REF. No.:- A2ZINFRA/SE/2023-24/029

BY E-FILING

September 7, 2023

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

Fax-022-22722039
BSE Code- 533292

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

Fax- 022-26598237/38
NSE Code- A2ZINFRA

Ref: Disclosure under Regulation 34 and Regulation 30(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Subject: Notice of 22nd Annual General Meeting, Book Closure and Copy of Annual Report for the Financial Year 2022-23

Dear Sir(s),

This is to inform you that the **22nd (Twenty Second) Annual General Meeting ("AGM")** of the Members of the Company will be held on **Friday, September 29, 2023 at 12:00 p.m.** through Video Conferencing (VC) / Other Audio - Visual Means (OAVM), in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India, to transact the business as set-forth in the Notice convening the said AGM.

Further, the Register of members and share transfer books of the Company will remain closed from **Saturday, September 23, 2023 to Friday, September 29, 2023 (both days inclusive)** for the purpose of AGM.

Further, pursuant to Regulation 34(1) and Regulation 30(2) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2022-23 along with the Notice of AGM, which are being sent through electronic mode to the Members of the Company, whose email IDs are registered with Depositories/the Company /the Registrar and Share Transfer Agent. The Annual Report for the Financial Year 2022-23 and Notice of AGM are also available on the Website of the Company i.e. www.a2zgroup.co.in.

A2Z Infra Engineering Limited
Gurugram

Atul Kumar Agarwal

Digitally signed by Atul Kumar Agarwal
Date: 2023.09.07 15:12:48 +05'30'

A2Z GROUP
...en POWERing the nation

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the rules made there under and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is providing facility of remote e-voting and e-voting during the AGM to all the shareholders as on the **cut-off date i.e. Friday, September 22, 2023** and the remote e-voting period begins on **Tuesday, September 26, 2023 at 09:00 am and ends on Thursday, September 28, 2023 at 05:00 pm**, during which shareholders may cast their votes electronically.

You are requested to take the above information on your records.

Thanking you,

Yours Truly

For A2Z INFRA ENGINEERING LTD.

Atul Kumar Agarwal

Digitally signed by Atul Kumar Agarwal
Date: 2023.09.07 15:13:11 +05'30'

A2Z Infra Engineering Limited Gurugram

Atul K. Agarwal
Company Secretary
FCS-6453
Add: - Ground Floor, Plot No. 58,
Sector-44, Gurugram-122003, Haryana

Enclosure: Copy of Notice of 22nd AGM and Annual Report for the Financial Year 2022-23.

A2Z INFRA ENGINEERING LTD.

(CIN-L74999HR2002PLC034805)

Registered Office: O-116, First Floor, Shopping Mall, Arjun Marg, DLF City, Phase-1, Gurugram-122002, Haryana
Corporate Office: Ground Floor, Plot No. 58, Sector-44, Gurugram-122003, Haryana
Tel.: 0124-4723383
E-mail: investor.relations@a2zemail.com **Website:** www.a2zgroup.co.in

NOTICE

To,
The Member(s),
A2Z Infra Engineering Limited

NOTICE is hereby given that the 22nd (Twenty Second) Annual General Meeting of the Members of **A2Z Infra Engineering Ltd.** will be held on Friday, September 29, 2023 at 12.00 p.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate affairs, Government of India to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt:**

   a. the Audited Standalone Financial Statements of the Company consisting of the Standalone Balance Sheet as at March 31, 2023, the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date along with the Reports of Board of Directors and the Auditors' thereon.

   b. the Audited Consolidated Financial Statements of the Company consisting of the Consolidated Balance Sheet as at March 31, 2023, the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date along with Auditors' Report thereon.

2. To appoint a Director in place of Mr. Arun Gaur (DIN: 08328873), who is liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **Re-appointment of Mr. Amit Mittal (DIN 00058944) as Managing Director of the Company**

   To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force and as may be enacted from time to time of the said Act), the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR, 2015"), if any, and Articles of Association of the Company, Mr. Amit Mittal (DIN: 00058944), Managing Director of the Company be and is hereby re-appointed as Managing Director of the Company for a period of three years effective from January 01, 2024 to December 31, 2026, in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of a Managing Director, whose term shall not be liable to retire by rotation under the provisions of the Act, without any remuneration and on the terms and conditions as mentioned and approved by the Nomination and Remuneration Committee and the Board of Directors of the Company and mentioned in the explanatory statement annexed to the Notice.

   RESOLVED FURTHER THAT the Board of Directors and Nomination and Remuneration Committee of the company be and is hereby authorized to vary, alter and modify the terms and conditions of appointment/re-appointment of the appointee in pursuance of the provisions of the Act except relating to remuneration as it may at its discretion , deem fit, from time to time.

   RESOLVED FURTHER THAT any Director and/or Company Secretary of the company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution."

4. **Re-appointment of Ms. Atima Khanna (DIN: 07145114) as Non-Executive Independent Director of the Company**

   To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 (the Act) read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof) read with Schedule IV read with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR, 2015) (including any statutory modification(s) or re-enactment thereof for the time being in force and other applicable provisions, if any, read with Articles of Association of the Company Ms. Atima Khanna (DIN: 07145114), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from May 23, 2019 upto May 22, 2024 and who qualifies for being re-appointed as an Independent Director has given her consent along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI LODR, 2015 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, and based on the recommendation of Nomination & Remuneration Committee and Board of Directors of the Company, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for the second term of 5 (five) consecutive years with effect from May 23, 2024 to May 22, 2029, whose period of office shall not be liable to retire by rotation."

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company, be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. **Appointment of Ms. Ritu Goyal (DIN: 05180676) as Non-Executive Independent Director of the Company**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to provisions of Section 149, 150, 152 and 161 of the Companies Act, 2013 (the Act) read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof) read with Schedule IV read with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR, 2015) (including any statutory modification(s) or re-enactment thereof for the time being in force and other applicable provisions, if any, read with Articles of Association of the Company, Ms. Ritu Goyal (DIN 05180676), who was appointed by the Board of Directors, based on the recommendation of Nomination & Remuneration Committee, as an Additional (Non-Executive Independent Director) of the Company with effect from August 11, 2023 and who qualifies for being appointed as an Independent Director has given her consent along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI LODR, 2015 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, and based on the recommendation of Nomination & Remuneration Committee and Board of Directors of the Company, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years, with effect from August 11, 2023 to August 10, 2028, and whose period of office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company, be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. **Appointment of Mr. Parmatma Singh Rathor (DIN: 03346747) as Non-Executive Independent Director of the Company**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to provisions of Section 149, 150, 152 and 161 of the Companies Act, 2013 (the Act) read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof) read with Schedule IV read with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) (including any statutory modification(s) or re-enactment thereof for the time being in force and other applicable provisions, if any, read with Articles of Association of the Company, Mr. Parmatma Singh Rathor (DIN: 03346747), who was appointed by the Board of Directors, based on the recommendation of Nomination & Remuneration Committee, as an additional (Non-Executive Independent Director) of the Company with effect from August 11, 2023 and who qualifies for being appointed as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI LODR, 2015 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, and based on the recommendation of Nomination & Remuneration Committee and Board of Directors of the Company, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years, with effect from August 11, 2023 to August 10, 2028, and whose period of office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company, be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. **Approval of request received from M/s Shivswaroop Gupta (HUF), Person belonging to the Promoter Group for reclassification from "Promoter Group" category to "Public" category.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR, 2015), and subject to approval from the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited (herein after referred to as stock exchanges) and such other Statutory Authorities as may be required and pursuant to other laws and regulations, as may be applicable from time to time (including any statutory modifications or reenactments thereof for the time being in force), the consent of the members be and is hereby accorded to reclassify M/s Shivswaroop Gupta (HUF) - Promoter Group, having NIL shareholding in the Company from “Promoter Group” shareholder category to “Public” shareholder category.

RESOLVED FURTHER THAT in supersession of any provision, the applicant’s special rights, if any, with respect to the Company through formal or informal arrangements including through any shareholders agreements, if any, stand withdrawn/terminated and be null and void, with immediate effect.

RESOLVED FURTHER THAT the above applicant confirmed that all the conditions specified in sub-clause (i) to (vii) of clause (b) of sub-regulation (3) of Regulation 31A of SEBI LODR, 2015 have been complied with and also confirmed that at all times from the date of such reclassification, shall continue to comply with conditions mentioned in Regulation 31A of SEBI LODR, 2015 post reclassification from “Promoter Group” to “Public”.

RESOLVED FURTHER THAT on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned applicant, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI LODR, 2015 and in compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company, be and are hereby severally authorized to perform and execute all such acts, deeds, matters and things including but not limited to making intimation/filings including but not limited to making applications to the Securities and Exchange Board of India, the stock exchange(s), seeking approvals from the BSE Limited, the National Stock Exchange of India Limited (as applicable), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and amend such details and to represent before such authorities as may be required and to take all such steps and decisions in this regard to give full effect to the aforesaid resolutions”

8. Appointment of Branch Auditors for branch offices of the Company outside India

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such regulatory approvals and consents as may be required, the Board of Directors of the Company be and is hereby authorized to appoint Branch Auditor(s), as and when required, in consultation with the Auditors, to audit the accounts of the Company’s branch office(s), whether existing or which may be opened/acquired hereafter, outside India and to fix their terms and conditions of appointment and remuneration, based on the recommendation of the Audit Committee/Board, for the financial year ending March 31, 2024.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company, be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

9. Ratification of Remuneration to Cost Auditor

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs. 50,000/- (Indian Rupees Fifty Thousand only) plus applicable taxes and out of Pocket Expenses as approved by the Board of Directors based on the recommendation of the Audit Committee to be paid to M/s. SKG & Co., Cost Accountants (Firm Registration No. 000418), to conduct the audit of Cost Accounting Records of the Company for the financial year ending March 31, 2024, be and is hereby ratified confirmed and approved.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company, be and is hereby severally authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.”

By order of the Board
For A2Z Infra Engineering Ltd.

Sd/-
(CS Atul K. Agarwal)
Company Secretary cum Compliance Officer
FCS-6453

Registered Office: O-116, First Floor,
Shopping Mall, Arjun Marg, DLF City,
Phase-1, Gurugram– 122002, Haryana

Dated: August 11, 2023
Place: Gurugram

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, and clarification circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 10/ 2022 dated December 28, 2022 issued by the Ministry of

Corporate Affairs ("MCA Circulars") and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 issued by the Securities and Exchange Board of India ("SEBI Circulars") has allowed Companies to hold the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI LODR, 2015"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the AGM shall be Corporate Office of the Company at Ground Floor, Plot No. 58, Sector-44, Gurugram-122003, Haryana. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith and also available at the Company's website i.e., www.a2zgroup.co.in.

2. An Explanatory Statement, pursuant to the provisions of Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this Annual General Meeting ('AGM'), is annexed hereto.

3. As this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

4. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and clarification issued vide Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 and Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has mandated all listed Companies to record/update the KYC details i.e. PAN, Nomination and Bank Account details of the first holder for the shares held in physical mode. The Company has sent a letter to all the Members holding shares in physical mode whose details are yet to be updated seeking the aforesaid information. Detailed information in this regard is available at the Company's website www.a2zgroup.co.in.

   Members holding shares in physical form are requested to ensure the aforesaid KYC details are updated with the Company's Registrar and Share Transfer Agents, M/s. Alankit Assignments Limited ("RTA") on or before October 01, 2023, post which the said folios shall be frozen. In case, the folios continue to remain frozen, till December 31, 2025, the same shall be referred to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and Prevention of Money Laundering Act, 2002.

5. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that the service requests received for Issuance of Duplicate Share Certificate, Release of Shares from Unclaimed Suspense Account of the Company, Renewal/Exchange of Share Certificate, Endorsement, Sub-division/Splitting of Share Certificate, Consolidation of Folios/ Share Certificates, Transmission and Transposition shall be processed by issuing shares in dematerialised form only and Physical Share Certificates shall not be issued by the Company to the Share Holder/Claimant. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/65 dated May 18, 2022, has simplified the procedure and standardized the format of documents for transmission of securities. Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4 & ISR - 5, the format of which is available on the Company's website www.a2zgroup.co.in.

   Members holding equity shares of the Company in physical mode are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical mode have been disallowed by SEBI.

6. In compliance with the aforesaid MCA Circulars and SEBI Circulars Notice of the 22nd Annual General Meeting and Annual Report for the year 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice of AGM and the Annual Report 2022-23 will also be available on the Company's website i.e. www.a2zgroup.co.in and website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and the website of the NSDL i.e., https://www.evoting.nsdl.com/ for their download. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 22nd AGM and the Annual Report for the year 2022-23 and all other communication sent by the Company, from time to time, can get their email address registered with the Company.

7. Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

8. Details under Regulation 36(3) of the SEBI LODR, 2015 and Secretarial Standard on General Meetings in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the said Directors for their appointment/re-appointment.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the certificate from Secretarial Auditors of the Company certifying that the Employee Stock Option Scheme of the Company is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolutions passed in the General Meetings, will be available electronically for inspection by the Members during the AGM. All documents proposed for approval, if any, in the above Notice and documents specifically stated in the Explanatory Statement shall be available for inspection through electronic

mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to investor.relations@a2zemail.com.

10. In case of joint holders attending the meeting together, only to the shareholder whose name appearing as the first holder in the orders of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. The Physical Register of Members and Share Transfer Books of the Company would remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023 (both days inclusive) for the purpose of Annual General Meeting.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

PARTICIPATION AT THE AGM AND VOTING

A) The details of the process and manner for participating in Annual General Meeting through VC/OAVM are explained herein below:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. Members are encouraged to join the Meeting through Laptops /IPADs connected through broadband for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. For the smooth conduct of the proceedings of the AGM being conducted through VC/OAVM, Members who would like to express their views/ask questions during the AGM may send their queries in advance and register themselves as a speaker by sending their request from their registered e-mail id mentioning their name, DPID and Client ID/Folio Number, PAN, mobile number at investor.relations@a2zemail.com between 9.00 a.m. on Monday, September 18, 2023 and 5.00 p.m. on Friday, September 22, 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.
6. The Members who do not wish to speak during the AGM but have queries on financial statements or any matter to be placed at the AGM may send the same latest by Friday, September 22, 2023 mentioning their name, DPID and Client ID/Folio Number, PAN, mobile number at investor.relations@a2zemail.com. These queries will be replied suitably either at the AGM or by e-mail.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

B) Remote e-Voting and Voting at AGM

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI LODR, 2015, the Secretarial Standard on General Meetings issued by the Institute of Companies Secretaries of India, and in terms of SEBI Circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated December 09, 2020 in relation to e-Voting facility provided by Listed Entities, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility

of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

2. The remote e-voting period begins on Tuesday, September 26, 2023 (9:00 am) and ends on Thursday, September 28, 2023 (5:00 pm). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 22, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 22, 2023.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members / list of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on Friday, September 01, 2023.

5. The Company has appointed Mr. Suchitta Koley (C.P No. 714), Partner of DR Associates, Practicing Company Secretaries, as a Scrutinizer to scrutinize the Remote E-voting and e-voting process during the AGM in a fair and transparent manner and for conducting the scrutiny of the votes cast.

6. The Results will be declared within two working days of the conclusion of AGM. The results declared along with the Scrutinizer's Report shall be uploaded on the website of the Company i.e. www.a2zgroup.co.in and the website of the NSDL i.e. https://www.evoting.nsdl.com, besides communicating to the stock exchange(s) on which the shares of the Company are listed.

7. Any person, who acquires shares of the Company and become member of the Company after sending the Notice of AGM and holding shares as of the cut-off date i.e. Friday, September 22, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investor.relations@a2zemail.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

8. The recorded transcript of the AGM shall be maintained by the Company and also be made available on the website of the Company www.a2zgroup.co.in under the 'investor' Section, at the earliest, soon after the conclusion of the Meeting.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:-

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **“NSDL Speede”** facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
   c) How to retrieve your ‘initial password’?
      (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
   a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

<u>Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.</u>

<u>How to cast your vote electronically and join General Meeting on NSDL e-Voting system?</u>

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

<u>General Guidelines for shareholders</u>

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to koley.s@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders who need assistance before or during the AGM and e-voting user manual for Shareholders available the download section of www.evoting.nsdl.com under or call 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mahatre, Senior Manager, NSDL at designated email id evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card), mobile no. & email id by email to Company at investor.relations@a2zemail.com or to RTA at rta@alankit.com.

b) In case shares are held in demat mode, members are requested to registered their email address with their depository participant or for temporary registration, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card), mobile no. & email id by email to Company at investor.relations@a2zemail.com or to RTA at rta@alankit.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

c) Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

d) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Additional information on director recommended for appointment / reappointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard -2

Profile of Director to be appointed or re-appointed

Mr. Arun Gaur (DIN 08328873) Proposed to be re-appointed as Non-Executive Non-Independent Director

1. **Brief Resume of the Director:**

   Mr. Arun Gaur, aged 50 years, is currently designated as Non-Executive Non-Independent Director and also a member of Audit Committee, Stakeholder Relationship Committee and Finance Committee of the Company. He completed his B.Sc. (MD University), LL.B. (Delhi University) and member of Bar Council of Punjab and Haryana and registered with Supreme Court Bar Association, New Delhi.

2. **Nature of expertise in specific functional areas:**

   Mr. Arun Gaur has approximately 26 years of experience as a Legal practitioner. Mr. Gaur is the Senior Partner of Gaur & Associates and is widely regarded as amongst the most influential legal practitioners. Mr. Gaur has advised on a wide range of corporate and legal issues, includes advising domestic business houses, Banks and Government agencies on all aspects of legal and commercial laws and arbitration matters. He has established himself as a legal luminary in the Apex court and various High Courts. He advises to their clients on strategic decisions and sensitive commercial and legal issues.

3. **Disclosure of inter-se relationships between directors and Key Managerial Personnel:**

   None

4. **Public companies (other than the Company) in which Mr. Arun Gaur holds directorship and committee membership:**

   Directorship: Nil

   Chairperson / Membership of Board committees: Nil

   Listed entities from which the person has resigned in the past three years: Nil

5. **Shareholding in the Company including shareholding as a beneficial owner:** Nil

6. **Terms and conditions for appointment / reappointment:** As per the Nomination & Remuneration Policy of the Company

7. **Remuneration last drawn:** N.A. (only sitting fees was paid for the meetings of Board of Directors and its committees)

8. **Date of First Appointment on the Board:** November 16, 2021

9. **Number of Board meetings attended during the year:** 4 (Four) out of 4 (Four).

Mr. Amit Mittal (DIN 00058944) – Proposed to be re-appointed as Managing Director

1. **Brief Resume of the Director:**

   Mr. Amit Mittal, aged 55 years, is currently designated as Managing Director cum CEO and also a member of Finance Committee of the Company. He completed his B. Tech in Civil Engineering from Indian Institute of Technology, Roorkee. Mr. Mittal is a Founder Promoter and Managing Director of the Company. He is actively involved in long term strategy formulations and in exploring new growth avenues for A2Z.

   Mr. Mittal has been awarded with the Ernst & Young award for the Start-up Entrepreneur of the year 2009.

2. **Nature of expertise in specific functional areas:**

   Mr. Amit Mittal has over 32 years of experience in the Project Management and execution in the power, oil and infrastructure sectors. Being a core member of the management team, he is involved in all the strategic decision making of the Company and group as a whole and is responsible for the management of the overall operations of the Company and has been instrumental in enabling the Company to diversify and expand its operations on PAN India basis.

3. **Disclosure of inter-se relationships between directors and Key Managerial Personnel:**

   Spouse of Ms. Dipali Mittal, Director of the Company

4. **Public companies (other than the Company) in which Mr. Amit Mittal holds directorship and committee membership:**

S. No.	Directorship	Chairperson/ Membership of Board committees
1	A2Z Infraservices Ltd.	Member of Audit Committee, Nomination & Remuneration Committee and Chairperson of Corporate Social Responsibility Committee and Banking & Finance Committee.
2	Ecogreen Envirotech Solutions Ltd.	Member of Corporate Social Responsibility Committee
3	A2Z Powercom Ltd.	—
4	Vsapients Techno Services Pvt. Ltd.	—
5	Vswach Environment (Aligarh) Pvt. Ltd.	—

   Listed entities from which the person has resigned in the past three years: None

5. **Shareholding in the Company including shareholding as a beneficial owner :** 2,73,50,601 equity shares

6. **Terms and conditions for appointment / reappointment:** As per the Nomination & Remuneration Policy of the Company

7. **Remuneration last drawn:** Company is not paying any remuneration to Mr. Amit Mittal. However, he has been appointed as Whole-Time Director of Ecogreen Envirotech Solutions Limited ("Ecogreen"), a material subsidiary of the Company and is getting remuneration from Ecogreen.

