the period from March 12, 2019 to March 31, 2019
ii) Summarised statement of profit and loss		
Revenue	893.03	223.82
Other Income	478.67	34.09
Total revenue (A)	1,371.70	257.91
Cost of Sales	460.21	212.45
Depreciation and amortisation	1,428.67	2,077.39
Employee benefit expense	206.54	29.95
Finance costs	1,932.81	113.38
Other expense	587.71	113.32
Total expenses (B)	4,615.94	2,546.49
(Loss) before tax, exceptional items and share of profit from associate (C=A-B)	(3,244.24)	(2,288.58)
Exceptional items-gain (D)	2,650.22	-
Share of profit of associate (E)	85.10	-
Tax expense (F)	(13.92)	(0.78)
(Loss) for the year (G = C-D-E-F)	(495.00)	(2,287.80)
Other comprehensive income (H)	(0.95)	(0.12)
Total comprehensive income (G+H)	(495.95)	(2,287.92)
Share of (loss) for the year/period after loss of control	(135.27)	(974.88)



**Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(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 they have not charged interest on the said accounts and also the Holding Company has not charged interest on borrowings from certain banks/ Asset Reconstruction Company which had entered into Settlement agreement(s), therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to INR 1,809.46 lakhs for the year ended March 31, 2020 (INR 1,595.92 lakhs for the year ended March 31, 2019). The Holding Company is already in discussion with the said banks and Asset Reconstruction Company for settlement of their dues.

Note 51 :

The 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, March 31, 2019 and March 31, 2020 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred instalments. As at March 31, 2020, the Holding Company has delayed payments in respect of the certain deferred instalments amounting INR 11,560.13 lakhs (March 31, 2019 : INR 5,096.00 lakhs) which were due and payable pursuant to these Agreements. So far, the Lenders have not given any written notice on event of default as per the agreements and the management is in discussions with the Lenders to condone the aforementioned delays.

Further, certain Lenders have filed an application with Debt Recovery Tribunal and other judicial authorities for recovery of its dues as they existed prior to the settlement agreement entered with it in earlier period. However, based on the terms of the agreement entered with such Lenders, the management believes that no additional liability shall devolve on the Holding Company in addition to the carrying value of such liability as at March 31, 2020.

The Holding Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these consolidated financial statements. 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 72,673.92 lakhs as at March 31, 2020 (March 31, 2019 INR 43,672.10 lakhs) 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. Also, one of the bank has filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to INR 696.43 lakhs and the matter has not been admitted yet with the NCLT and the management is in discussion with the said lender for amicably settling the matter. Further, during the year, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Holding Company amounting to INR 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. The Holding Company has also delayed in repayments due to certain lenders as further detailed in note 51. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Holding Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders (as described in note 51), including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Holding Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, a new facility from a lender and expected start of commercial production of the biomass-based power generation plants, no adjustments are required in the consolidated financial statements and accordingly, these have been prepared on a going concern basis.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

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 22)	Interest accrued on borrowings (Refer Note 19)	Total
Balance as at April 1, 2018	61,887.64	64,096.94	22,243.79	1,48,228.37
(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 (Refer Note 43.1)	-			
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	-	(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)
Balance as at March 31, 2019	13,624.37	29,815.71	5,337.53	48,777.61
(a) Changes from financing cash flow	(3,207.60)	7,095.16	(2,135.54)	1,752.02
(b) Other changes				
(i) Reclassification within categories	6,155.30	(4,945.45)	(1,209.85)	-
(ii) Interest charge to statement of profit and loss	-	-	5,481.76	5,481.76
(iii) Reclassification from other financial liabilities	-	2,592.13	-	2,592.13
(iv) Non-cash changes	-	-	(1,235.39)	(1,235.39)
(v) One time settlement				
Gain on one time settlement of borrowing with banks and financial institutions	(2,832.26)	(1,633.07)	(4,174.00)	(8,639.32)
(vi) Acquisition of subsidiary	31.97	911.86	557.70	1,501.54
Closing Balance as at March 31, 2020	13,771.78	33,836.34	2,622.21	50,230.34

Note 54 : DISCLOSURE PURSUANT TO IND AS 116 “LEASES”

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The expense of short term leases and leases with period less than 12 months from initial application date is INR 190.96 lakhs (March 31, 2019: INR 512.24 Lakhs).

Effective April 1, 2019, the Group adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the prospective method. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application.



Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.15%-13.55%.

Lease payments not included in measurement of lease liability:

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at March 31, 2020
Short-term leases	190.96
Leases of low value assets	-
Variable lease payments	-
Closing Balance	190.96

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Particulars	For the year ended March 31, 2020
Balance as on April 1, 2019	105.68
Addition during the year	77.56
Depreciation during the year	46.14
Deletion during the year	11.58
Closing Balance	125.51

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Particulars	For the year ended March 31, 2020
Balance as on April 1, 2019	105.48
Addition during the year	74.75
Finance cost accrued during the year	11.50
Payment of lease liabilities	58.09
Deletion during the year	11.73
Closing Balance	121.90

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows:

Particulars	As at March 31, 2020
Current lease liabilities	56.94
Non-current lease liabilities	64.96
Total	121.90

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Particulars	As at March 31, 2020
Less than one year	42.19
One to five years	90.93
More than five years	-
Total	133.11

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2020
(Unless otherwise stated, all amounts are in INR Lakhs)

The information about extension and termination options are as follows:

Particulars	Guest House	Office premises	Warehouse and related facilities
Number of leases	2.00	10.00	1.00
Range of remaining term (in years)	0.85-4.00	0.17- 2.50	0.48
Average remaining lease term (in years)	2.42	1.46	0.48
Number of leases with extension option	Nil	3.00	Nil
Number of leases with purchase option	Nil	Nil	Nil
Number of leases with termination option	1.00	9.00	1.00

Note 55 :

The outbreak of SARS-CoV-2 virus ('Covid-19') has severely impacted businesses around the world. In many countries, including India, there has been severe disruption of regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The management has made a detailed assessment of its liquidity position, including recoverability/ carrying values of its trade receivables, business and other advances, and investments as at balance sheet date, however, the actual impact of Covid-19 pandemic on the group's financial statements remains uncertain and dependent on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these consolidated financial statements. The Holding Company has filed a disclosure of material impact of Covid-19 pandemic on the company under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 dated May 28, 2020.

Note 56 :

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

Note 57 : POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the March 31, 2020 reporting date and the date of authorisation July 30, 2020.

Note 58 : AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended March 31, 2020 (including comparatives) were approved by the board of directors on July 30, 2020.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Manish Agrawal

Partner

Membership No. 507000

Place : Ghaziabad

Date : July 30, 2020

For and on behalf of the Board of Directors

Sd/-

Amit Mittal

Managing Director

(DIN 00058944)

Sd/-

Rajiv Chaturvedi

Chief Financial Officer

Place : Gurugram

Date : July 30, 2020

Sd/-

Rajesh Jain

Whole Time Director & CEO

(DIN 07015027)

Sd/-

Atul Kumar Agarwal

Company Secretary



Notes

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This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting practice. There are no margins, text, or other markings on the page.

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