8. **Date of First Appointment on the Board:** 1st January, 2005
9. **Number of Board meetings attended during the year:** 4 (Four) out of 4 (Four)

Ms. Atima Khanna (DIN 07145114) – Proposed to be re-appointed as Non-Executive Independent Director

1. **Brief Resume of the Director:**

   Ms. Atima Khanna, aged 40 years , is an MBA, NSE Academy Certification in Financial Markets (NCFM) and a fellow member of Institute of Companies Secretaries of India (ICSI). Ms. Khanna has been associated with the Company since May, 2019 as Non-Executive Independent Woman Director of A2Z Infra Engineering Ltd. She is a Chairperson of Audit Committee, Nomination and Remuneration Committee and also a member of Stakholder Relationship Committee of the Company.
2. **Nature of expertise in specific functional areas:**

   Ms. Atima Khanna is a Corporate Law advisor and has experience of dealing in various types of Corporate Agreements and appears regularly before Regional Director, National Company Law Tribunal (NCLT), etc. She also does consultancy for the matters relating to, advisory on FEMA and Intellectual property rights, etc.
3. **Skills and capabilities required for the role and the manner in which the Director meet the requirements:**

   Refer Explanatory Statement
4. **Disclosure of inter-se relationships between directors and Key Managerial Personnel:**

   None
5. **Public companies (other than the Company) in which Ms. Atima Khanna holds directorship and committee membership:**

S. No.	Directorship	Chairperson/ Membership of Board committees
1	A2Z Infraservices Ltd.	Chairperson of Audit Committee, Nomination & Remuneration Committee and Member of Corporate Social Responsibility Committee
2	Ecogreen Envirotech Solutions Ltd.	Member of Corporate Social Responsibility Committee
3	A2Z Waste Management (Merrut) Ltd.	Member of Audit Committee and Nomination & Remuneration Committee
4	A2Z Waste Management (Ludhiana) Ltd.	Member of Audit Committee and Nomination & Remuneration Committee
5	Greeneffect Waste Management Ltd.	Member of Audit Committee and Nomination & Remuneration Committee
6	SML Isuzu Ltd.*	Member of Audit Committee

*** Listed Company**

Listed entities from which the person has resigned in the past three years: None

6. **Shareholding in the Company including shareholding as a beneficial owner :** Nil
7. **Terms and conditions for appointment / reappointment:** As per the Nomination & Remuneration Policy of the Company
8. **Remuneration last drawn:** N.A. (only sitting fees to be paid for the meetings of Board of Directors and its Committees)
9. **Date of First Appointment on the Board:** May 23, 2019
10. **Number of Board meetings attended during the year:** 4 (Four) out of 4 (Four)

Ms. Ritu Goyal (DIN 05180676) – Proposed to be re-appointed as Non-Executive Independent Director

1. **Brief Resume of the Director:**

   Ms. Ritu Goyal, aged 37 years, a Fellow Member of ICSI and has done Masters in Law. Lawyer by Profession, Ms. Goyal is a speaker on various capacity building, self-awareness and Legal topics at various Multi-National Companies, Professional Institutes, Law Colleges and other Institutions.
2. **Nature of expertise in specific functional areas:**

   Ms. Goyal has vast experience of more than 15 years in Corporate Litigation, Civil Litigation, Contract Management, Intellectual Property Rights, Corporate Governance, Restructuring, Compliance, Finance, marketing & branding.

   She has been practicing as a partner for matters such as Corporate Litigation, contract management, compliance management, corporate finance and civil litigation. She has been serving as independent Director on the Board of the listed entities such as Optiemus Infracom Ltd., Skyweb Infotech ltd. and has been appointed as member of various committees across big corporate houses including internal complaint committee formed under Prevention of Sexual Harassment laws for women. She has also served as Independent director on the Board of renowned brand Hero Cycles Ltd.
3. **Skills and capabilities required for the role and the manner in which the Director meet the requirements:**

   Refer Explanatory Statement
4. **Disclosure of inter-se relationships between directors and Key Managerial Personnel:**

   None
5. **Public companies (other than the Company) in which Ms. Ritu Goyal holds directorship and committee membership:**

S. No.	Directorship	Chairperson/ Membership of Board committees
1	Optiemus Infracom Ltd.*	--
2	Skyweb Infotech Ltd.*	Member of Audit Committee and Nomination & Remuneration Committee
3	Optiemus Electronics Ltd.	--

*** Listed Company(ies)**

Listed entities from which the person has resigned in the past three years: None

6. **Shareholding in the Company including shareholding as a beneficial owner :** Nil
7. **Terms and conditions for appointment / reappointment:** As per the Nomination & Remuneration Policy of the Company
8. **Remuneration last drawn:** N.A. (only sitting fees to be paid for the meetings of Board of Directors and its Committees)
9. **Date of First Appointment on the Board:** August 11, 2023
10. **Number of Board meetings attended during the year:** Not applicable

Mr. Parmatma Singh Rathor (DIN 03346747) – Proposed to be re-appointed as Non-Executive Independent Director

1. **Brief Resume of the Director:**

   Dr. Parmatma Singh Rathor, aged 51 years, Qualified Cost Accountant, CA Inter and graduated from University of Calcutta. Dr. Rathor is motivational speaker and founder of Any Time Classes, a serial entrepreneur, investor, best-selling author, life and business strategist and philanthropist.

2. **Nature of expertise in specific functional areas:**

   He is faculty of strategic management and cost accountancy. He has served as a visiting professor at prestigious institutes such as the Indian Institute of Management (IIM), the Institute of Chartered Accountancy (ICAI), the Institute of Company Secretary (ICSI), Delhi University and many more.

   Dr. Rathor has empowered more than 10 million people from over 20 countries around the world through his audio podcasts, educational videos, motivational videos and live seminars.

   Dr. Rathor is involved in over 100 businesses, including private sector, public sector and startups. He has worked with Indian Police Officers (IPS), Bureaucrats, IAS, established Indian Business Houses, startups, royalty, CEOs of multinational corporations, and entertainers. His transformative live events have attracted millions of participants, and his trusted clients includes Google, Coke, CNH, JSW, L & T, KEI, BSES Yamuna, TATA Power, TCS, PWC, Maruti Suzuki, Standard Chartered Bank and many more.

3. **Skills and capabilities required for the role and the manner in which the Director meet the requirements:**

   Refer Explanatory Statement

4. **Disclosure of inter-se relationships between directors and Key Managerial Personnel:**

   None

5. **Public companies (other than the Company) in which Dr. Parmatma Singh Rathor holds directorship and committee membership:** None

   Listed entities from which the person has resigned in the past three years: None

6. **Shareholding in the Company including shareholding as a beneficial owner :** Nil
7. **Terms and conditions for appointment / reappointment:** As per the Nomination & Remuneration Policy of the Company
8. **Remuneration last drawn:** N.A. (only sitting fees to be paid for the meetings of Board of Directors and its Committees)
9. **Date of First Appointment on the Board:** August 11, 2023
10. **Number of Board meetings attended during the year:** Not applicable

Explanatory Statements pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of items No. 3 to 9.

Item No. 3

Mr. Amit Mittal (DIN No. 00058944) was appointed as Managing Director of the Company for the period of three (3) years starting from January 01, 2021 to December 31, 2023. As his tenure shall expire on December 31, 2023, the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings duly held on August 11, 2023, has recommended to the shareholders for the reappointment of Mr. Amit Mittal as the Managing Director of the Company for a further period of three (3) years effective from January 01, 2024 to December 31, 2026, by passing Ordinary Resolution.

Brief resume of the appointee is given below:

Mr. Amit Mittal, aged 55 years, is B. Tech in Civil Engineering from Indian Institute of Technology, Roorkee and has over 32 years of experience in project management and execution in the power, oil and infrastructure sectors. Mr. Mittal is a Founder Promoter and Managing Director of the Company and is responsible for the management of the overall operations of the Company and has been instrumental in enabling the Company to diversify and expand its operations on PAN India basis. He is actively involved in long term strategy formulations and in exploring new growth avenues for A2Z. Mr. Mittal has been awarded with the Ernst & Young award for the Start-up Entrepreneur of the year 2009.

Remuneration:

Company is facing financial stress and had entered into Settlement agreement(s) with certain lenders, wherein it had settled the outstanding borrowings by issue of shares, upfront payments and deferred installments. Company has delayed payments in respect of the certain deferred installments which were due and payable pursuant to those Agreements. Hence, none of the perquisite or allowance is proposed for Mr. Mittal for his re-appointment as Managing Director of the Company. However, Mr. Amit Mittal is the Whole-Time Director in Ecogreen Envirotech Solutions Ltd., a material subsidiary of the Company and he is withdrawing remuneration from Ecogreen, which is within the limits as prescribed under Section 197 and Schedule V of Companies Act, 2013.

The Company has received notice under Section 160 of the Companies Act, 2013 (the Act) from a member proposing candidature of Mr. Amit Mittal as a Managing Director of the Company. Mr. Amit Mittal is neither disqualified from being appointed as a Director in terms of Section 164(2) of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given all the necessary declarations and confirmation.

Mr. Amit Mittal is deemed to be concerned or interested in the said resolution of this notice. Ms. Dipali Mittal, being Spouse of Mr. Amit Mittal, is also deemed to be interested in the said Resolution. None of the other Directors except Ms. Dipali Mittal, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the item no. 3 of the accompanying notice.

The Appointment of Mr. Amit Mittal is appropriate and in the best interest of the Company hence, the Board recommends the Ordinary Resolution, at item No. 3 of the accompanying notice, for the approval of the members of the Company.

Item No. 4

In accordance with the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 ("the Act"), and Regulation 17 of the SEBI LODR, 2015, appointment of an Independent Director requires approval of members.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had appointed Ms. Atima Khanna as a Non-Executive Independent Woman Director of the Company on May 23, 2019 for a period of five years and accordingly her term will expire on May 22, 2024.

The Board of Directors of the Company ("the Board") on the recommendation of the Nomination and Remuneration Committee proposed the re-appointment of Ms. Atima Khanna (DIN: 07145114) as a Non-Executive Independent Director of the Company for a second term of five consecutive years, with effect from May 23, 2024 to May 22, 2029 and is not liable to retire by rotation. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a member, proposing her candidature for the office of the Director.

Ms. Atima Khanna, aged 40 years, is an MBA, NSE Academy Certification in Financial Markets (NCFM) and a fellow member of Institute of Companies Secretaries of India (ICSI). Ms. Atima Khanna is a Corporate Law advisor and has experience of dealing in various types of Corporate Agreements and appears regularly before Regional Director, National Company Law Tribunal (NCLT), etc. She also does consultancy for the matters relating to, advisory on FEMA and Intellectual property rights, etc.

The Nomination and Remuneration Committee taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Ms. Atima Khanna qualifications and the rich experience in the abovementioned areas meets the skills and capabilities required for the role of Independent Director of the Company. The Board is of the opinion that Ms. Atima Khanna continues to possess the identified core skills, expertise and competencies fundamental for effective functioning in her role as an Independent Director of the Company and her continued association would be of immense benefit to the Company.

Pursuant to the provisions of Section 149 and 152 (b) of the Companies Act, 2013 (Act), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI LODR, 2015, Ms. Atima Khanna, has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR, 2015. Ms. Atima Khanna has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Ms. Atima Khanna is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members. Ms. Atima Khanna has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Ms. Atima Khanna fulfils the conditions specified in the Act, rules thereunder and the SEBI LODR for re-appointment as an Independent Director and that she is independent of the Management. The terms and conditions of the appointment of Independent Directors is uploaded on the website of the Company at www.a2zgroup.co.in and would also be made available for inspection to the Members of the Company, by sending a request from their registered email address to the Company at investor.relations@a2zemail.com along with their Name, DP ID & Client ID/Folio No.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and SEBI LODR, 2015, the appointment of Ms. Khanna as Independent Director is now being placed before the Members of the Company for their approval by a Special Resolution.

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

The Board recommends the Special Resolution, at Item No. 4 of the accompanying notice, for the approval of the members of the Company.

Except, Ms. Atima Khanna, being appointed, none of the Directors or any key managerial personnel or their relatives are, in anyway, concerned or interested in Item No. 4 of the accompanying notice.

Item No. 5

In accordance with the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 ("the Act"), and Regulation 17 of the SEBI LODR, 2015, appointment of an Independent Director requires approval of members.

The Board of Directors of the Company ("the Board") on the recommendation of the Nomination and Remuneration Committee proposed the appointment of Ms. Ritu Goyal (DIN: 05180676) as a Non-Executive Independent Director of the Company for a term of five consecutive years, with effect from August 11, 2023 to August 10, 2028 and is not liable to retire by rotation. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a member, proposing her candidature for the office of the Director.

Ms. Ritu Goyal, a Fellow Member of ICSI and has done Masters in Law. Lawyer by Profession, Ms. Goyal has vast experience of more than 15 years in Corporate Litigation, Civil Litigation, Contract Management, Intellectual Property Rights, Corporate Governance, Restructuring, Compliance, Finance, marketing & branding.

In 2016, Ms. Goyal joined NAKS & Partners, multifaceted law firm as a Partner responsible for Corporate Litigation, contract management, compliance management, corporate finance and civil litigation. She has been serving as independent Director on the Board of some of the renowned brands in India like Optiemus Infracom Ltd., Skyweb Infotech ltd.. and others and has been member of various committees across big corporate houses including internal complaint committee formed under Prevention of Sexual Harassment laws for women. Earlier also, she has served at the Board of renowned brands like Hero Cycles Ltd. etc.

Recognizing the Professional achievements in her legal career and her efforts & contribution towards the capacity building of various sections of society, she is included among “The 10 powerful women lawyers in 2018” by “ Insight Success”, a magazine widely known and acclaimed for providing a platform for emerging companies and business enterprises. She is also acknowledged as “25 Most Influential Women to watch in 2022” by Entrepreneur Insights Magazine, another International Magazine. In 2023, she has been awarded the “Rising Star Award” by Achromic Point.

The Nomination and Remuneration Committee taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Ms. Ritu Goyal qualifications and the rich experience in the abovementioned areas meets the skills and capabilities required for the role of Independent Director of the Company. The Board is of the opinion that Ms. Ritu Goyal continues to possess the identified core skills, expertise and competencies fundamental for effective functioning in her role as an Independent Director of the Company and her continued association would be of immense benefit to the Company.

Pursuant to the provisions of Section 149 and 152 (b) of the Companies Act, 2013 (Act), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI LODR, 2015, Ms. Ritu Goyal, has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR, 2015. Ms. Ritu Goyal has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Ms. Ritu Goyal is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members. Ms. Ritu Goyal has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (‘IICA’).

In the opinion of the Board, Ms. Ritu Goyal fulfils the conditions specified in the Act, rules thereunder and the SEBI LODR, 2015 for appointment as an Independent Director and that she is independent of the Management. The terms and conditions of the appointment of Independent Directors is uploaded on the website of the Company at www.a2zgroup.co.in and would also be made available for inspection to the Members of the Company, by sending a request from their registered email address to the Company at investor.relations@a2zemail.com along with their Name, DP ID & Client ID/Folio No.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and SEBI LODR, 2015, the appointment of Ms. Goyal as Independent Director is now being placed before the Members of the Company for their approval by a Special Resolution.

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

The Board recommends the Special Resolution, at Item No. 5 of the accompanying notice, for the approval of the members of the Company.

Except, Ms. Ritu Goyal, being appointed, none of the Directors or any key managerial personnel or their relatives are, in anyway, concerned or interested in Item No. 5 of the accompanying notice.

Item No. 6

In accordance with the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 (“the Act”), and Regulation 17 of the SEBI LODR, 2015, appointment of an Independent Director requires approval of members.

The Board of Directors of the Company (“the Board”) on the recommendation of the Nomination and Remuneration Committee proposed the appointment of Mr. Parmatma Singh Rathor DIN: 03346747) as a Non-Executive Independent Director of the Company for a term of five consecutive years, with effect from August 11, 2023 to August 10, 2028 and is not liable to retire by rotation. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a member, proposing his candidature for the office of the Director.

Dr. Parmatma Singh Rathor, Qualified Cost Accountant, CA Inter and graduated from University of Calcutta. Dr. Rathor is motivational speaker and founder of Any Time Classes, a serial entrepreneur, investor, best-selling author, life and business strategist and philanthropist. He is faculty of strategic management and cost accountancy. He has served as a visiting professor at prestigious institutes such as the Indian Institute of Management (IIM), the Institute of Chartered Accountancy (ICAI), the Institute of Company Secretary (ICSI), Delhi University and many more.

Dr. Rathor is involved in over 100 businesses, including private sector, public sector and startups. He has worked with Indian Police Officers (IPS), Bureaucrats, IAS, established Indian Business Houses, startups, royalty, CEOs of multinational corporations, and entertainers. His transformative live events have attracted millions of participants, and his trusted clients includes Google, Coke, CNH, JSW, L & T, KEI, BSES Yamuna, TATA Power, TCS, PWC, Maruti Suzuki, Standard Chartered Bank and many more.

He has learnt practical Neuro Linguistic Programming (NLP) and Firewalk with Tony Robbins in Long Beach, Los Angeles, USA. He has been honoured at the House of Commons in the British parliament, London, as the best international management guru and a Firewalk Trainer. He has received the “Best Leadership Trainer” award from the Times of India (TOI) and was recognized as one of the “Top 50 Business Intellectuals in the World” by the Bada Kadam Foundation. He has also been awarded the leadership excellence awards by the Kamdhenu Group. In addition, he received the “Top 100 Business Guru’s by HRAI”, “Top Six Business Leaders in the world by Lal Singh Foundation”. “The Ved Prashar Award in the British Parliament”.

The Nomination and Remuneration Committee taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Mr. Parmatma Singh Rathor qualifications and the rich experience in the abovementioned areas meets the skills and capabilities required for the role of Independent Director of the Company. The Board is of the opinion that Mr. Parmatma Singh Rathor continues to possess the identified core skills, expertise and competencies fundamental for effective functioning in his role as an Independent Director of the Company and his continued association would be of immense benefit to the Company.

Pursuant to the provisions of Section 149 and 152 (b) of the Companies Act, 2013 (Act), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI LODR, 2015, Dr. Rathor, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR, 2015. Dr. Rathor has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Dr. Rathor is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act, subject to appointment by the Members. Dr. Rathor has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (‘IICA’).

In the opinion of the Board, Dr. Rathor fulfills the conditions specified in the Act, rules thereunder and the SEBI LODR, 2015 for appointment as an Independent Director and that he is independent of the Management. The terms and conditions of the appointment of Independent Directors is uploaded on the website of the Company at www.a2zgroup.co.in and would also be made available for inspection to the Members of the Company, by sending a request from their registered email address to the Company at investor.relations@a2zemail.com along with their Name, DP ID & Client ID/Folio No.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and SEBI LODR, 2015, the appointment of Dr. Rathor as Independent Director is now being placed before the Members of the Company for their approval by a Special Resolution.

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

The Board recommends the Special Resolution, at Item No. 6 of the accompanying notice, for the approval of the members of the Company.

Except, Mr. Parmatma Singh Rathor, being appointed, none of the Directors or any key managerial personnel or their relatives, are, in anyway, concerned or interested in Item No. 6 of the accompanying notice.

Item No. 7

As per Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as ‘’SEBI LODR, 2015’), along with amendments thereto, has provided a regulatory mechanism for reclassification of person belonging to Promoter(s)/Promoter Group Shareholder to Public Shareholder of the Company subject to fulfillment of conditions as provided therein.

In this regard, the Company received request letter dated August 08, 2023 from M/s Shivswaroop Gupta (HUF) (hereinafter referred to as "HUF") is a person belonging to the Promoter Group category of the Company having nil shareholding in the Company as of 31st March, 2023 pursuant, to Regulation 31A of the SEBI LODR, 2015 for reclassification from “Promoter Group” category to “Public” category.

On the basis of the request received by the Company and pursuant to the provisions of Regulation 31A(3)(b) of SEBI LODR, 2015, M/s Shivswaroop Gupta (HUF) seeking reclassification confirmed that:

- does not hold more than ten per cent of the total Voting Rights in the Company;
- does not exercise control over the affairs of the Company directly or indirectly;
- does not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- does not represent on the Board of Directors (including not having a Nominee Director) of the Company;
- does not act as a Key Managerial Person in the Company;
- not ‘a willful defaulter’ as per the Reserve Bank of India Guidelines;
- not a fugitive economic offender; and
- No regulatory action is pending against the HUF.

In view of the explanations given by HUF as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the SEBI LODR, 2015, the Board of Directors of the Company at their meeting held on August 11, 2023, have approved the request for reclassification received by the Company as above from Promoter group category to Public category subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges based on declaration received from HUF.

Further, HUF has confirmed that subsequent to reclassification, HUF would continue to comply with the requirements as mentioned in Regulation 31A of SEBI LODR, 2015 failing which, HUF shall automatically be reclassified as Promoter/ persons belonging to Promoter Group, as applicable.

Your directors recommend the passing of the Resolution in Item No. 7 of the Notice as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested in item No. 7 of the accompanying notice.

Item No. 8

In terms of Section 143(8) of the Companies Act, 2013 where a Company has branch offices, the accounts of that branch office shall be audited either by Company's Auditor or by another person qualified for appointment as auditor of the Company under Section 139 of the Companies Act, 2013. The Company is presently having branch offices in Uganda, Nepal and Tanzania for the global expansion of business. In near future to expand the business operations, the Company may open branches in other Country(ies) as well.

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

The Board recommends the Ordinary Resolution, at item No. 8 of the accompanying notice, for the approval of the members of the Company.

None of the Directors or any key managerial personnel or their relatives are, in anyway, concerned or interested in item No. 8 of the accompanying notice.

Item No. 9

The Board of Directors at its meeting held on May 19, 2023 on the recommendation of the Audit Committee has considered and approved the appointment of M/s. SKG & Co. (Firm Registration No. 000418), Cost Accountants, as the Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ending on March 31, 2024 at a remuneration of INR 50,000/- (Indian Rupees Fifty Thousand only) per annum plus applicable taxes and out of Pocket Expenses as approved by the Board of Directors based on the recommendation of the Audit Committee to be paid to M/s. SKG & Co., Cost Accountants, to conduct the audit of Cost Accounting Records of the Company for the financial year ending March 31, 2024.

In accordance with the provisions of Section 148 of the companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors needs to be ratified by the members of the Company.

Accordingly, approval of the members is requested for passing an Ordinary Resolution as set out at item no. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors to conduct audit of the Cost Records of the Company for the Financial Year ending March 31, 2024.

The Board recommends the Ordinary Resolution as set out at item no. 9 for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, in item no. 9 of the accompanying notice.

By order of the Board
For A2Z Infra Engineering Ltd.

Sd/-
(CS Atul K. Agarwal)
Company Secretary cum Compliance Officer
FCS-6453

Registered Office: O-116, First Floor,
Shopping Mall, Arjun Marg, DLF City,
Phase-1, Gurugram– 122002, Haryana

Dated: August 11, 2023
Place: Gurugram

...emPOWERing the nation™

...emPOWERing the nation

A2Z INFRA ENGINEERING LTD.

22nd Annual Report 2022-23

INSIDE THIS REPORT

CORPORATE OVERVIEW

STATUTORY REPORTS

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Scan this QR code to visit the Investor Relations section of our website

CAUTION REGARDING FORWARD LOOKING STATEMENTS

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

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

Empowering the Nation

FY23 has been an year of cautious consolidation for the economies across the world post a number of geo-political, economic developments and commercial events of global impact. India, continued to tread steadily, though below earlier estimates. Present times provide dynamic opportunities for businesses across industries in the wake of lightening upgrade in technology; adaptive ways of working post Covid; new talent to take big leap; weighing down of economic development more on services sector; and highly scaled up infrastructural development in India.

At A2Z Group, we are well aligned with the opportunities in the new world realities and abreast with the challenges that look upon us. We have cautiously sustained through the recent half a decade of unprecedented challenges. We are carefully evaluating profitable opportunities in Facility Management and Municipal Waste Management business verticals. Our inherently strong, legacy business of EPC projects is working towards delivering the existing projects and exploring profitably feasible business opportunities. In order to strengthen our financial position, we are striving hard to reduce the debt to a sustainable level by making amicable settlement arrangements with our lenders. Simultaneously, we are also working towards completing old projects and thereby returning the Bank Guarantees (BGs).

Going forward, we believe that opportunities are immense for those who adapt, innovate and sustain. At A2Z Group, we believe in our capabilities, our vision and potential of the businesses we operate. We continue to follow our mission of 'empowering India'.

...emPOWERing the nation

From the Management's Desk

Dear Shareholders,

It is my privilege to write to you and present the Annual Report for FY 2022-23. I hope that this message finds you in good health.

During FY 2023, the world economy was severely impacted by the economic and geo political events. While the adverse impact of the COVID-19 pandemic still reverberating worldwide, the war in Ukraine has ignited a new global crisis, disrupting food and energy markets, and worsening food insecurity and malnutrition in many developing countries. On the economic front, high inflation has eroded the real incomes and crisis arising out of high cost-of-living, across the globe, is threating to push a large population into severe poverty and economic hardship.

As economies across the globe struggled with geopolitical tensions, high inflationary environment and monetary tightening, the India story is one of resilience, backed by strong macro fundamentals and prudent governance. We are proud to know that today India ranks as the 5th largest economy in the world, according to the World GDP Rankings 2023 and stands tall amongst most emerging economies.

Regarding the Company's performance, despite adverse conditions, financing challenges and other legacy issues, we have been able to deliver a satisfactory performance during FY 2023. The Consolidated Turnover of the Company for FY 2023 stands at INR 34,944.16 Lakh as against INR 35,332.50 Lakh in FY 2022, a nominal decrease of 1.10%, only, YoY. On the profitability front, the Company managed to reduce its net loss from INR 17,980.43 Lakh during FY 2022 to INR 12,605.48 Lakh,

The Management of your Company has been taking appropriate measures towards reducing the debt burden on the Company. I am happy to inform that during the year, the Company has entered into One Time Settlement Agreement with one of our major lenders. We have also been in active negotiation with other lenders for finding an amicable resolution for settling their exposure with the Company.

On the business front, as a responsible corporate citizen, while conducting business, we have also tried to focus on improving the environment around us. With increased urbanisation, India has been struggling with problems of solid waste management. Landfilling is one of the most popular methods of waste disposal in India, as more than 50% of the total solid waste generated is untreated and dumped into the landfills. This is primarily due to inefficient waste management systems in India. Private players are receiving huge impetus, especially in areas where waste management is not up to the mark, due to inadequate planning and lower spending than desired by the respective state governments. Hence, the government is closely supervising the market condition and extending support to the industry players, with relaxation of investment norms, while providing monetary incentives. I am happy to inform that your Company has been ranked amongst Top Five Indian Companies in the field of Waste Management in India. In order to maintain the momentum, we have been focusing on developing innovative approaches for waste disposal in an environment-friendly manner.

At A2Z, our hard work and strategic focus over the years have helped position us perfectly to make the best use of the business environment; and our future plans are focused on achieving accelerated growth. More importantly, we are fully equipped to utilize our strong potential with tenets of responsibility and sustainability at the core.

As of now we are focused on the business opportunities in Facility Management and Waste Management business having positive cash flows.

I would like to express my sincere gratitude to the Board for its continued guidance and support. I would also like to convey heartfelt appreciation for all our business partners, vendors and other business associates who have firmly stood by your Company. I deeply value the faith, guidance and support of all our stakeholders and would continue to do so as we attempt to emerge stronger from the challenges and look ahead to brighter times.

Warm regards,

Amit Mittal
Managing Director cum CEO

Corporate Information

BOARD OF DIRECTORS

Mr. Amit Mittal
Managing Director & CEO

Ms. Atima Khanna
Non-Executive Independent Director

Ms. Ritu Goyal
Non-Executive Independent Director

Mr. Parmatma Singh Rathor
Non-Executive Independent Director

Ms. Dipali Mittal
Non-Executive Non-Independent Director

Mr. Arun Gaur
Non-Executive Non-Independent Director

Mr. Manoj Tiwari
Non-Executive Non-Independent Director

CHIEF FINANCIAL OFFICER
Mr. Lalit Kumar

COMPANY SECRETARY CUM COMPLIANCE OFFICER
Mr. Atul K. Agarwal

STATUTORY AUDITORS
MRKS and Associates, Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

M/s. Alankit Assignments Ltd.
Alankit House, 4E/2, Jhandewalan Extension,
New Delhi – 110 055
Ph.:+91 11 42541234, 23541234
Fax: +91 1123552001

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

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

BANKERS
1. State Bank of India
2. IDBI Bank Ltd.
3. Axis Bank Ltd.
4. IndusInd Bank Ltd.
5. Indian Bank Ltd. (Erstwhile Allahabad Bank Ltd.)
6. Union Bank of India
7. Kotak Mahindra Bank Ltd.
8. DBS Bank Ltd.
9. Edelweiss Asset Reconstruction Company Ltd.

Board's Report

To,
The Members of
A2Z Infra Engineering Ltd.

Your Directors take pleasure in presenting the 22nd Annual Report together with the annual audited financial statements for the year ended March 31, 2023.

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, 2023 are as follows:

(INR in lakh)

Particulars	Standalone		Consolidated	
	2022-23	**2021-22**	**2022-23**	**2021-22**
Income				
Revenue from Operations	6,958.65	13,601.00	34,944.16	35,332.50
EBIDTA	(16.28)	(14,859.78)	3,402.79	(13,092.35)
Finance Cost	700.77	2,024.73	1,329.49	2,787.13
Depreciation and amortization expenses	482.90	404.57	883.24	904.45
Profit/(Loss) before Exceptional Items and tax	**(1,199.95)**	**(17,289.08)**	**1,190.06**	**(16,783.93)**
Exceptional Items	(5,312.58)	71.86	(12,204.13)	527.06
Share of profit/(loss) from associate	-	-	396.16	(1,412.59)
Total Tax Expense	**2,641.61**	**6.51**	**1,987.57**	**310.97**
Profit/Loss for the year	**(9,154.14)**	**(17,223.73)**	**(12,605.48)**	**(17,980.43)**
Other Comprehensive Income (net of tax)	**(7.21)**	**(7.77)**	**96.16**	**113.29**
Total Comprehensive income for the year	**(9,161.35)**	**(17,231.50)**	**(12,509.32)**	**(17,867.14)**

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 48.84%. The Company has achieved a Turnover of INR 6,958.65 Lakh as against INR 13,601.00 Lakh in the previous year. The net loss of the Company has been reduced from INR 17,223.73 Lakh in the previous year to INR 9,154.14 Lakh in the current year.

The Net Worth of the Company has decreased to INR 1,656.62 Lakh as at the end of the current year from INR 10,710.60 Lakh as at the end of the previous year representing decrease in Net Worth by 84.53%.

The Debt Equity ratio of the Company has changed to 15.81 as at the end of the current year as compared to 2.97 as at the end of the previous year.

Consolidated:

The consolidated Turnover of the Company for the current financial year is INR 34,944.16 Lakh as against INR 35,332.50 Lakh in the previous year representing minor decrease in Turnover by 1.10%. On a consolidated basis, the net loss of the Company has been reduced from INR 17,980.43 Lakh in the previous year to INR 12,605.48 Lakh in the current year.

The consolidated Net Worth of the Company has decreased to INR 3,805.01 Lakh as at the end of the current year from INR 15,914.08 Lakh as at the end of previous year representing decrease in Net Worth by 76.10 %.

The consolidated Debt Equity ratio of the Company has changed to 8.23 as at the end of the current year compared to 2.52 as at the end of previous year.

2. Consolidated Financial Statements

The Audited Consolidated Financial Statements of your Company as on March 31, 2023, have been prepared in accordance with the relevant Indian Accounting Standards (Ind AS) issued by Accounting Standards Board(ASB) and Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013.

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

3. Dividend

Due to losses incurred by the Company, the Board of Directors does not recommend any dividend for the financial year ended March 31, 2023.

4. Operational highlights

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

Power Transmission & Distribution:

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

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

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

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

Telecom Infrastructure EPC

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

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

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

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

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

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.

Non- supply of bagasse by the Co-operative Sugar Mills, various implied delays in approvals and execution of agreements including delay in handing over of land, and there are disputes between the concerned parties with ongoing arbitration proceedings, the execution of Project by the Company has become unviable despite its best bona fide and consistent efforts.

In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Company had filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that "there appears to be force in the submissions and the issue requires scrutiny". Further during financial year 2020-21, the Company had also challenged the mandate of the arbitrator under section 34 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc. amounting to INR 7,234.73 lakhs and interest thereon. The Company has challenged aforementioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has fled police complaint against the same.

Considering the facts explained above, management has decided to fully impair three cogeneration power plants in its books of accounts set up with respective sugar mills on Build, Own, Operate and Transfer (BOOT) basis. Hence, the management has recorded an impairment of INR 35,665.04 lakhs in the present value of the power plant as at March 31, 2023. Out of the aforementioned impairment as at March 31, 2023 INR 26,788.49 lakhs pertain to two power plants, which were yet to be capitalised and INR 8,876.56 lakhs are for power plant which has already been capitalised.

Going Concern

The Auditors of Company has modified its opinion on the financial statements as on March 31, 2023 that they are unable to comments on the ability of the Company to continue as a going concern. As on March 31, 2023, Company has accumulated losses amounting INR 1,06,842.29 Lakhs and is presently facing acute liquidity problems on account of delayed realization of trade receivables. Also, certain lenders have filed applications with the Hon'ble National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues. At present, one of the matter is held in abeyance as the company has entered into an one time settlement with the bank on deferred payment basis. Further, three parties have also filed applications with the NCLT which are disputed in nature, and Company is pursuing the same before the NCLT, hence, at present said matters are sub-judice.

Further, there were delays in required extension of performance security from which 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 repayment of borrowings and payment of statutory dues and dues payable to other lenders including delays with respect to dues payable under one-time settlement agreements. 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 As per the Auditors, the Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. Further, the Branch auditor of the Company's Tanzania Branch has also reported a material uncertainty related to going concern section in their auditor's report on the financial statement of the branch for the year ended 31st March 2023.

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

5. 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 One Time Settlement (OTS) with the Lender(s)

During the year under review, Company has entered into one time settlement arrangement with IDBI Bank Ltd. on December 15, 2022, to settle all its outstanding dues through full cash One Time Settlement (OTS) for a deferred Consideration of INR 2,358 Lakh against the total fund based outstanding amount of INR 13,427 Lakh.

8. 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 DBS Bank Ltd. and IDBI Bank Ltd. till date. Company is also in discussion with the remaining Lenders for finding a prudent resolution of their respective fund/non-fund based exposure to the Company by doing one time settlement with them.

9. Deposits

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

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

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

11. Internal Financial Controls and systems:

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

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

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

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

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

12. Secretarial Standards

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

13. Share Capital

Authorised Share Capital:

During the year under review, the Authorised Share Capital of the Company is INR 24,000 Lakh divided into 2400.00 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/- (Indian Rupees One Hundred Seventy Six Crore Eleven Lakh Ninety Eight Thousand Five Hundred Eighty Only) divided into 17,61,19,858 (Seventeen Crore Sixty One Lakh Nineteen Thousand Eight Hundred Fifty Eight) Equity Shares of INR 10/- each as at March 31, 2023.

14. Subsidiaries and Associate Companies

As on March 31, 2023, the Company had 12 (Twelve) 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, 2023, 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 up to the date of the Annual General Meeting.

During FY 2022-23, there has been no major change in the nature of business of your Company and its subsidiaries.

During the year under review, on April 24, 2022, A2Z Infraservices Limited, material subsidiary of A2Z Infra Engineering Limited ("Company") has transferred its entire shareholding in A2Z Infraservices (Lanka) Private Limited.

During the year under review, A2Z Infraservices Limited ("Infraservices"), material subsidiary of A2Z Infra Engineering Limited ("Company") has incorporated a Wholly Owned Subsidiary namely "Vswach Environment (Aligarh) Pvt. Ltd." ("Vswach") and consequently, it has become a step down subsidiary of the Company effective from December 09, 2022. The main object of Vswach is to carry on the business, of collection, segregation, transportation, trading, processing, composting, recycling, treatment and disposal of all types of waste whether solid, liquid or gaseous substances) and including municipal solid waste, electronic waste (e-waste), construction and demolition debris, bio-medical waste, hazardous waste, sewage, waste water etc.

During the year under review, A2Z Infraservices Limited ("Infraservices"), material subsidiary of A2Z Infra Engineering

Limited ("Company") has incorporated a Wholly Owned Subsidiary namely "Vsapients Techno Services Pvt. Ltd." ("Vsapients") and consequently, it has become a step down subsidiary of the Company effective from February 21, 2023. The main object of VSAPIENTS is to carry on the business of Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions.

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

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

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

15. Auditors

Statutory Auditors and Auditors' Report

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

The auditor's report presented by M/s MRKS and Associates, Auditors on the accounts of the company for the financial year ended March 31, 2023 is self-explanatory and requires no comments and the Management replies to the audit observations are as under:

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

Based upon management analysis and assumptions, the management is evaluating various options and has entered into one-time settlement agreements with various lenders (as described in note 22.2 of the financial statements), including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the standalone financial statements and accordingly, these have been prepared on a going concern basis. Refer Note 31 of standalone financial statements and Note 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. its subsidiaries, joint ventures and associates of A2Z Infra Engineering Ltd.

Based upon management analysis and assumptions, management is confident that no additional liability on account of borrowing settlement shall devolve on the Company in addition to the carrying value of such liability as at March 31, 2023. The Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these financial statements. Hence, directors believe that there is no material financial impact on the said disclaimer of opinion. Refer Note 22.1 & 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. its subsidiaries, joint ventures and associates of A2Z Infra Engineering Ltd.

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

Branch Auditors

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

Secretarial Auditors

In terms of the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. DR Associates, Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the company and its material unlisted Subsidiary

Company(ies), namely M/s A2Z Infraservices Ltd. and M/s Ecogreen Envirotech Solutions Limited, for the Financial year 2022-23.The secretarial Audit report of the Company together with its material unlisted subsidiary(ies) is given as **Annexure B** (Form MR-3) which forms part of this report.

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

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records in respect of road and construction activity need to be audited. In Compliance to the above, the Board of Directors upon the recommendation of the Audit Committee had appointed M/s SKG & Co. (Firm Registration No. 000418), as the Cost Auditors of the Company for the Financial Year ended March 31, 2024.

In accordance with the above provisions, the remuneration payable to the cost auditors for the financial year ended March 31, 2024 should be ratified by the Members. Accordingly, the Board of Directors recommends to the Members to pass the resolution, as stated in Item No. 9 of the Notice convening the forthcoming Annual General Meeting.

Further, the Cost Auditors' Report as given by M/s SKG & Co. (Firm Registration No. 000418) for financial year 2022-23 does not contain any qualifications, reservations, adverse remarks or disclaimer.

16. Corporate Social Responsibility (CSR)

As the Company has incurred losses and therefore, the provisions of Section 135 shall not be applicable to the Company and consequently, it was not required to spend any amount towards CSR activities during the financial year.

Further, pursuant to Section 135 of the Companies Act, 2013, Board of the company shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial year. The average net profits calculated as per provisions of Section 198 of the Companies Act, 2013 for the preceding three (3) financial years being negative, the Company was not under any obligation to spend any amount on CSR.

The CSR Policy of the Company approved by the Board is placed on the website of the Company and may be accessed via following link.- http://media.a2zgroup.co.in/pdf/CSR_Policy_A2Z_22.pdf

17. Directors and Key Managerial Personnel

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

Retirement/Cessation:

During the year under review:

1. Mr. Ashok Kumar Saini who was appointed under the category of "Whole Time Director" effective from November 13, 2014 and re-designated as "Non-Executive Non-Independent Director" effective from December 01, 2018, has resigned from his position w.e.f. July 20, 2022 due to his personal commitments.

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

Appointment/Re-appointment:

During the year under review:

1. Mr. Arun Gaur was appointed as "Additional Director (Non-Executive Non-Independent Director)" of the Company w.e.f. November 16, 2021 and regularized as "Non-Executive Non-Independent Director" in the Annual General Meeting held on September 19, 2022 for the financial year 2021-22.
2. Mr. Manoj Tiwari was appointed as "Additional Director (Non-Executive Non-Independent Director)" of the Company w.e.f. July 20, 2022 and regularized as "Non-Executive Non-Independent Director" in the Annual General Meeting held on September 19, 2022 for the financial year 2021-22.
3. Mr. Lalit Kumar was appointed as Chief Financial Officer (CFO) of the company effective from May 18, 2022.

After the year under review:

1. Mr. Amit Mittal was re-appointed as Managing Director of the Company by the Members on September 30, 2020 effective from January 01, 2021 for a period of 3 years. The present term of Mr. Amit Mittal as Managing Director will end on December 31, 2023. Based on the performance evaluation of Mr. Amit Mittal, the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on August 11, 2023 recommended the re-appointment of Mr. Amit Mittal as Managing Director of the Company w.e.f. January 01, 2024 to December 31, 2026, not liable to retire by rotation subject to approval of Members at the ensuing Annual General Meeting by Ordinary Resolution.
2. Ms. Atima Khanna was appointed as an Independent Director of the Company effective from May 23, 2019 for a period of 5 years. The present term of Ms. Atima Khanna as an Independent Director will end on May 22, 2024. Based on the performance evaluation of Ms. Atima Khanna, the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings duly held on August 11, 2023 recommended the re-appointment of Ms. Atima Khanna for second term of five consecutive years w.e.f. May 23, 2024 to May 22, 2029, not liable to retire by rotation, subject to approval of Members at the ensuing Annual General Meeting by Special Resolution.

3. Ms. Ritu Goyal was appointed as "Additional Director (Non-Executive Independent Director)" of the Company effective from August 11, 2023 to hold office upto the date of ensuing Annual General Meeting of the company. A notice under Section 160 of the Act, has been received from a member proposing her candidature for appointment as an Independent Director, not liable to retire by rotation. Accordingly, the proposal for her appointment is included in the Notice convening the ensuing Annual General Meeting by Special Resolution.
4. Mr. Pramtma Singh Rathor was appointed as "Additional Director (Non-Executive Independent Director)" of the Company effective from August 11, 2023 to hold office upto the date of ensuing Annual General Meeting of the company. A notice under Section 160 of the Act, has been received from a member proposing his candidature for appointment as an Independent Director, not liable to retire by rotation. Accordingly, the proposal for his appointment is included in the Notice convening the ensuing Annual General Meeting by Special Resolution.

2. Retire by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Arun Gaur (DIN: 08328873), Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

3. Key Managerial Personnel

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

1. Mr. Amit Mittal, Managing Director cum CEO
2. Mr. Lalit Kumar, Chief Financial Officer
3. Mr. Atul Kumar Agarwal, Company Secretary

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

18. Policy on Directors' appointment and Remuneration

As on March 31, 2023, the Board consists of Six members, One(1) is Executive Director- Managing director Cum CEO, three (3) are Non-Executive and Non-Independent Directors one of whom is the Woman director and other two (2) 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 policy covers the criteria for making payments to the NEDs.

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

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

19. Declaration by Independent Director(s)

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

The Independent Directors 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 to whom the provisions of proficiency test are applicable, have done the said online proficiency self-assessment test in due course and the new appointed director(s) will take 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.

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

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

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

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

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

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

21. Number of meetings of the Board of Directors

During the year, Four (4) meetings of the members of Board and one meeting of Independent Directors were held, the details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, were adhered to while considering the time gap between two consecutive meetings.

22. Disclosures Related to Committees and Policies

a. Audit Committee

The Audit Committee is duly constituted by the Board of Directors of the Company in accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Audit Committee as on March 31, 2023, comprises of:

1. Ms. Atima Khanna, Chairperson
2. Mr. Surender Kumar Tuteja, Member
3. Mr. Arun Gaur, Member

During the year under review, the Board of Directors of the Company had accepted all the recommendations 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, 2023, comprises of the following directors:

1. Ms. Atima Khanna, Chairperson
2. Mr. Surender Kumar Tuteja, Member
3. Ms. Dipali Mittal, Member

c. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of Directors is duly constituted by the Board of Directors of the Company in accordance with the requirements Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders Relationship Committee as on March 31, 2023, comprising the following Directors:

1. Ms. Dipali Mittal, Chairperson
2. Mr. Arun Gaur, Member
3. Ms. Atima Khanna, Member

23. Investor Education and Protection Fund

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

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

24. Vigil Mechanism / Whistle Blower Policy

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

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

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

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

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

26. Related Party Transactions:

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

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

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

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

27. Employee Stock Option Plan

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

The applicable disclosures as stipulated under the SEBI Guidelines as on March 31, 2023 with regard to the 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 Secretarial Auditor 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**.

28. Annual Return

Pursuant to Section 92(3) read with Section 134 (3) (a) of the Act, the Annual Return as on 31st March, 2023 is available on the Company's website at a2zgroup.co.in under the Investors Section.

29. Prevention of Sexual Harassment at Workplace:

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

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

30. Particulars of Employees and Related Disclosures

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

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

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

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

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

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

32. Disclosure requirements

a. As per Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Corporate Governance report alongwith certificate from DR Associates, Company Secretaries, thereon and management discussion and analysis are attached, which form part of this report.

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

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

33. 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 2023-24 have been paid to both the Stock Exchanges.

34. Risk Management Policy

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

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

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

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

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

35. Directors' Responsibility Statement

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

a. In the preparation of the annual accounts for the Financial Year ended March 31, 2023, 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, 2023 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.

36. Fraud Reporting

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

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

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

S. No.	Case Title	Stage/Status	Tribunal	Remarks
1.	Abhishek Jain Vs. A2Z Infra Engineering Ltd	Case has been disposed off.	NCLT Chandigarh	Case has been disposed off.
2.	Steel Products Limited Vs. A2Z Infra Engineering Ltd	Case has been disposed off.	NCLT Chandigarh	Case has been disposed off.
3.	IDBI Bank Limited Vs. A2Z Infra Engineering Ltd	Next date of hearing is August 17, 2023	NCLT Chandigarh	OTS has been signed and case is to be withdrawn.
4.	E & M Electrical Solutions Pvt. Ltd. Vs. A2Z Infra Engineering Ltd.	Next date of hearing is September 06, 2023	NCLT Chandigarh	Pending for final arguments.
5.	Jaiprakash Associates Vs. A2Z Infra Engineering Ltd.	Not appeared yet before NCLT	NCLT Chandigarh	Not appeared yet before NCLT
6.	Industrial Forging Industries Private Limited Vs. A2Z Infra Engineering Ltd.	Next date of hearing is September 11, 2023	NCLT Chandigarh	Pending for final arguments.

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

39. **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.
    i. Mr. Amit Mittal was appointed as Whole-Time Director in Ecogreen Envirotech Solutions Limited ("Ecogreen"), subsidiary of the Company with effect from November 01, 2021 and he is in receipt of remuneration of INR 77.14 Lakh from Ecogreen during the year under review..
    ii. Ms. Dipali Mittal was appointed as Managing Director in Ecogreen Envirotech Solutions Limited ("Ecogreen"), subsidiary of the Company with effect from January 25, 2021 and was in receipt of remuneration of INR 54.52 Lakh from that Company during the year under review.

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

For and on behalf of Board of Directors

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

Date: 11.08.2023
Place: Kolkata

Annexure-A

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

(INR in Lakhs)

S. No.	Name of the Susidiary Company	Date Since When Subsidiary was acquired	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Investments	Total Assets	Total Liabilities	Turnover (Including Other Income)	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	Extent of Shareholding (in percentage)
1	A2Z Infraservices Limited	April 15, 2008	2022-23	INR	381.60	5,110.42	1,231.37	16,425.34	10,933.33	17,953.67	(4,316.49)	(713.74)	(3,602.76)	-	93.83%
2	Magic Genie Services Limited	February 10, 2011	2022-23	INR	8.00	(7.42)	-	1.98	1.40	-	(0.63)	-	(0.63)	-	75.00%
3	A2Z Powercom Limited	April 28, 2008	2022-23	INR	12.50	154.26	-	1,076.63	909.87	0.12	(10.55)	(1.03)	(9.53)	-	100.00%
4	Mansi Bijlee & Rice Mills Limited	June 10, 2010	2022-23	INR	5.00	955.76	3,649.72	4,280.70	3,319.94	77.70	8.99	-	8.99	-	100.00%
5	Ecogreen Envirotech Solutions Limited	November 10, 2010	2022-23	INR	5.00	2,164.61	-	6,805.10	4,635.48	6,784.49	16.80	60.86	(44.06)	-	79.47%
6	A2Z Waste Management (Aligarh) Limited	July 15, 2019	2022-23	INR	5.00	(182.26)	-	3,369.30	3,546.56	1,051.76	(45.16)	-	(45.16)	-	75.06%
7	A2Z Waste Managment (Ludhiana) Limited	July 15, 2019	2022-23	INR	5.00	(275.21)	11.05	5,845.79	6,116.00	-	(183.27)	-	(183.27)	-	65.68%
8	Magic Genie Smartech Solutions Limited	July 15, 2019	2022-23	INR	5.00	(41.89)	-	80.89	117.77	223.52	(11.03)	-	(11.03)	-	65.68%
9	Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)	April 28, 2008	2022-23	INR	140.00	(200.52)	-	204.65	265.17	328.61	(10.90)	-	(10.90)	-	65.68%
10	Blackrock Waste Processing Private Limited	November 3, 2021	2022-23	INR	5.00	(0.38)	-	4.92	0.30	-	(0.20)	-	(0.20)	-	60.00%
11	Vswach Environment (Aligarh) Private Limited**	December 9, 2022	2022-23	INR	1.00	(0.20)	-	1.00	0.20	-	(0.20)	-	(0.20)	-	93.83%
12	Vsapients Techno Services Private Limited***	February 21, 2023	2022-23	INR	1.00	(0.15)	-	1.00	0.15	-	(0.15)	-	(0.15)	-	93.83%
13	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	April 5, 2011	2022-23	INR	-	(1,548.52)	-	629.37	2,177.90	-	(0.48)	(0.05)	(0.43)	-	60.00%

**During the year under review, A2Z Infraservices Limited ("Infraservices"), material subsidiary of A2Z Infra Engineering Limited ("Company") has incorporated a Wholly Owned Subsidiary namely "Vswach Environment (Aligarh) Pvt. Ltd." and consequently, it has become a step down subsidiary of the Company effective from December 09, 2022.

***During the year under review, A2Z Infraservices Limited ("Infraservices"), material subsidiary of A2Z Infra Engineering Limited ("Company") has incorporated a Wholly Owned Subsidiary namely "Vsapients Techno Services Pvt. Ltd." and consequently, it has become a step down subsidiary of the Company effective from February 21, 2023

During the year under review, on April 24, 2022, A2Z Infraservices Limited has transferred its entire shareholding in A2Z Infraservices (Lanka) Private Limited.

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/ joint venture is not consolidated	Networth attributable to shareholding as per latest audited Balance Sheet	Profit or Loss for the year	
			No.	Amount of Investment in Associates or Joint Venture	Extent of Holding (in percentage)				Considered in Consolidation	Not Considered in Consolidation
1	Greeneffect Waste Management Limited* (A2Z Waste Management Group)	March 31, 2023	9693987	969.40	42.61	By virtue of shareholding	NA	(35,121.93)	396.16	533.81
2	A2Z Waste Managment (Nainital) Private Limited	March 31, 2023	24000	2.40	48.00	By virtue of shareholding	NA	(32.95)	-	(5.61)
3	A2Z Waste Managment (Jaipur) Limited	March 31, 2023	10000	1.00	20.00	By virtue of shareholding	NA	(983.89)	-	23.15

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

ANNEXURE-A

Name of the subsidiary which is yet to commence operations

1. Mansi Bijlee & Rice Mills Ltd.

2. Blackrock Waste Processing Pvt. Ltd.

3. Vswach Environment (Aligarh) Pvt. Ltd.

4. Vsapients Techno Services Pvt. Ltd.

Names of associates which are yet to commence operations

1. A2Z Waste Management (Badaun) Ltd.

2. A2Z Waste Management (Balia) Ltd.

3. A2Z Waste Management (Mirzapur) Ltd.

4. A2Z Waste Management (Sambhal) Ltd.

5. A2Z Waste Management (Jaipur) Ltd.

6. A2Z Waste Management (Ahmedabad) Ltd.

7. Earth Environment Management Services Pvt. Ltd.

Annexure-B

Form No. MR-3

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

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2023

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

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

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023, 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 2023 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, 2018; ***Not Applicable to the Company during the financial year under review.***

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

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

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

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

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

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

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

We have also examined compliances with the applicable clauses of the Secretarial Standards issued by Institute of Company Secretaries of India.

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

1. **Legal Proceedings against the Company**

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

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

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

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

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

We report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notices are given to all directors to schedule the Board Meeting, for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.
3. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

For DR Associates
Company Secretaries
Firm Regn. No.: P2007DE003300
Peer Review Certificate No.: 609/2019

Sd/-
Suchitta Koley
Partner
FCS 1647; CP No.: 714
UDIN: F001647E000764629

Place : New Delhi
Date : August 11, 2023

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

'Annexure -1'

To,
The Members
A2Z Infra Engineering Limited

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

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

For DR Associates
Company Secretaries
Firm Regn. No.: P2007DE003300
Peer Review Certificate No.: 609/2019

Sd/-
Suchitta Koley
Partner
FCS 1647; CP No.: 714
UDIN: F001647E000764629

Place : New Delhi
Date : August 11, 2023

SECRETARIAL AUDIT REPORT OF A2Z INFRASERVICES LIMITED - MATERIAL UNLISTED SUBSIDIARY

Form No. MR-3

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

SECRETARIAL AUDIT REPORT

For The Financial Year ended March 31, 2023

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

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

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023, 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 2023 according to the provisions of:

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

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

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

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

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

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

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

We report that:

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

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

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

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

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

For DR Associates
Company Secretaries
Firm Regn. No.: P2007DE003300
Sd/-
Deepak Gupta
Partner
CP No.: 4629
UDIN: F005339E000765450

Place: New Delhi
Date: August 09, 2023

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

Form No. MR-3

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

SECRETARIAL AUDIT REPORT

For The Financial Year ended March 31, 2023

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

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

Based on our verification of the Company’s books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023, 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 2023 according to the provisions of:

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

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

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

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

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

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

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

We report that:

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

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

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

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

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

For DR Associates
Company Secretaries
Firm Regn. No.: P2007DE003300
Sd/-
Deepak Gupta
Partner
CP No.: 4629
UDIN: F005339E000765450

Place: New Delhi
Date: August 08, 2023

Annexure-C

Disclosure regarding Employees Stock Option Plans of the Company for the year ended March 31, 2023

S. NO.	Particulars	A2Z Employee stock option plan 2013 Trench II	A2Z Employee stock option plan 2014	A2Z Employee stock option plan 2013 (Re-Grant-I)	A2Z Employee stock option plan 2014 (Re-Grant-I)	A2Z Employee stock option plan 2018 Trench I	A2Z Employee stock option plan 2018 Trench II	A2Z Employee stock option plan 2013 (Re-Grant-II)	A2Z Employee stock option plan 2014 (Re-Grant-II)	A2Z Employee stock option plan 2018 (Re-Grant-I)	A2Z Employee stock option plan 2013 (Re-Grant-III)	A2Z Employee stock option plan 2014 (Re-Grant-III)	A2Z Employee stock option plan 2018 (Re-Grant-II)
1.	Date of Shareholders Approval	28.09.2013	27.09.2014	28.09.2013	27.09.2014	29.09.2018	29.09.2018	28.09.2013	27.09.2014	29.09.2018	28.09.2013	27.09.2014	29.09.2018
2.	Number of Stock options granted	19,05,000	45,00,000	7,88,000	9,72,000	38,00,000	12,00,000	1,05,000	9,93,000	3,50,000	3,67,000	13,68,000	7,55,000
3.	Exercise Price	INR 19.95	INR 15.50	INR 36.90	INR 36.90	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00
4.	Option Vested during the year	NIL	NIL	NIL	NIL	NIL	NIL	22,500	2,68,500	57,000	NIL	NIL	NIL
5.	Number of Option exercised during the year	NIL	NIL	NIL	NIL	NIL	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	NIL	NIL	NIL	NIL	NIL
7.	Variation of terms of options	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
8.	Number of option lapsed during the year	2,62,000	6,95,000	75,000	80,000	6,00,000	NIL	10,000	55,000	30,000	NIL	NIL	NIL
9.	Money realized upon exercise of options	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
10.	Total number of option in force	NIL	7,40,000	7,13,000	1,07,000	28,50,000	12,00,000	75,000	8,95,000	1,90,000	3,67,000	13,68,000	7,55,000
11.	(a) Options granted to senior managerial personnel (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 2022-23 is INR 55.68 Lakh (2021-22- INR 20.93 Lakh) and INR 52.11 Lakh (2021-22- INR 4.53 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 19.95	INR 15.50	INR 36.90	INR 36.90	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00
	b) Weighted average fair value of options granted on the date of grant	INR 14.52	INR 11.15	INR 24.81	INR 24.81	INR 6.09	INR 12.81	INR 5.11	INR 5.11	INR 5.11	INR 3.67	INR 3.67	INR 3.67
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 14.52	INR 10.48	INR 39.40	INR 39.40	INR 10.40	INR 18.75	INR 9.95	INR 9.95	INR 9.95	INR 8.45	INR 8.45	INR 8.45
	(ii) Exercise Price	INR 19.95	INR 15.50	INR 36.90	INR 36.90	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00
	(iii) Annual Volatility (Standard Deviation– Annual)	67.05%	65.50%	50.14%	50.14%	61.62%	58.73%	58.74%	58.74%	58.74%	50.14%	50.14%	50.14%
	(iv) Time To Maturity - in years	8	8	8	8	8	7	8	8	8	7	7	7
	(v) Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	(vi) Risk free Rate – Annual	8.64%	8.19%	6.74%	6.74%	7.38%	6.67%	5.20%	5.20%	5.20%	6.96%	6.96%	6.96%

S. NO.	Particulars	A2Z Employee stock option plan 2013	A2Z Employee stock option plan 2014	A2Z Employee stock option plan 2013 (Re-Grant-I)	A2Z Employee stock option plan 2014 (Re-Grant-I)	A2Z Employee stock option plan 2018	A2Z Employee stock option plan 2018	A2Z Employee stock option plan 2013 (Re-Grant-II)	A2Z Employee stock option plan 2014 (Re-Grant-II)	A2Z Employee stock option plan 2018 (Re-Grant-I)	A2Z Employee stock option plan 2013 (Re-Grant-III)	A2Z Employee stock option plan 2014 (Re-Grant-III)	A2Z Employee stock option plan 2018 (Re-Grant-II)
		Trench II				Trench I	Trench II						
1	Total Options Granted	19,05,000	45,00,000	7,88,000	9,72,000	38,00,000	12,00,000	1,05,000	9,93,000	3,50,000	3,67,000	13,68,000	7,55,000
2	Total Options Lapsed	9,50,000	18,75,000	75,000	8,65,000	9,50,000	NIL	30,000	98,000	1,60,000	NIL	NIL	NIL
3	Total Options Exercised	9,55,000	18,85,000	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Outstanding at the end of the year	NIL	7,40,000	7,13,000	1,07,000	28,50,000	12,00,000	75,000	8,95,000	1,90,000	3,67,000	13,68,000	7,55,000

APPENDIX – A

Details of options granted to and accepted by Senior Managerial Personnel

Name of Senior Managerial Personnel	Designation	A2Z Stock Option Plan 2013		A2Z Stock Option Plan 2014		A2Z Stock Option Plan 2013 (Regrant-I)		A2Z Stock Option Plan 2014 (Regrant-I)		A2Z Stock Option Plan 2018		A2Z Stock Option Plan 2014 (Regrant-II)		A2Z Stock Option Plan 2013 (Regrant-III)		A2Z Stock Option Plan 2014 (Regrant-III)		A2Z Stock Option Plan 2018 (Regrant-II)	
		Granted on July 03, 2014 & Status as on 31.03.2023		Granted on July 06, 2015 & Status as on 31.03.2023		Granted on August 17, 2017 & Status as on 31.03.2023		Granted on August 17, 2017 & Status as on 31.03.2023		Granted on October 24, 2018 & Status as on 31.03.2023		Granted on January 03, 2022 & Status as on 31.03.2023		Granted on February 14, 2023 & Status as on 31.03.2023		Granted on February 14, 2023 & Status as on 31.03.2023		Granted on February 14, 2023 & Status as on 31.03.2023	
		Grant	Exercised	Grant	Exercised	Grant	Exercised	Grant	Exercised	Grant	Exercised	Grant	Exercised	Grant	Exercised	Grant	Exercised	Grant	Exercised
Mr. Manoj Tiwari	Non-Executive Non-Independent Director w.e.f. July 20, 2022	40,000	40,000	1,00,000	60,000	38,000	-	12,000	-	50,000	-	25,000	-	3,67,000*	-	-	-	7,55,000*	-
Col. Guljeet Singh Saroya	President - Projects	-	-	-	-	-	-	-	-	50,000		25,000	-	-	-	-	-	-	-
Mr. Atul Kumar Agarwal	Company Secretary	2,00,000*	1,20,000	4,00,000*	2,40,000	2,00,000*	-	-	-	5,00,000*	-	3,00,000*	-	-	-	13,68,000*	-	-	-

*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	0.38
Ms. Atima Khanna	0.46
Ms. Dipali Mittal	0.30
Mr. Manoj Tiwari	0.08
Mr. Arun Gaur	0.38
Mr. Manoj Tiwari	0.08
Mr. Ashok Kumar Saini*	0.03
Executive directors	
Mr. Amit Mittal**	NA

** Mr. Ashok Kumar Saini, No-Executive Non-Independent Director resigned w.e.f. July 20, 2022.*
*** NIl Remuneration has been paid to Mr. Amit Mittal during Financial Year 2022-23.*

Mr. Amit Mittal executive director 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. Arun Gaur	NIL
Mr. Manoj Tiwari	NIL
Mr. Surender Kumar Tuteja	NIL
Ms. Atima Khanna	NIL
Mr. Atul Kumar Agarwal*	10.19%
Mr. Lalit Kumar**	NIL

* The Nomination & Remuneration Committee and the Board of Directors of the Company at their meeting duly held on May 18, 2022 has given approval for increasing the remuneration of Mr. Atul Kumar Agarwal, Company Secretary cum Compliance Officer of the Company.

** Mr. Lalit Kumar was appointed as Chief Financial Officer of the Company w.e.f. May 18, 2022.

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 202.32%.

D. The number of permanent employees on the rolls of Company: 11 (as on March 31, 2023)

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 80.41% 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.

Management Discussion & Analysis

ECONOMY OVERVIEW

GLOBAL ECONOMY

The global economy is expected to grow at a slower pace in 2023 and 2024 than in 2022. The IMF has forecast global growth of 2.8% in 2023 and 3.0% in 2024, down from 3.4% in 2022. There are a number of factors that are contributing to the slowdown in global growth. These include (i) The war in Ukraine, which has disrupted trade and investment and led to higher energy and food prices; (ii) The tightening of monetary policy in major economies, which is designed to cool inflation but is also likely to weigh on economic activity; (iii) The slowdown in China, the world's second-largest economy.

Despite the slowdown, there are some bright spots in the global economy. The United States is expected to continue to grow at a healthy pace, and emerging markets and developing economies are expected to grow at a faster pace than advanced economies. Inflation is also expected to remain elevated in 2023 and 2024. The IMF has forecast inflation of 6.6% in advanced economies and 8.7% in emerging markets and developing economies in 2023.

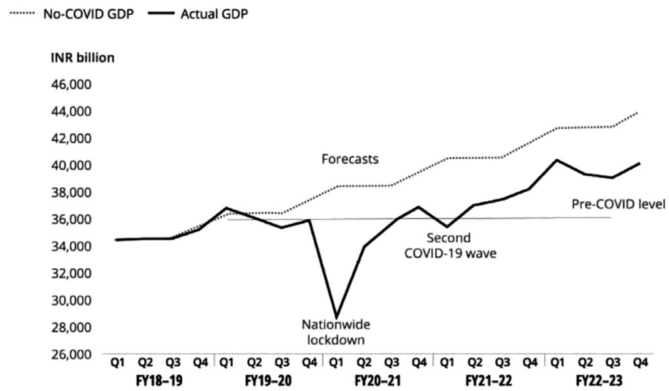
The main risks to the global economic outlook are: (i) A prolonged war in Ukraine, which could lead to a further escalation of energy and food prices and a more pronounced slowdown in global growth; (ii) A more aggressive tightening of monetary policy in major economies, which could lead to a recession; (iii) A sharp slowdown in China, which could have a significant impact on global trade and investment.[1]

INDIAN ECONOMY

The global economy has faced multiple crises over the past two years, including liquidity troubles caused by global bank crises. These uncertainties have led to a lack of confidence among consumers and businesses, which has impacted economic growth. The World Bank is concerned that this could result in a "lost decade" of economic growth. However, despite this, many market analysts believe that India could see significant growth over the next few years.

Recent data revisions suggest that India's economy has fared better than previously thought, and the IMF expects India to grow at an average rate of 6.1% over the next five years. While the global economy continues to struggle, India's economy is expected to grow at a moderate pace of 6.0% to 6.5% in FY 2023-24. Investments are expected to play a significant role in driving sustainable growth, and favorable demographics could support this growth in the medium term. While the world has learned to live with the pandemic, geopolitical crises, supply chain reorientations, global inflation, and tight monetary policy conditions could still impact the economic outlook. Overall, the outlook for the Indian economy remains positive.

Strong Rebound - India's GDP



Sources: CMIE; Deloitte research.

The 2023 Union budget focused on balancing development needs with fiscal responsibility by providing significant financing for capital investments. The Government has announced 33% higher capital outlay of INR 10 Lakh Crore, constituting 3.3% of the overall GDP, to significantly boost the infrastructure development. Similarly, the highest ever capex outlay of INR 2.4 Lakh Crore has been planned for Railways. Large investments have been announced across sectors ranging from transportation, urban Infra, green energy, affordable housing, social infrastructure, highways, etc.

INDUSTRY OVERVIEW

ENGINEERING PROCUREMENT & CONSTRUCTION (EPC) INDUSTRY

GLOBAL EPC INDUSTRY- OUTLOOK AND TRENDS

The Engineering, Procurement, and Construction (EPC) Market is Segmented by Generation (Thermal, Hydroelectric, Nuclear, and Renewables), Transmission and Distribution (T&D), and Geography (North America, Europe, Asia-Pacific, South America, and Middle-East and Africa). The report offers the market size and forecasts in revenue (USD Billion) for all the above segments, except Power Transmission and Distribution (T&D) for which only qualitative analysis will be provided.[2]

The Power Engineering, Procurement, and Construction (EPC) Market size is expected to grow from USD 696.00 billion in 2023 to USD 883.65 billion by 2028, at a CAGR of 4.89% during the forecast period (2023-2028).

The market was negatively impacted by COVID-19 in 2020. Presently the market has now reached pre-pandemic levels.

- Over the long term, factors such as the increases in electricity generation and energy consumption demand and changing power generation industry dynamics are expected to drive demand for the power EPC market. Moreover, investments in the power sector, including increased government spending on renewable energy, are further expected to boost the market.

[1] *Source: International Monetary Fund (IMF)*

[2] *Source: Mordor Intelligence Report*

- On the other hand, the phasing out of coal-based power plants, which account for a major share in power generation around the globe, and volatile crude oil prices leading to delays in several upstream projects are expected to hinder the growth of the power EPC market.
- Nevertheless, new and efficient technologies like supercritical and ultra-supercritical coal power plants and government initiatives to increase renewable energy's share are expected to create several opportunities for the power EPC market in the future.
- Asia-Pacific is expected to be the largest market during the forecast period, owing to the high urbanization growth rate and growing electricity demand, mainly from China and India.

EPC - Industry Scenario

EPC is a form of contract used to undertake the construction of power generation, transmission, and distribution projects on large-scale and complex energy infrastructure projects. EPC stands for engineering, procurement, and commissioning. Engineering and procurement involve detailed engineering design of a project and procuring all the equipment and raw materials necessary. Construction is related to delivering a functional facility to the client. The Engineering, Procurement, and Construction (EPC) market is segmented by power generation, power transmission and distribution (T&D), and geography. By power generation, the market is segmented into thermal, hydroelectric, nuclear, and renewables. For power transmission and distribution (T&D) only qualitative analysis is provided.

Renewable Energy Segment expected to be the Fastest-growing Market Segment

- Renewable energy sources have developed significantly in recent years. Global renewable generation capacity accounted for 3,064 gigawatts (GW) by the end of 2021, increasing the stock of renewable power by 9.1%, the fastest year-on-year growth since the 1970s. The global renewable energy generation capacity, excluding large hydropower, Solar PV, and wind, are the major contributor to two-thirds of renewables growth. China alone accounts for almost half of the global increase in renewable electricity in 2021, followed by the United States, the European Union, and India.
- According to the International Renewable Energy Agency (IRENA), the global renewable energy share is expected to reach 30% by 2030 and increase to 50% by 2050. Increasing energy efficiency and improved energy access is expected to advance renewables' share in the global energy mix by up to 36%. According to IEA, by 2050, solar PV, wind, and bioenergy are estimated to produce approximately 80% of the global electricity generation.
- Moreover, favorable government policies, the declining price of solar modules and wind turbines, and agreements to reduce the increasing carbon footprint globally are a few prominent factors supporting the market to grow both in developed and emerging economy regions, which is likely to drive the global renewable EPC market in coming future.
- Furthermore, wind energy is the largest segment in the global renewable power market. In 2021, 93.6 GW of new wind power capacity was added globally, only 1.8% lower than 2020's record year. The overall growth of the number of wind turbine installations made during 2006-2021 was primarily driven by declining costs, due to improved materials and design, and favorable government policies for wind power in countries such as China, the United States, Denmark, Germany, the United Kingdom, and India.
- The global total wind energy capacity is now up to 837 GW. Europe, Latin America, Africa & Middle East had record years for new onshore installations, but the total onshore wind installations in 2021 were still 18% lower than the previous year. Moreover, China constructed up 80% of its offshore wind capacity in 2021, bringing its cumulative offshore wind installations to 27.7 GW.
- The increasing investments in wind power projects have been providing a significant boost to the growth of the wind power market globally. As per Wind Europe statistics, Europe invested EUR 41.4 billion in new wind farms in 2021. The investments cover 24.6 GW of new capacity, a record for new capacity financed in a single year. Most of the new wind farms financed were onshore with an installed capacity of 19.8 GW.
- Besides, the cost of generating wind energy declined in the past decade. The leading cause behind the declining price was the use of taller and larger-sized wind turbines. In recent years, the wind industry developed more reliable and lightweight materials, such as composites of fiberglass and other polymers. The earlier wind industry mainly used steel to build large towers, but now wind towers are made of steel and concrete, which allows the manufacturers to build large towers.
- On the other hand, solar is the fastest-growing segment in the global renewable power EPC market. Solar is one of the renewable energy sources that has developed significantly over the last four years, with nearly 100 GW of solar power addition each year. Favorable government policies, the declining price of solar modules, and agreements to reduce the increasing carbon footprint globally are a few prominent factors that supported the market to grow both in developed and emerging economy regions.
- Therefore, with increased investments in renewable energy and awareness of its advantages over fossil fuels, coupled with upcoming projects, renewable energy is expected to be the fastest-growing market segment over the forecast period.

Asia-Pacific Expected to Dominate the Market

- Asia-Pacific is home to more than 50% of the global population and 60% of the large cities. The continent will face increasing demand for power in the future as millions of new customers are gaining access to electricity with rapid population growth and industrialization. For instance, according to the BP Statistical Review of World Energy 2022, the primary energy consumption in the region increased from 220,48 exajoules in 2013 to 272.45 exajoules in 2021.
- China dominates the power EPC market in the region, and the energy sector is moving in a new direction by transitioning toward cleaner and sustainable energy sources to reduce carbon emission and achieve net zero carbon emission by 2060.

- As of 2021, China has the largest renewable installed capacity globally. According to China's National Energy Administration, the country's renewable installed capacity will reach 1.063 terawatts by the end of 2021, accounting for about 44.8% of the total installed generation capacity. China set a target for about 1.2 terawatts of renewable installed capacity by 2030, which it is expected to comfortably reach, directly aiding the renewable power EPC market's growth in the nation.
- For instance, in 2022, the government of China planned to build 450 GW of solar and wind energy power plants in the Gobi desert regions to achieve the renewable energy target by 2030.
- Thailand is witnessing an increasing demand for energy due to economic growth. According to the BP Statistical Review of World Energy 2022, the primary energy consumption increased from 4.51 exajoules in 2010 to about 5.11 exajoules in 2021. Thailand heavily relies on LNG imports for the country's energy needs. Due to the war between Russia and Ukraine, the government has slashed LNG imports, putting its energy security at risk.
- Therefore, based on factors like expansions and upgrades and increased power demand, the Asia-Pacific region is expected to dominate the power EPC market.

EPC – Indian Scenario

As per a report published by rating agency CRISIL, diversified engineering, procurement, and construction (EPC) companies will see strong double digit revenue growth of 17-20% in fiscal 2024 compared with 13-15% estimated this fiscal year 2023.

According to the rating agency, with commodity prices easing, profitability is seen improving and reaching pre-pandemic levels of 10-10.5% in next fiscal compared with 9-9.5% this fiscal.

With order books healthy and recovery in profitability, debt metrics of EPC companies will improve next fiscal, indicates a CRISIL Ratings study of 180 diversified EPC companies with aggregate revenue of 2.33 lakh crore.

Revenue growth of EPC players is driven by the growth in capital outlay of Centre, public sector undertakings and states in the infrastructure segments and the corresponding construction intensity in each of infrastructure segments.

As per recent budget, capital spending by Centre and public sector undertakings are expected to increase. Thrust on infrastructure has increased with investments in roads and railways expected to grow next fiscal at 21% and 15% on year, respectively, supported by Centre and state government capital outlay. This, along with healthy execution, will lead to higher revenue growth of 17-20% for diversified EPC companies next fiscal.

Roads and railways, which are key focus areas of investments by the government, will continue to outperform other EPC segments. With infrastructure investments continuing to grow and focus on National Infrastructure Pipeline (NIP) through investments in various sectors like roads (contributing 23% of NIP), railways (16%), power (22%), irrigation (9%), EPC companies are seeing healthy order inflows.

As a result, their orderbook to revenue ratio is expected to remain healthy at 3.5-4.0 times over the medium term, leading to better revenue visibility. Higher revenue growth and softening commodity prices will help operating profitability recover to pre-pandemic level next fiscal. Prices of key inputs such as steel, which have fallen ~22% from their peak in March 2022, should decline another 9-11% next fiscal. This moderating price trajectory for steel and other commodities will support recovery in operating profitability. According to the rating agency, the pace of investments under the NIP and any stretch in working capital on account of delay in payments from state counterparties would bear watching.

Telecom Sector – Industry & Indian Scenario

The India Telecom Market size is expected to grow from USD 44.43 billion in 2023 to USD 69.62 billion by 2028, at a CAGR of 9.40% during the five years period (2023-2028). According to the IBEF, India has the world's second-largest telecom market. The total subscriber base, wireless subscriptions, and wired internet subscriptions have increased steadily. As of April 2022, teledensity stood at 84.88%, total broadband subscriptions increased to 788.77 million, and the overall subscriber base stood at 1.16 billion.[3]

In the first quarter of FY22, total wireless data usage in India increased by 16.54% quarterly to 32,397 petabytes (PB). In the third quarter of FY21, 3G and 4G data usage contributed 1.78% and 97.74%, respectively, to total wireless data usage. In the same quarter, the share of 2G data use was 0.48%.

The Department of Telecommunications (DoT) in India released the draught Telecom Bill 2022, which intends to alter the relationship between the government and the telecom industry. The main idea is to combine three acts (the Indian Telegraph Act 1885, the Indian Wireless Telegraphy Act 1933, and the Telegraph Wires (Unlawful Protection) Act 1950) into one.

The telecom sector in India is expanding due to increasing end-user applications and growth in markets like IoT, cloud, data centres, and 5G. The country is also witnessing an increase in internet consumption. Market players are developing new internet plans to fulfil the growing demand for internet services and grab a more significant portion of the market.

Every industry was affected by the COVID-19 outbreak. The telecom industry was significantly impacted, as it is essential for medical, government, and private-sector commercial activities to operate seamlessly. For instance, reliable, high-speed internet access is critical in ensuring that hospitals and medical institutions access worldwide information networks and resources needed to combat the virus. Broadband access is also vital for educational institutions and enterprises to continue providing essential services.

The coronavirus's unexpected disruption of typical business operations prompted enterprises to operate remotely. This transition increased the demand for stronger network connectivity and internet availability, particularly in isolated or rural locations. Thus, the telecom (wireless and wireline) industry is attempting to provide better internet infrastructure to its clients. Even after the pandemic, the market is gaining traction across the country.

[3] *Source: Mordor Intelligence report*

WASTE MANAGEMENT INDUSTRY

Waste Management - Indian Scenario[4]

The India Waste Management Market size is estimated at USD 32.09 billion in 2023, and is expected to reach USD 35.87 billion by 2028, growing at a CAGR of 2.25% during the period 2023-2028.

The Indian waste management market is witnessing a healthy growth rate, owing to the high population density and increased industrial activity, which is generating high amounts of wastes, both hazardous and non-hazardous. Circular economy concept is relatively new to India. However, the concept is gaining prominence. The Indian waste management industry offers huge potential, as only 30% of the 75% recyclable waste is being recycled currently. Shortage of proper policies for collection, disposal, and recycling and the lack of efficient infrastructure are few of the many reasons leading to poor waste management in the country. Many startups are coming up with innovative ideas to manage wastes, as well as convert them into valuable resources. However, India requires a fair amount of knowledge to tackle the challenges plaguing this industry.

The Increasing Number of Landfills - major problem in India

Landfill is one of the most popular methods of waste disposal in India, as more than 50% of the total solid waste generated is untreated and dumped into landfills, primarily due to inefficient waste management systems in India. Private players are receiving huge impetus, especially the municipal authorities of West Bengal, Karnataka, and Haryana, wherein waste management is not up to the mark, due to inadequate planning and lower spending than desired by the respective state governments. Hence, the government is closely supervising the market condition and extending support to the industry players, with relaxation of investment norms, while providing monetary incentives. We are one of the finest players in Waste Management in India.

Indian Waste Management Industry Trends

The market studied is fragmented, with many players aiming to mitigate waste generation, as well as recycle and reuse the waste in the most effective way possible. Numerous start-ups are focusing on developing innovative approaches for waste disposal in an environment-friendly manner.

FACILITY MANAGEMENT SERVICES (FMS) INDUSTRY

FMS - Industry Scenario

As per a 2022 report of Fortune Business Insights, the global facility management market is estimated to grow from USD 1,291.6 billion in 2023 to USD 2,031.4 billion by 2030, growing at a CAGR of 6.7% during the forecasted period.

As per the report, the International Facility Management Association (IFMA) has defined Facility Management as integrating a physical work place with an organization's people and work, which includes tasks such as equipment maintenance; space planning; and portfolio forecasting. Emergency preparation & business continuity, environmental sustainability, human aspects, communication, project management, quality, real estate & property management, leadership & strategy, and others are all part of these services.

In other words, this sector is defined as providing maintenance assistance, user management, and project management. As a fallout of initial upsurge in urbanization and industrialization, this sector has risen substantially, over the last two decades.

Some Global Trends in FMS:

- Increase in usage of Facility Management Services by Governments to boost market during pandemic.
- Growing demand for cloud-based facilities management systems to fuel the market.
- Upsurge in infrastructural investments to boost the market sentiments.
- Limited use of technology and inadequate optimization practices, at present, to hinder market's growth.

FMS - Indian Scenario

The Indian Facility Management Market is estimated to be worth around USD 127.92 billion, and it is expected to reach USD 1,527.60 billion over the next five years' period, at a CAGR of 7.37%. [5]

FM encompasses all aspects of managing a building, an organization's infrastructure, and the overall coordination of the workplace. This system streamlines processes and standardizes services for an organization.

The Indian Facility Management Market is segmented by Facility Management Type (Hard Services and Soft Services), Sector Type (Unorganized and Organized), End User (Commercial, Industrial, and Infrastructure), and Geography (North, West, South, and East). Regarding sophistication and development, India is one of the largest markets for outsourced facility management services. Small local companies focus on single contracts and single-service solutions, while the region's FM business operates with integrated contracts given by significant vendors from different continents. Given the changing dynamics in the region, there are more chances to combine facility management and corporate real estate in novel ways.

The public sector clients are eager to reduce the number of suppliers and decrease costs. Therefore, bundled service contracts are expected to profit from the budget cuts, keeping with the ongoing efforts of many government agencies to streamline their operations. As the need for total facility management (TFM) grows, public sector firms in the region are progressively outsourcing all "non-core business activities" to a single service provider, allowing them to focus more on their core businesses.

The COVID-19 pandemic had a mixed economic impact on FM companies in India. Limiting people's movement resulted in declining project work and activity at several customer locations. The pandemic lockdowns harmed significant companies in the market, including BVG, CBRE Group, and others.

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[4] *Mordor Intelligence report (https://www.mordorintelligence.com/industry-reports/india-waste-management-market)*

[5] *(Source: https://www.fortunebusinessinsights.com/industry-reports/facility-management-market-101658)*

Indian Facility Management Market Trends

Soft Services to Drive the Market Growth

- The primary categories of soft services are cleaning, recycling, security, pest control, handyman services, grounds maintenance, and waste management. Based on the increasing complexity of projects in Delhi, Hyderabad, and other cities, FM firms have determined that high-level cleaning services represent a growth opportunity for their business.
- Internet of Things (IoT) adoption quickly emerges as a major driver in FM soft services. IoT enables improved decision-making and work process optimization across various industry sectors by providing a continuous, real-time data stream. The demand for outsourcing services is growing, and businesses are emphasizing individualized services with added value, such as risk management that is reliable and efficient and manages local labor laws.
- The COVID-19 outbreak has sparked changes in how facilities and services are run. The future of organizations will demand careful thought and tailored plans. Therefore, the role of FM service providers may also change to one that is more strategic and long-term in character.

BUSINESS SEGMENT REVIEW

Company overview

A2Z Group was established in 2002 as a Facility Management Services company and has over the years grown into a leading player in the Engineering & Infrastructure Services sector with presence across multiple sub-sectors. A2Z Infra Engineering is the listed entity and flagship company of A2Z Group. It primarily operates in the Engineering Procurement & Construction (EPC) sector for Infrastructure projects, specializing in Power Transmission & Distribution and Telecom Infrastructure Development projects. The Group has cultivated professional expertise and established a proven track-record in this space, which is the main business segment currently. In Facility Management Services, the Group provides housekeeping, security, hospitality, workforce contracting, maintenance and related services. Over the years, the Group has also expanded successfully into other adjacent businesses such as the high growth solid waste management. The solid waste management services to urban local bodies cover Collection & Transportation (C&T) and Processing of waste. The Group has been successful in developing synergies between each of the business segments. These products and supply of ancillary service and equipment needs of its other businesses are the other businesses that the Group operates. The Group's business portfolio is organized into three Strategic Business Units (SBUs) – Engineering Services (ES), Facility Management Services (FMS) and Municipal Solid Waste (MSW). The ES segment primarily constitutes the entire infrastructure EPC business and MSW segment includes the solid waste management offering.

Business segments

Engineering Services

Under this business vertical, your Company mainly works on the turnkey projects providing services ranging from testing, integrated design, construction, installation, and erection to the commissioning. We offer customized solutions catering to the needs of domestic and global patrons. Our team members leverage their knowledge, expertise, and industrial experience in developing innovative as well as energy saving solutions that aim at minimizing the T&D losses to prevent the depletion and deterioration of the environment.

Over the years, the Company has across group entities delivered multitude of projects in this space with operational challenges such as inclement weather and extremities, complex topography, short timelines, and multi-location delivery. The major areas addressed by the Company in the Power T&D sector 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 its overseas presence in Nepal, Uganda and Tanzania.

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

In the Telecom space, the ES SBU focuses on EPC and maintenance mandates for OFC networks. It provides turnkey offerings covering all services for OFC network implementations including Project Management, Materials Planning, Technical Site Survey, Logistics Management, Network Implementation and Integration, Supply and Installation of Equipment and Telecom Infrastructure Operation & Maintenance Services.

Update:

- The ES SBU contributed 19.9% of the total operating revenue in FY2022-23. This number was 38.3% in the previous financial year.
- The Company continued to de-focus from this business, however, it was open to pursuing profitable new projects and committed to completing the existing ones.
- The Company will engage in the business of Fixed Asset Management through Operations & Maintenance (O&M) services of the installed NFS Optical Fibre Cable (OFC), that will provide it with a regular stream of revenues without the same level of capital intensity.

Solid Waste Management

The MSW SBU works with the local civic administration to maintain cleanliness and sanitation in major cities. As part of the offering portfolio, it offers comprehensive services for collection, transportation, treatment, and disposal of solid waste. The SBU has expanded handsomely in the recent past by winning tenders that offer multiple decade long concession periods/ contracts to provide MSW services for many cities. Given the long term contracts and continued investments by the Government in Clean India mission, not only does the business have very high growth potential but also stickiness and longevity. The mandates are won by the SBU not only based on competitive pricing, but also because of the technology used in collection, treatment and disposal through scientific methods.

Update:

- The segment continued its growth trajectory and delivered a 15.5% increase in top-line over last year. The segment profits were declined significantly by 94.1% thus decreasing the profitability from 6.3% in FY2021-22 to 0.4% in FY2022-23.
- The key customers that the Company caters to include local bodies in cities such as Aligarh, South Delhi, Haldwani, Jaunpur and Rishikesh.

Facility Management

The Company provides various solutions for Facility Management, ranging from the identification of an asset to its maintenance across various durations from short-term to mid-term to throughout its life. Our team of professionals provides world class and innovative services in cost-effective manner by leveraging state-of-the-art tools and techniques. Our patrons include aboriginal and global MNC's, Indian Companies, PSU's and Government sector.

We have also been providing facility management services to Indian Railways in various fields. Our services include:

- CTS (Clean Train Station Scheme).
- High-pressure mechanized cleaning during the limited period of the train's stopover at the junction.
- Intensive Rake Cleaning. This service involves a detailed cleaning of the train with specialized equipment.
- On Board Housekeeping Service (OBHS).
- We take care of hospitality and hygiene of the travellers during their train journey. Our housekeeping personnel are onboarding the train to provide hospitality services during the entire journey.

Update:

- The FMS segment revenue was increased significantly with 18.8% increase as compared to the previous year, the profitability of the segment increased significantly from 1.6% to 16.6%. On an absolute basis the segment profit increased by 1,165.5%.
- The segment's contribution to the total revenue of the Company jumped from 42.6% to 51.1%.

FINANCIAL REVIEW

The consolidated Turnover of the Company for the current financial year is INR 34,944.16 Lakh as against INR 35,332.50 Lakh in the previous year. This translates into a de-growth of 1.10%, due to Engineering Services segment. The ES segment contributed the most to the decline with a fall from INR 13,531 lakhs to INR 6,941 lakhs, a 48.7% drop. The FMS business registered an increase of 18.8% and the MSW business saw a decline of 15.5% over the same period.

During the year under review, the Group's Operating Profit (EBITDA before Other Income) was a loss of INR 141 lakhs against the loss of INR 14,853 lakhs in FY2021-22. The direct costs related to raw materials and employees were rationalized to improve profitability, however, the other expenses decreased by 70.1%, thus resulting in a Operating EBITDA profit. Consolidated PBT before Exceptional Items saw an increase in profit by 107.1% from loss of INR 16,784 lakhs to profit of INR 1,190 lakhs. In the current financial year, the Company recorded an Exceptional loss of only INR 12,204 lakhs because gains from One Time Settlements with banks of INR 2,775.44 lakhs and liabilities written back of INR 9,598.99 lakhs were offset by the investments written-off to the tune of INR 9,058 lakhs, unbilled written-off for INR 2,500.24 lakhs, Loans and advances provision for INR 6,891.55 lakhs and Capital assets impaired for INR 6,128.77 lakhs. This number for the previous financial year was gain of INR 527 lakhs. Hence, the net PBT loss decreased by 39.9% from INR 17,669 lakhs to INR 10,618 lakhs. The net loss for the year under review was INR 12,605 lakhs vs. INR 17,980 lakhs in FY2021-22, a change of 29.9%.

CHANGES IN KEY FINANCIAL RATIOS

Parameter	FY 2021-22	FY 2022-23	Change	Explanation
Current ratio	0.81	0.79	-2.78%	No Major Variance
Debt-equity ratio	2.42	8.23	240.04%	Due to loss in current year majorly on account of provision for investments and impairment of CWIP.
Debt service coverage ratio	-1.97	-2.23	13.41%	No Major Variance
Return on equity ratio	-74.31%	-127.85%	72.04%	Due to loss in current year majorly on account of provision for investments and impairment of CWIP.
Inventory turnover ratio	33.01	29.33	-11.13%	No Major Variance
Trade receivables turnover ratio	0.50	0.84	67.22%	Due to realisation of Trade receivables in the current year
Trade payables turnover ratio	0.33	0.30	-9.34%	No Major Variance
Net capital turnover ratio	-1.59	-1.86	17.20%	No Major Variance
Net profit ratio	-0.51	-0.36	-29.11%	Due to loss in current year majorly on account of provision for investments and impairment of CWIP.
Return on capital employed	-0.28	-0.27	-1.80%	No Major Variance
Return on Investment (%)	100.00%	100.00%	0.00%	No Major Variance

Business SWOT Analysis

Strengths	Weakness
• Diversified business portfolio. • Differentiated organizational capabilities across business segments through technology and processes. • Illustrious track record created over 15+ years • Fungibility of resources across segments • Sizeable trained and skilled workforce • Innovation capabilities	• High levels of debt. • Over-reliance on B2G business. • High working capital and labour intensity of businesses.
Opportunities	**Threats**
• Shift from Work from Home to Flexi-work model increasing the demand for Office space and increasing share of Grade A properties would result in greater demand for professional FMS companies. • Awareness of the need for sanitization and other safety precautions in the light of pandemic resulting in demand for professional FMS companies. • Increasing power generation capacity in traditional and renewable sector. • 5G rollout in telecom sector. • Cleanliness, sanitation, and basic facilities focus of the Government initiatives such as toilets, housing, piped water, Swachh Bharat Abhiyaan and broadband connectivity in all villages. • Private involvement in railways, airports and other government- controlled infrastructure may increase demand for professional FMS players. • Increasing trend of Government also tendering for outsourcing its FMS needs.	• Delays in 5G rollout and upgrade of existing infrastructure due to stressed balance sheets of Telecom companies. • Repeated failures in nursing SEBs back to financial health may result in stoppage of investments in power generation, transmission, and distribution infrastructure.

ENTERPRISE RISK MANAGEMENT

The Company has established a robust Risk Management framework within the enterprise. This risk management framework helps to manage risks at various levels across the Company and ensures that the systems are reviewed periodically to align them with current internal and external environment. The Company's risk management framework covers identification, assessment, and mitigation of risks. It encompasses and is integrated with the Group's business processes across planning, execution, and review activities. The framework focuses on prioritizing risks based on their probability and severity of impact. Some of the enterprise-level risks identified by the Company and the mitigation measures being implemented are:

1. **Macro-economic Risks**:

   Macro-economic risks include the linkage of overall economic activity with the demand within an industry, cost of capital link to policy interest rates, and Government spending and policies in response to the macro situation that also affect an industry.

   Risk mitigation:

   A key approach to mitigate macro-economic risks is through diversification of markets, whether geographical or industry segments. This is one of the key reasons behind Company's pursuit of international expansion in emerging markets such as India. Similarly, the Company has presence in many states within India. It is present in multiple industry segments with diverse market dynamics to minimize the impact of demand slump in a single industry segment on the overall performance. The reduction in cost of capital is an ongoing focus area of the Company where it has adopted a multifold approach of reduction in debt through repayment and/or one-time settlements with banks, sourcing long-term capital, and reducing the need for capital by entering into partnerships, strategic or equity. These initiatives mitigate the risk from increase in interest rates.

2. **Customer Concentration Risks**

   The concentration of the Company's business being sourced from a single customer or a specific customer segment, for e.g., State Electricity Boards, can affect the overall performance majorly when that customer or segment sees a loss of business. There can be negative effects other than loss of business, such as, delays in receiving payments, demands for excessive attention of management bandwidth which takes focus away from growth initiatives, and adverse tilt in balance of power that may affect profitability.

   Risk mitigation

   Expanding the customer base across different segments is the most important method of reducing customer concentration risk. A specific initiative that the Company is focusing on – is to bring more focus on the Facility Management Business where private sector clients can balance the over-reliance on public sector/ government.

3. **Working Capital Risks**

   The EPC business of the Company require immediate access to substantial fund allocation at the time of execution. Hence, availability of adequate working capital lines to fund such projects at the time of need is decisive to ensure timely and within budget project execution. Any delay in securing working capital may impact project viability. It is an important factor even for other businesses but more so for the EPC business.

Risk mitigation

The key mitigation measures adopted by the Company to address this risk include diversification away from EPC projects to reduce the need for working capital and its immediacy, launching services/ solutions that generate regular cash flow for the Company, and working with banks and other institutions to have working capital lines available.

4. **Execution Risk**

The projects undertaken by the Group, especially in the EPC space, are complex and long duration projects with a need for specialized workforce and high levels of coordination. In addition, there are dependencies on availability of raw materials, regulatory clearances, and client inputs. Any project execution will therefore face risks from multiple aspects and result in delays or cost escalations that affect profitability and in some cases viability of the project. Another key execution risk is related to deficiency in performance on account of quality or other issues with the delivery. The Company could also face financial penalties due to any delayed or deficient execution.

Risk mitigation

The primary mitigation approach for execution risks is to purchase adequate professional liability insurance cover. In addition to this, strengthening the Project Management and Standard Operating Procedures (SOP) and Quality Manuals for project delivery are the most critical. The Company has also implemented a periodic reviews and control measures to keep project execution in check. The Company is also focusing away from EPC projects where the execution risk is relatively higher. The risk may be mitigated also by sharing it through partnerships.

5. **Talent Risks**

Given the nature of services business, the Company relies heavily on its workforce to generate revenues. Hence, any shortfall or flaws in availability of quality managerial, skilled and unskilled workforce in adequate numbers puts its financial performance at risk. Project executions depend on availability of the right personnel and issues with the execution may result in financial penalties.

Risk mitigation

The Company has put in place a strong leadership team that is aided by its Human Resources (HR) team to put in place the best-in-class people processes that cover sourcing, retention, career development, training, and employee engagement. The Company's makes a reasonable attempt to match its compensation with the industry standards or beat them. It works with multiple partners to source skilled and unskilled labour for project delivery.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The business portfolio of the Company dictates that it works with a mix of managerial, skilled, and unskilled human resources. These groups have a diverse set of aspirations and needs that makes the work of the Human Resource team challenging. The Company effectively tackles this challenge through active formulation of a gamut of HR policies and defining practices that work towards the objectives of:

a. Maintaining a healthy, safe, and productive work environment for all;
b. Attracting and retaining the brightest skilled practitioners across levels;
c. Developing and maintaining organizational capabilities through skill and competency development;
d. Driving a performance driven culture;
e. Recognizing and rewarding performance in a fair manner across the organization.

A key element beyond the policies and HR practices that helps the Company connect with each employee is maintaining continuous and transparent communication with employees, which helps in building trust and commitment. As on 31st March, 2023, the total employee base of the Group was 6839 employees, including 1636 trained technical employees. The gross recruitment figure in FY2022-23 for the Group was 5390 employees.

CORPORATE SOCIAL RESPONSIBILITY

As the Company has incurred losses over the last few years, based on the provisions in the Section 135 of Companies Act 2013, it is exempted from the mandate of spending 2% of its profits on Corporate Social Responsibility (CSR) activities. However, given the operations of the group companies are oriented towards social and infrastructure development, diligent delivery of its commitments itself will bring about a lot of social benefits to the society. In addition to this, the Group also contributes as a responsible corporate citizen by engaging in many initiatives through its CSR program. Adopting a concept of shared growth, A2Z Infraservices Ltd. & Ecogreen Envirotech Solutions Limited, material subsidiaries of the company, has focused its CSR efforts primarily in the field of children welfare. Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate, ensuring participation from the community and thereby create value for the nation. The Group is aware of its role as a responsible corporate citizen and is further committed to do its fair share after it starts making profits.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

OUTLOOK

As the economy shall continue to grow, albeit at a slower pace, the likelihood of Company's business performing better going forward remains, especially with the key segments of Facility Management Services and Municipal Solid Waste showing greater traction. Overall, outlook for Infrastructure sector is positive but current geo-political uncertainties, high inflation and interest rates, and tighter monetary policies across large economies do present unfavourable headwinds in the short term.

We are carefully evaluating profitable opportunities in Facility Management and Municipal Waste Management business verticals. Our inherently strong, legacy business of EPC projects is working towards delivering the existing projects and exploring profitably feasible business opportunities. In order to strengthen our financial position, we are striving hard to reduce the debt to a sustainable level by making amicable settlement arrangements with our lenders. Simultaneously, we are also working towards completing old projects and thereby returning the Bank Guarantees (BGs). The Company hopes to deliver business growth and emerge stronger from the challenges and look ahead to brighter times.

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 publicly 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 requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as "SEBI LODR, 2015"), for the Financial Year 2022-23 as to be made by the Listed entities in Corporate Governance section of the Annual Report as prescribed under Part C of Schedule V of the said Regulations. This Report herein provides the structure to ensure the stakeholders that Company is committed to good corporate governance and complying with all applicable laws and regulations.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

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

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

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

2.1 COMPOSITION AND CATEGORY OF DIRECTORS

The Composition of Board of Directors of the Company is in accordance with the Companies Act, 2013 and Regulation 17 of the SEBI 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. As on March 31, 2023, the Company's Board comprised of Six (6) Directors, with one (1) Executive Director, three (3) Non-Executive Directors including one woman Director, two (2) Non-Executive and Independent Directors, including one woman Independent Director. Further, the Chairman is a Non-Executive Independent Director. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements. The Directors are appointed or re-appointed with the approval of the shareholders and remain in office in accordance with the provisions of the law. The Independent Directors are appointed for a fixed term not exceeding five years in accordance with the provisions of the law.

The Independent Directors neither have any pecuniary relationship or transactions 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 the Companies Act, 2013. The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI LODR 2015 and are independent of the management.

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:

S. No.	Name of the Director	Category	No. of other Directorships and Committee memberships/chairmanships as on March 31, 2023			Directorship in other listed entity (Category of Directorship) as on March 31, 2023
			Other Directorships	Committee Memberships	Committee Chairmanships	
1.	Mr. Surender Kumar Tuteja (DIN: 00594076)	Non-Executive & Independent Director	9	8	3	1. SML Isuzu Ltd. (Chairperson-Non-Executive and Independent Director)
2.	Mr. Amit Mittal (DIN: 00058944)	Executive Non-Independent Director (Managing Director cum CEO)	5	1	-	NIL
3.	Mr. Arun Gaur (DIN: 08328873)	Non- Executive & Non-Independent Director	-	2	-	NIL
4.	Ms. Dipali Mittal (DIN: 00872628)	Non- Executive & Non-Independent Director	2	1	1	NIL
5.	Mr. Manoj Tiwari (DIN: 03597274)*	Non- Executive & Non-Independent Director	8	1	-	NIL
6.	Ms. Atima Khanna (DIN: 07145114)	Non- Executive & Independent Director	6	7	2	1. SML Isuzu Ltd. (Non-Executive and Independent Director)

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

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

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

*During the year under review, Dr. Ashok Kumar Saini, Non-Executive Non- Independent Director, of the Company has resigned from the Company with effect from July 20, 2022 due to his personal commitments.

Mr. Manoj Tiwari was appointed as Additional Director (Non-Executive Non-Independent Director) w.e.f. July 20, 2022. Further, Mr. Arun Gaur and Mr. Manoj Tiwari were regularized on the Board as Non-Executive Non-Independent Director w.e.f. 19.09.2022.

2.2 NUMBER OF BOARD MEETINGS

The Board of Directors oversee the overall functioning of the Company and takes the strategic decisions and define the management policies in the best interest of the Company and its stakeholders and, for this, Members of the Board of Directors of the Company meet frequently, as the occasion(s) arises and as per the statutory requirement in adherence to true letter & spirit of the law. The Board of Directors complies with the provisions of SEBI LODR, 2015 and Companies Act, 2013 with regard to the meetings of the Board and Committees thereof. In case of any exigency/ emergency, resolutions are passed by circulation. The Board of Directors met Four (4) times during the financial year 2022-23 i.e. on May 18, 2022, August 09, 2022, November 12, 2022 and February 14, 2023. The maximum gap between any two consecutive meetings was less than the period of one hundred twenty days, as stipulated under Regulation 17(2) of the SEBI LODR, 2015 and Section 173(1) of The Companies Act, 2013.

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

S. No.	Name of the Director	Attendance Particulars During the period April 01, 2022 to March 31, 2023		Whether attended last AGM held on September 19, 2022
		No. of Board Meetings held	No. of Board Meetings Attended	
1.	Mr. Surender Kumar Tuteja	4	4	Yes
2.	Ms. Atima Khanna	4	4	Yes
3.	Mr. Amit Mittal	4	4	Yes
4.	Ms. Dipali Mittal	4	4	Yes
5.	Mr. Arun Gaur	4	4	Yes
6.	Mr. Manoj Tiwari	3	3	Yes
7.	Dr. Ashok Kumar Saini	1	1	NA

The details of the shareholding of Directors as on March 31, 2023 are as follow:

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

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

Board Meeting Procedure:

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

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

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

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

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

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

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

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

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

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

S.No.	Name of Director	Skills
1.	Mr. Surender Kumar Tuteja	Business & Industry, Behavioural skills, Financial Expertise, Strategy and Planning, Technical & Professional skills and Governance & Compliance
2.	Ms. Atima Khanna	Business & Industry, Behavioural skills, Financial Expertise, Technical & Professional skills and Governance & Compliance
3.	Mr. Amit Mittal	Business & Industry, Behavioural skills, Financial Expertise, Strategy and Planning, Technical & Professional skills and Governance & Compliance
4.	Mr. Arun Gaur	Business & Industry, Behavioural skills, Legal, Technical & Professional skills and Governance & Compliance
5.	Ms. Dipali Mittal	Business & Industry, Behavioural skills and Technical & Professional skills
6.	Mr. Manoj Tiwari	Business & Industry, Behavioural skills, Strategy and Planning and Technical & Professional skills

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.

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

3.1 Audit Committee

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

(a) Constitution and Terms of Reference

As on March 31, 2023, the Audit Committee comprises of three (3) Directors, two (2) of them are Non-Executive Independent Directors and one (1) is Non-Executive Non-Independent Directors. The Chairman of the Audit Committee is an Independent Women Director.

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

The terms of reference of the Audit Committee covers matters specified under Part C of Schedule II of SEBI LODR, 2015 and Section 177 of the Companies Act, 2013 as amended from time to time. The terms of reference of Audit Committee inter-alia includes following matters:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of payment to auditors for any other services rendered by them;
3. Reviewing with the management the quarterly, half yearly and annual financial statements and auditors' report thereon before submission to the board for approval; This would, inter-alia, include reviewing changes in the accounting policies, if any, major accounting estimates based on exercise of judgment by the Management, disclosure of related party transactions, compliance with legal and other regulatory requirements with respect to the financial statements;
4. Significant adjustments made in the financial statements arising out of audit findings;
5. Reviewing the Management Discussion & Analysis of financial and operational performance and Board's Report;
6. To oversee and review the functioning of a Vigil Mechanism / Whistle Blower Policy;
7. Approval of Related Party Transactions (RPT) or any subsequent modifications of RPT and review of RPT on quarterly basis;

8. Review Qualifications in the draft audit report and give its comments on the same;
9. Scrutiny of inter-corporate loans and investments;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Discussion with Statutory auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
15. 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;
18. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders;
19. All Other duties, responsibilities as defined under section 177 of the Companies Act, 2013 and 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. Recommend to the Board, the appointment, reappointment and, if required the replacement or removal of the statutory auditors, cost auditors and secretarial auditors considering their independence and effectiveness, and recommend their audit fees;
3. Management letters / letters of internal control weaknesses issued by the auditors, if any;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of Chief Internal Auditor;
6. To look into the reasons for substantial defaults in the payment to the depositors, , shareholders (in case of non-payment of declared dividends) and creditors; and
7. Approval of such other services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.

(b) Meeting and Attendance

During the year under review, the Committee met Four (4) times i.e. on May 18, 2022, August 09, 2022, November 12, 2022 and February 14, 2023.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2023 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Ms. Atima Khanna	Chairperson	Non- Executive & Independent Director	4
Mr. Surender Kumar Tuteja	Member	Non- Executive & Independent Director	4
Mr. Arun Gaur	Member	Non- Executive & Non Independent Director	4

- Ms. Atima Khanna, Chairperson of the Audit Committee attended the previous Annual General Meeting held on September 19, 2022 for answering the shareholder's queries.
- Mr. Atul K. Agarwal, Company Secretary cum Compliance Officer acts as the Secretary to the Audit Committee.

3.2 Nomination & Remuneration Committee

(a) Constitution and Terms of Reference

As on March 31, 2023, the Nomination & Remuneration Committee comprises of three (3) Directors, two (2) of them are Non-Executive Independent Directors and one (1) is Non-Executive Non-Independent Director. The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI LODR, 2015 and Section 178 of the Companies Act, 2013.

Terms of Reference:-

The terms of reference of the Nomination and Remuneration Committee ("NRC") includes the matters stipulated in Point A of Part D of Schedule II of SEBI LODR, 2015 and Section 178 of the Companies Act, 2013 as under:

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel (KMP) and other employees;
2. For every appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation prepare a description of role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of Board of Directors;
5. Lay down criteria for Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
6. Recommendation to the Board about appointment, re-appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down.
7. Formulation of the criteria for evaluation of performance of every Director and carry out performance evaluation of Directors and to recommend to the Board on whether to extend or continue the term of appointment of Independent Director.
8. Recommendation to the Board, all remuneration, in whatever form, payable to senior management.
9. 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 year under review, the committee met Three (3) times i.e. on May 18, 2022, August 09, 2022 and February 14, 2023.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2023 are given below:

Member	Designation	Category of Directorship	Number of Meeting attended
Ms. Atima Khanna	Chairperson	Non- Executive & Independent Director	3
Mr. Surender Kumar Tuteja	Member	Non- Executive & Independent Director	3
Ms. Dipali Mittal	Member	Non- Executive & Non Independent Director	3

- Ms. Atima Khanna, Chairperson of the Nomination & Remuneration Committee attended the previous Annual General Meeting held on September 19, 2022 for answering the shareholder's queries.
- Mr. Atul K. Agarwal, Company Secretary cum Compliance Officer acts as the Secretary to the Nomination & Remuneration Committee.

(c) Performance Evaluation Criteria for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI LODR, 2015 and as per the guidance note issued by SEBI dated January 5, 2017, the Nomination & Remuneration Committee of the Board had carried out the evaluation of every Director's Performance based on specified criteria to ensure:

- that the directors demonstrate a willingness to devote time and efforts to understand the company and its business;
- that the Directors uphold ethical standards of honesty and virtue towards the Company;
- that the directors are competent to take the responsibility and having adequate qualification, experience, skills and knowledge;
- that the Board of Directors are actively participating in the Board /Committee meetings;

- that they listen to the qualitative views of others and value of their contributions at board meetings;
- their Contribution to development of strategy and to oversee the effectiveness of their relationships with fellow board members, the company secretary and senior management;
- Integrity and maintaining confidentiality;
- the effectiveness of Leadership quality of the Chairman;
- that the directors are able to function as an effective team- member;
- that the directors actively takes initiative with respect to various areas; and
- demonstrate integrity, credibility, trustworthiness, an ability to handle conflict constructively, and the willingness to address issues proactively.

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

(d) Remuneration Policy-

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

Remuneration Policy of your Company is in conformity with the provisions under the Companies Act, 2013 and SEBI 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 the employees required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and;
- Remuneration to Directors, Key Managerial Personal and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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

Remuneration to Non-Executive Directors

The Non-Executive & Independent Directors are paid sitting fee of INR 25,000/- (Rupees Twenty Five Thousand only) for attending each Board and Committee meeting respectively. The details of sitting fees paid for attending the Board and committee meetings held during the year and commission payable for financial year 2022-23 is as under:

(Amount in INR)

S.No.	Name	Sitting Fees paid	Commission payable
1.	Mr. Surender Kumar Tuteja	3,50,000	NIL
2.	Ms. Dipali Mittal	2,75,000	NIL
3.	Mr. Arun Gaur	3,50,000	NIL
4.	Mr. Manoj Tiwari	75,000	NIL
5.	Ms. Atima Khanna	4,25,000	NIL
6.	Mr. Ashok Kumar Saini	25,000	NIL
	Total	**15,00,000**	**NIL**

Remuneration to Executive Directors-

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

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

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

S. No.	Name	Designation	Date of Appointment	Date of Cessation, if any	Skills and Expertise
1.	Mr. Guljeet Singh Saroya	President Projects	01.04.2022	NA	• Organization of team and Monitor Project Progress. • Leadership and decision making. • Set the benchmarks and evaluate Project Performance.
2.	Mr. Lalit Kumar*	Chief Financial Officer	18.05.2022	NA	• Financial expertise and leadership. • Well informed to the changes in the regulatory requirements related to finance. • Align with the organization's financial strategy.
3.	Mr. Atul Kumar Agarwal	Company Secretary cum Compliance Officer	27.02.2008	NA	• Link between the company and its Board of Directors, shareholders, government and regulatory authorities. • Good governance practices and Secretarial Compliances and well informed to changes therein. • Advising on Legal Structure of the organization.

During financial year 2022-23, Mr. Lalit Kumar has been appointed as Chief Financial officer w.e.f. May 18, 2022.

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.

As on March 31, 2023, the Stakeholders' Relationship Committee comprises of three (3) Directors out of which two (2) Non-Executive Non-Independent Directors and one (1) is Non-Executive Independent Director. During the Financial year 2022-23, the Committee met four (4) times i.e. on May 18, 2022, August 09, 2022, November 12, 2022 and February 14, 2023.

Terms of Reference:-

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

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

Investor Complaints

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

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

The composition and attendance of the members of the Stakeholders Relationship Committee at the meetings held during the financial year ended March 31, 2023 are given below:

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

- Ms. Dipali Mittal, Chairperson of the Stakeholders Relationship Committee attended the previous Annual General Meeting held on September 19, 2022 for answering the shareholder's queries.
- **Name and designation of compliance officer:** Mr. Atul K. Agarwal designated as President & Company Secretary. He is also appointed as the Nodal Officer of the Company in terms of Investor Education and Protection Fund Rules.

Details of investor complaints received and redressed during the year 2022-23 are as follows:

Opening Balance	No. of Complaints received during the financial year	No. of Complaints resolved to the satisfaction of shareholders	Closing Balance
NIL	NIL	NA	NA

3.4 Corporate Social Responsibility Committee (CSR Committee)

As the Company is incurring losses and it is not required to spend any amount towards CSR activities. Hence, the functions of Committee are being discharged by Board of Directors of the Company.

Further, pursuant to section 135(5) of The Companies Act, 2013, Board of the Company shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial year. The average net profits calculated as per provisions of Section 198 of the Companies Act, 2013 for the preceding three (3) financial years being negative, the Company was not under any obligation to spend any amount on CSR.

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

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

3.5 Separate Independent Directors' Meetings

As per the Schedule IV of Companies Act, 2013 & Regulation 25(3) of SEBI LODR, 2015, the Independent Directors, Mr. Surender Kumar Tuteja and Ms. Atima Khanna duly held their separate meeting on February 09, 2023, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

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

All the Independent Directors were present at the meeting.

The details of the familiarization 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

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. Further, risk management committee is not applicable to the Company.

4. **SUBSIDIARY COMPANY**

As on March 31, 2023, Company has two material unlisted Indian subsidiary Company(ies), the details of which are as follows:

S. No.	Name of Material Subsidiary	Date of Incorporation	Registered Office	Name of Auditor	Date of appointment
1.	A2Z Infraservices Limited	15.04.2008	O-116, First Floor, DLF Shopping Mall, Arjun Marg, Gurgaon -122002, Haryana	M/s M.P. Gupta & Associates, Chartered Accountants	Appointed for a period of five years from the financial year 01.04.2019 till 31.03.2024 in the Company's AGM held for the financial year 2018-19
2.	Ecogreen Envirotech Solutions Limited	10.11.2010	O-116, First Floor, DLF Shopping Mall, Arjun Marg, Gurgaon -122002, Haryana	M/s MAAGS & Co. (formerly known as M/s Mahesh Aggarwal & Associates), Chartered Accountants	Appointed for a period of five years from the financial year 01.04.2021 till 31.03.2026 in the Company's AGM held for the financial year 2020-21

Accordingly, an Independent Director of the Company has been duly appointed on the Board of Directors of the material subsidiary Company (ies).

Further, the financial statements, in particular the investments made by the unlisted subsidiary Companies 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_on_material_subsidiary_13.02.2021.pdf

5. **GENERAL BODY MEETINGS**

A. ANNUAL GENERAL MEETING

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

Financial Year ended	Venue	Date	Time	Special Resolution passed in last three Annual General Meetings
2022	Through Video Conferencing ("VC")/ Other Audio-Visual Means("OAVM") at Plot No. B-38, Institutional Area, Sector- 32, Gurugram- 122001, Haryana	Monday, September 19, 2022	12:30 P.M.	No Special Resolution was passed in this meeting.
2021	Through Video Conferencing ("VC")/Other Audio-Visual Means("OAVM") at Plot No. B-38, Institutional Area, Sector- 32, Gurugram- 122001, Haryana	Thursday, September 30, 2021	11:00 A.M.	No Special Resolution was passed in this meeting.
2020	Through Video Conferencing ("VC")/Other Audio-Visual Means("OAVM") at Plot No. B-38, Institutional Area, Sector- 32, Gurugram-122001, Haryana	Wednesday, September 30, 2020	10:30 A.M	No Special Resolution was passed in this meeting.

B. POSTAL BALLOT

No Postal ballot conducted during the year.

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

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

5.1 MEANS OF COMMUNICATION

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

II. **Financial Results**:- Pursuant to Regulation 33 of SEBI LODR, 2015 the quarterly, half yearly and annual financial results of the Company are submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") after approval of the members of the Audit Committee and Board of Directors of the Company. The Quarterly and Annual Financial Results are published in one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated, viz. Business Standard (English & Hindi dailies) and also uploaded on the website of the Company i.e. http://media.a2zgroup.co.in/pdf/001_A2ZINFRA_NSE%20BSE_Newspaper%20Results%20Publication_20.05.2023.pdf

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

IV. **Communication to shareholders on email**:- 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. **Designated Exclusive Email ID**: The Company has designated Email Id investor.relations@a2zemail.com exclusively for shareholder / investor grievances redressal.

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

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

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

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

6 GENERAL SHAREHOLDER INFORMATION

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

6.2 22nd Annual General Meeting

Date	: September 29, 2023
Day	: Friday
Time	: 12.00 P.M
Mode	: Video Conferencing

6.3 Financial Calendar

Financial year	: April 01 to March 31
Results for the quarter ending	: Actual/Tentative Date for approval
June 30, 2023	: On or before August 14, 2023
September 30, 2023	: On or before November 14, 2023
December 31, 2023	: On or before February 14, 2024
March 31, 2024	: Latest by May 30, 2024

6.4 Date of Book Closure

The Physical Register of members and Share Transfer books of the Company will remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023 (both days inclusive) for the purpose of Annual General Meeting.

6.5 Dividend Payment date: Not Applicable**.** Due to losses in the financial year 2022-23, 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)

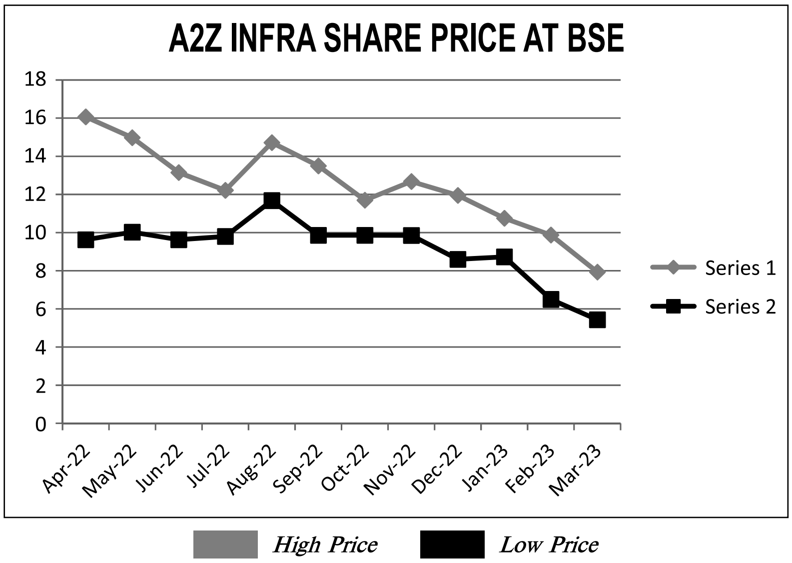
ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized equity shares of the Company. The ISIN number of the shares of Company is **INE619I01012**.

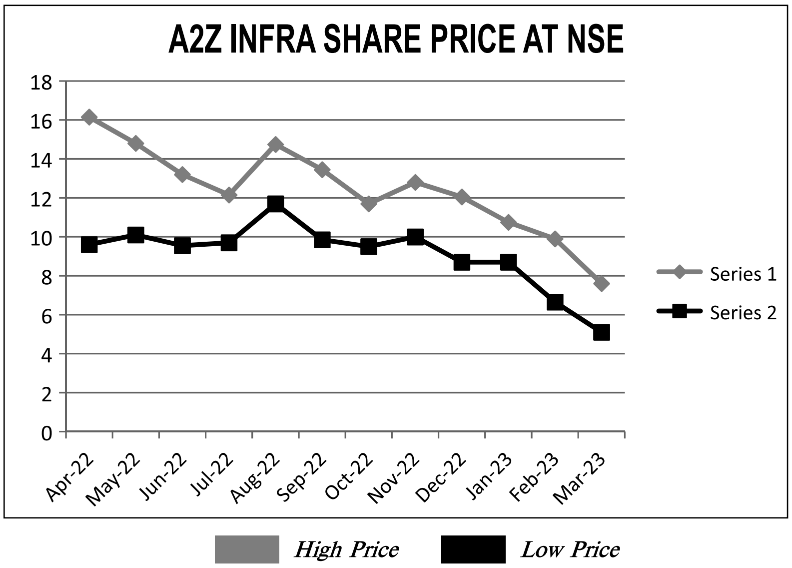
a. Market Price Data

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 2022-23 are as under:

BSE Limited				
	A2Z Stock (in INR)		Sensex	
Month & Year	High Price	Low Price	High	Low
Apr-2022	16.07	9.63	60,845.10	56,009.07
May-2022	14.98	10.02	57,184.21	52,632.48
Jun-2022	13.15	9.63	56,432.65	50,921.22
Jul-2022	12.22	9.80	57,619.27	52,094.25
Aug-2022	14.72	11.68	60,411.20	57,367.47
Sep-2022	13.50	9.86	60,676.12	56,147.23
Oct-2022	11.70	9.86	60,786.70	56,683.40
Nov-2022	12.68	9.85	63,303.01	60,425.47
Dec-2022	11.95	8.60	63,583.07	59,754.10
Jan-2023	10.75	8.73	61,343.96	58,699.20
Feb-2023	9.87	6.50	61,682.25	58,795.97
Mar-2023	7.93	5.43	60,498.48	57,084.91

National Stock Exchange of India Limited				
	A2Z Stock (in INR)		Nifty	
Month & Year	High Price	Low Price	High	Low
Apr-2022	16.15	9.60	18114.65	16824.70
May-2022	14.80	10.10	17132.85	15735.75
Jun-2022	13.20	9.55	16793.85	15183.40
Jul-2022	12.15	9.70	17172.80	15511.05
Aug-2022	14.75	11.70	17992.20	17154.80
Sep-2022	13.45	9.85	18096.15	16747.70
Oct-2022	11.70	9.50	18022.80	16855.55
Nov-2022	12.80	10.00	18816.05	17959.20
Dec-2022	12.05	8.70	18887.60	17774.25
Jan-2023	10.75	8.70	18251.95	17405.55
Feb-2023	9.90	6.65	18134.75	17255.20
Mar-2023	7.60	5.10	17799.95	16828.35





6.8 Registrar and Share Transfer Agents

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

Registrar & Transfer Agent

M/s Alankit Assignments Limited

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

6.9 Share Transfer System

Pursuant to SEBI Regulations, transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository. Further, SEBI vide its Circular No SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that certain Service Requests including transmission or transposition of securities held in physical form shall be processed by issuing securities in dematerialised form only and physical Share Certificates shall not be issued by the Company to the Securities holder/claimant.

The RTA verifies and processes the Service Requests and thereafter issues a 'Letter of Confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days, which is valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerialising the said securities.

In case the securities holder/Claimant fails to submit the demat request within 120 days, the securities shall be credited to the Suspense Escrow Demat Account of the Company.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities.

In accordance with SEBI Circular dated November 03, 2021 read with clarification issued on December 14, 2021, and its recent Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, the Company has sent reminder letter along with requisite forms to shareholders holding shares in physical mode requesting them to update/furnish prescribed details such as PAN, KYC and Nomination, to the Registrar and Share Transfer Agent of the Company viz., Alankit Assignments Limited. The process along with requisite forms is also made available at www.a2zgroup.co.in.

Members holding shares in physical mode are requested to ensure the aforesaid KYC details are updated with the Company's Registrar and Share Transfer Agents before October 01, 2023, as per revised timeline of SEBI Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023 post which the shares in the said Folios shall be frozen.

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

6.10 Distribution of Shareholding

(a) By number of shareholder & shares as on March 31, 2023

S. No.	Range of Shares	No. of Shareholders	% to Total Shareholders	No. of Shares	% of Shares to total shares
1	1-500	31477	67.82	4772858	2.71
2	501-1000	5758	12.41	5009869	2.84
3	1001-2000	3440	7.41	5500117	3.12
4	2001-3000	1414	3.05	3704564	2.10
5	3001-4000	744	1.60	2710246	1.54
6	4001-5000	902	1.94	4350550	2.47
7	5001-10000	1299	2.80	10012482	5.69
8	10001-20000	680	1.47	9942730	5.65
9	20001 and above	699	1.50	130116442	73.88
	TOTAL	**46413**	**100.00**	**176119858**	**100.00**

(b) By category of shareholders as on March 31, 2023

Sr. No.	Category of Shareholder	Total number of shares	% of Holding
I	**Shareholding of Promoter and Promoter Group**		
	Promoter	27350601	15.53
	Promoter Group	22210382	12.61
	Total Shareholding of Promoter & Promoter Group	**49560983**	**28.14**

Sr. No.	Category of Shareholder	Total number of shares	% of Holding
II	**Public shareholding**		
	(A) Institutions		
	Foreign Portfolio Investors Category I	638000	0.36
	Foreign Portfolio Investors Category II	2208361	1.25
	NBFCs registered with RBI	-	-
	(B) Non-institutions		
	Resident Individuals	101812713	57.81
	Directors and their relatives (excluding independent directors and nominee directors)	37100	0.02
	Key Managerial Personnel	5045	0.01
	Non Resident Indian	4436605	2.51
	Bodies Corporate	9917020	5.63
	Non-Resident Non-Repartriates	244253	0.14
	Clearing Member	290984	0.17
	Resident (HUF)	6956356	3.95
	IEPF	12438	0.01
	Total Public Shareholding (A+B)	126558875	71.86
	GRAND TOTAL (I+II)	**176119858**	**100.00**

6.11 Dematerialization of Shares and Liquidity

(a) Dematerialization of Shares

Your Company's equity shares are compulsorily traded in dematerialised form by all categories of investors. Equity Shares of the Company representing 99.99% of the Company's Share Capital are dematerialized as on March 31, 2023. Equity shares of your Company are available for trading on the depository systems of both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Detail of Shares in Dematerialized and Physical Form **(As on March 31, 2023)**

Particulars of Shares	Equity Shares of INR 10/- each		Shareholders	
Dematerialised	**Number**	**% of Total Shares**	**Number**	**% of Total Shareholders**
NSDL	111092835	63.08	18115	39.03
CDSL	65022105	36.91	28283	60.94
Sub total	**176114940**	**99.99**	**46398**	**99.97**
Physical form	4918	0.01	15	0.03
Total	**176119858**	**100.00**	**46413**	**100.00**

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

As on March 31, 2023, there are no outstanding GDR/ADR/Warrants or any convertible instruments.

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

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

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

6.12 PLANT LOCATIONS

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

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

6.13 Address for Correspondence

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

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

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

7. Other Disclosures:

i. **Materially Significant Related Party Transactions: -** There were no material significant transactions entered by the Company with the related parties and all transactions entered into by the Company with related parties as defined under the Act and Regulation 23 of SEBI LODR, 2015 during the financial year, were in the ordinary course of business and arm length basis which have been approved by the audit committee and Board. The policy on materiality of and dealing with related party transactions has been uploaded on the website of Company at:-

http://media.a2zgroup.co.in/pdf/A2Z-%20Policy%20on%20Materiality%20of%20and%20Dealing%20with%20Related%20Party%20Transactions_01.04.2022.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. 2020-21, 2021-22 and 2022-23 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 and approval of financial results as mentioned below:

Sr. No	Compliance Requirement	Deviations	Financial Year	Action Taken
1.	Delay in approval of Quarterly Financial Results under Regulation 33 of SEBI (LODR), 2015 for the Quarter ended June 30, 2020 and consequential late submission and publication thereon; Due date- September 15, 2020.	Quarterly Financial Results submitted on September 28, 2020.	2020-21	Company held its meeting on September 28, 2020 and complied with notices issued by the Stock Exchanges and paid the penalty to both the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited as per SEBI/HO/CFD/ CMD/ CIR/P/2020/12 dated January 22, 2020.
2.	Delay in approval of Quarterly and Yearly Financial Results under Regulation 33 of SEBI (LODR), 2015 for the quarter and year ended March 31, 2021 and consequential late submission and publication thereon; Due date- June 30, 2021.	Quarterly and Yearly Financial Results submitted on July 21, 2021	2020-21	Company held its meeting on July 21, 2021 and complied with notices issued by the Stock Exchanges and paid the penalty to both the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited as per SEBI/ HO/CFD/CMD/ CIR/P/2020/12 dated January 22, 2020.

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_(WHISTLE%20BLOWER)_POLICY_13.02.2021.pdf

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

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

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

v. **Compliance with the Mandatory Requirements of the SEBI Regulations:** The Company has complied with all the mandatory requirements of the Code of Corporate Governance under the SEBI 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 utilization of funds raised through preferential allotment or QIP: Not Applicable**

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

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

ix. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the Financial Year 2022-23**

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

x. **Detailed reasons of resignation of independent director:** Not Applicable

xi. **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 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI LODR, 2015.

xii. **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.

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

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

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

xv. **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 Managing Director cum Chief Executive Officer, of the Company confirming that the Company has received affirmations from the Board Members and the Senior Management Personnel regarding compliance of Code of Conduct during the Financial Year ended March 31, 2023 is attached as **Annexure-II**.

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

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

8. Certificate on Corporate Governance

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

Equity Shares in the Suspense Account:

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI 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, 2022.	1	105
Shareholders who approached the Company for transfer of shares from suspense account during the year.	0	NA
Shareholders to whom shares were transferred from the suspense account during the year.	NA	NA
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year on March 31, 2023.	1	105

The voting rights on the shares outstanding in the suspense account as on March 31, 2023 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 March 31, 2023 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
Peer Review Certificate No.: 609/2019

Sd/-
Suchitta Koley
Partner
FCS 1647; CP No.: 714
UDIN:F001647E000764574

Date: August 11, 2023
Place: New Delhi

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, 2023.

For A2Z INFRA ENGINEERING LTD

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

Date : May 19, 2023
Place : Gurugram

Annexure – III to CG Report

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliances of conditions of Corporate Governance by A2Z Infra Engineering Limited, for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

For DR Associates
Company Secretaries
Firm Regn.: P2007DE003300
Peer Review Certificate No.: 609/2019

Sd/-
Suchitta Koley
Partner
FCS 1647; CP No.: 714
UDIN:F001647E000764574

Date: August 11, 2023
Place: New Delhi

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 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches located at Tanzania, Nepal, and Uganda.

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

Basis for Disclaimer of Opinion

3. a. As stated in Note 31 to the accompanying standalone financial statements, the Company has incurred a net loss after tax of Rs. 9,154.14 lakhs during the year ended 31 March 2023, and as of that date, the Company's accumulated losses amount to Rs. 1,06,842.29 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 14,341.26 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 22.2 and 31. The Company has also delayed in repayment of borrowings including delays with respect to dues payable under one-time settlement agreements, as further detailed in Note 22.1 and 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. Such events and conditions and its possible impact on management's assumptions, and other matters as set forth in the note 31, cast significant doubt on the Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the management's assessment with respect to restructuring of borrowings and availability of funds, we are unable to comment on the ability of the Company to continue as a going concern. Further, the component auditor of the Company's Tanzania Branch as detailed in Note 47 has also reported a material uncertainty related to going concern section in their auditor's report on the financial statements of the branch for the year ended 31 March 2023. Our Audit report on the standalone financial statements for the year ended 31 March 2022 also included a disclaimer of opinion in respect of this matter.

   b. 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 2023 aggregating to Rs. 3,374.33 lakhs (accumulated interest as at 31 March 2023 being Rs. 4,276.44 lakhs) payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.

   Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying standalone financials statement. Our Audit report on the standalone financial statements for the year ended 31 March 2022 also included a disclaimer of opinion in respect of this matter.

   c. As stated in Note 5.2 to the accompanying standalone financial statement, the Company's non-current investment Rs. 7,992.84 Lakhs (net of impairment) in its associate Company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its other current financial assets Rs. 2,826.46 Lakhs (net of impairment) and its current financial assets-loan Rs. 84.67 lakhs which include amounts dues from such associate company as on 31 March 2023. 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, arbitration awarded in favor of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying standalone financial statement. Our Audit report on the standalone financial statements for the year ended 31 March 2022 also included a disclaimer of opinion in respect of this matter.

Emphasis of Matter

4. We draw attention to:

   a. Note 3.1 to the accompanying standalone financial statement, which describes the uncertainties relating to the outcome of the pending various litigations in respect of the three cogeneration power plants of the Company, for which the Company has filled petitions and appeals at various forums. The final outcome of these matters is presently unascertainable. Further, the said note also describes that these three cogeneration power plants fully impaired in its books of accounts during the year ended 31 March 2023. Hence, the management has recorded an impairment of INR 9,058 lakhs and INR 35,665.04 lakhs in the present value of the power plant during the year and as at March 31, 2023 respectively.

   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 11 to the accompanying standalone financial statement, which describes the uncertainty relating to utilization/ recovery 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 two branches included in the standalone financial statement of the Company, whose financial statements reflects total assets and net assets of Rs. 1,421.73 lakhs and Rs. 434.85 lakhs respectively as at 31 March 2023, and total revenues of Rs. 20.35 lakhs, total net profit after tax of Rs. 22.86 lakhs, and total comprehensive income of Rs. 22.86 lakhs, and cash flows (net) of Rs. 71.95 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 these two branches are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditors under generally accepted auditing standards specified in Annexure 1, as applicable in their respective countries. The Company's management has converted the financial statements of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. This report, in so far as it relates to the balances and affairs of 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.

The standalone financial statement includes the financial statement and information of one branch, which has not been audited by branch auditor, and whose financial information reflects total revenues of Rs. 20.65 lakhs, total net loss after tax of Rs. 1.63 lakhs and total comprehensive loss of Rs. 1.63 lakhs for the year ended 31st March 2023, as considered in the standalone financial statement. This report, in so far as it relates to the balances and affairs of this branch, is based solely on such financial statement and information, as certified and provided by the management. According to the information and explanations given to us by the management, their would not be consequential material impact on the financial statements of the Company.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

    g) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

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

    i) we were also engaged to audit the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 19 May 2023 as per Annexure B expressed disclaimer of opinion; and

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

        i. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the Company has disclosed fully the impact of pending litigations on its financial position as at 31 March 2023;

        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 2023, 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 2023; and

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

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

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

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

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

Sd/-
Saurabh Kuchhal
Partner
Membership No.: 512362
UDIN: 23512362BGWDLK2556

Place: Gurugram
Date: 19 May 2023

Annexure 1

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

Annexure A to the Independent Auditor's Report of even date to the members of A2Z Infra Engineering Limited, on the standalone financial statements for the year ended 31 March 2023

Annexure A

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

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

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

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

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

(d) The Company has not revalued its Property, Plant and Equipment (including Right to use assets) or intangible assets or both during the year ended March 31, 2023.

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

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

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

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

Particulars	**(INR Lakhs)**
Aggregate amount of Loans and Advances provided during the year:	
- Subsidiaries	130.55
- Joint Ventures	-
- Associates	-
- Others	-
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	641.53
- Joint Ventures	-
- Associates	-
Others	-

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

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

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

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

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

Particulars	**(INR Lakhs)**	**% of the total**
Aggregate amount of Loans and Advances provided during the year:		
- Promoters	-	-
- Related Party as per clause 76 of Section 2 of the Act	130.55	100%
- Others	-	-

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

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

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

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

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

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due Date	Date of payment
Chapter V of Finance Act,1994	Service tax	5,513.25	March 2016 to June 2017	5th of subsequent month (6th for online payment)	Not paid yet
Central Goods and Services Tax Act, 2017	Goods and services tax	279.71	March 2018 to August 2021	20th of subsequent month	Not yet paid
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Employee Provident fund	6.24	November 2019 to August 2022	15th day of subsequent month	Not paid yet
Employee State Insurance Act, 1948	Employee State Insurance	0.25	April 2021 to August 2022	21st day of subsequent month	Not paid yet
Employee Welfare Fund	Employee welfare fund	0.61	June 2020 to August 2022	25th day of subsequent month	Not paid yet

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

Statement of Disputed Dues

Name of the statute	Nature of 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	2,371.38	-	Assessment years 2009-10 to 2013-14	Income Tax Appellate Tribunal, Delhi
Central Goods and Services Tax Act, 2017	Demand made under various sections of CGST Act	2,951.72	158.44	FY 2017-18 to 2019-20	Appellate Authority
The Maharashtra Value Added Tax, 2002	Value Added Tax	1,801.79	-	2008-09	Maharashtra Sales Tax Tribunal
	Central Sales Tax	154.06	-	2009-10	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Value Added Tax	22.88	-	2010-11	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Central Sales Tax	225.99	-	2010-11	Joint Commissioner (Appeal), Mumbai, Maharashtra

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Amount Paid Under Protest (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
	Central Sales Tax	17.92	-	2011-12	Joint Commissioner (Appeal), Mumbai, Maharashtra
	Central Sales Tax	19.88	-	2012-13	Sales Tax Tribunal, Mumbai, Maharashtra- Appeal
	Value Added Tax	29.10	-	2012-13	Sales Tax Tribunal, Mumbai, Maharashtra- Appeal
	Central Sales Tax	98.67	-	2015-16	Assisstant commissioner of State Tax- Nodal Division Mumbai
	Value Added Tax	72.51	-	2015-16	Assisstant commissioner of State Tax- Nodal Division Mumbai
Bihar Value Added Tax, 2005	Value Added Tax	203.61	61.08	2012-13	Commissioner, Commercial Tax Bihar
	Value Added Tax	1,644.31	125.15	2013-14	Commissioner, Commercial Tax Bihar
	Value Added Tax	83.55	-	2010-11	Assessing Officer Commercial Tax, Bihar
The West Bengal Value Added Tax, 2003	Value Added Tax	653.11	50.00	2009-10	West Bengal Commercial Taxes Appellate & Revisional Board Kolkata
	Value Added Tax	1,019.40	175.00	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	Central Sales Tax	54.13	-	2010-11	West Bengal Commercial Taxes Appellate & Revisional Board Kolkata
	Central Sales Tax	229.16	-	2011-12	Additional Commissioner (Appeal) Sales Tax, Kolkata
	Central Sales Tax	2.07	-	2014-15	Joint Commissioner (Appeals) Sales tax, Kolkata
	Value Added Tax	192.72	-	2014-15	Joint Commissioner (Appeals) Sales tax, Kolkata
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	62.95	29.59	2010-11	Andhra Pradesh Sales Tax and VAT Appellate Tribunal, Hyderabad
Haryana VAT Act, 2003	Central Sales Tax	1,930.50	-	2009-10	Sales tax Revisional Authority, Gurgaon
The Madhya Pradesh VAT Act, 2002	Central Sales Tax	3.25	-	2013-14	Joint Commissioner, Indore, Madhya Pradesh
	Central Sales Tax	11.84	2.37	2015-16	Assistant commissioner (Sales tax), Madhya Pradesh
	Central Sales Tax	8.77	-	2016-17	Assistant commissioner (Sales tax), Madhya Pradesh
Jammu and Kashmir Value Added Tax Act, 2005	Central Sales Tax	86.02	21.36	2012-13	State Tax Officer, Jammu
Kerala VAT Act, 2003	Central Sales Tax	219.38	-	2011-12	Hon’ble High Court of Kerala, Ernakulam
The Karnataka Value Added Tax Act, 2003	Value Added tax	4.46	-	2012-13	Deputy Commissioner- Audit, Bangalore, Karnataka

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

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

Also refer Paragraph 3(b) of our audit report on the standalone financial statements for the year ended 31 March 2023, wherein matters relating to the carrying values of the aforesaid borrowings and dues (including interest) have been included in the Basis for Disclaimer of Opinion paragraph in such audit report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xvii) The Company has incurred cash losses amounting to Rs. (8,671.24) lacs in the current year and amounting to Rs. (16,819.16) lacs in the immediately preceding financial year respectively.

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

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

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

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

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

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

Sd/-
Saurabh Kuchhal
Partner
Membership No.: 512362
UDIN: 23512362BGWDLK2556

Place: Gurugram
Date: 19 May 2023

Annexure of defaults as referred to in Para (ix)(a)

Defaults in repayment of dues to bank and financial institutions existing as at March 31, 2023 are as under:

Amount (in Rs.)

Particulars	Period of delay (As at 31 March, 2023)				
	0-30	30-90	90-180	Above 180	Total
A) Term loans from Banks					
(a) Against Principal Amount					
Axis Bank	-	-	-	1,82,21,895	**1,82,21,895**
Indian Bank	-	6,05,000	6,05,000	3,38,77,854	**3,50,87,854**
Kotak Mahindra Bank	-	-	-	3,11,23,606	**3,11,23,606**
Union Bank of India	-	-	-	1,83,59,313	**1,83,59,313**
Sub-Total (a)	**-**	**6,05,000**	**6,05,000**	**10,15,82,668**	**10,27,92,668**
(b) Against Interest					
Axis Bank	-	7,66,397	4,89,906	75,53,736	**88,10,039**
Indian Bank	-	14,09,919	9,35,770	1,38,28,369	**1,61,74,057**
Kotak Mahindra Bank	-	-	-	-	**-**
Union Bank of India	-	4,20,823	2,79,302	65,40,212	**72,40,337**
Sub-Total (b)	**-**	**25,97,139**	**17,04,978**	**2,79,22,316**	**3,22,24,433**
Total A= (a+b)	**-**	**32,02,139**	**23,09,978**	**12,95,04,985**	**13,50,17,101**
B) Term Loans from Financial Institutions					
(a) Against Principal Amount					
Edelweiss Asset Reconstruction Company	-	10,00,00,000	1,00,00,000	24,25,00,000	**35,25,00,000**
Sub-Total (a)	**-**	**10,00,00,000**	**1,00,00,000**	**24,25,00,000**	**35,25,00,000**
(b) Against Interest					
Edelweiss Asset Reconstruction Company	-	1,40,71,233	81,87,671	2,76,57,535	**4,99,16,439**
Sub-Total (b)	**-**	**1,40,71,233**	**81,87,671**	**2,76,57,535**	**4,99,16,439**
Total B=(a+b)	**-**	**11,40,71,233**	**1,81,87,671**	**27,01,57,535**	**40,24,16,439**
C) Working Capital loans from Banks					
(a) Against Principal Amount					
Axis Bank	-	-	-	33,65,45,659	**33,65,45,659**
Indian Bank	-	-	-	17,36,54,681	**17,36,54,681**
Indusind Bank	-	-		8,59,12,580	**8,59,12,580**
Kotak Mahindra Bank	-	-	-	14,39,96,179	**14,39,96,179**
State Bank of India	-	-	-	16,53,00,000	**16,53,00,000**
Union Bank of India	-	-	-	5,21,72,707	**5,21,72,707**
Sub-Total (a)	**-**	**-**	**-**	**95,75,81,806**	**95,75,81,806**
(b) Against Interest					
Axis Bank	-	2,73,10,697	1,74,60,856	24,83,22,351	**29,30,93,904**
Indian Bank	-	1,41,64,212	93,71,807	13,13,56,045	**15,48,92,064**
Indusind Bank	-	34,01,557	12,78,902	6,14,569	**52,95,028**
Kotak Mahindra Bank	-	1,51,29,314	1,00,66,032	12,09,27,132	**14,61,22,478**
State Bank of India	-	-	-	4,47,18,589	**4,47,18,589**
Union Bank of India	-	46,01,313	21,49,259	4,70,00,173	**5,37,50,745**
Sub-Total (b)	**-**	**6,46,07,093**	**4,03,26,856**	**59,29,38,859**	**69,78,72,808**
Total C= (a+b)	**-**	**6,46,07,093**	**4,03,26,856**	**1,55,05,20,665**	**1,65,54,54,614**
Grand Total (A+B+C)	**-**	**18,18,80,465**	**6,08,24,505**	**1,95,01,83,184**	**2,19,28,88,154**

Note: The above table includes interest amount of the non-performing assets and the settlement amount which have not been considered in the financial statements as mentioned in Note 21.1 and 21.2.

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 2023

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

1. We were engaged to audit the Internal Financial Controls with reference to standalone financial statements of A2Z Infra Engineering Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

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

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

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

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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

5. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that:

   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

   (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Disclaimer of Opinion

6. Because of matters described below, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the company's internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2023:

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

7. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2023, and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have issued a disclaimer of opinion on the standalone financial statements.

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

Sd/-
Saurabh Kuchhal
Partner
Membership No: - 512362

Date: 19.05.2023
Place: Gurugram
UDIN: 23512362BGWDLK2556

Standalone Balance Sheet as at March 31, 2023

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

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	1,074.74	3,319.32
Right of use of assets	3	33.57	915.49
Capital work-in-progress	3	678.47	4,514.00
Intangible assets	4	-	-
Financial assets:			
Investments	5	14,330.04	23,336.35
Other financial assets	7	720.67	1,130.85
Deferred tax assets (net)	8	12.90	2,653.97
Non-current tax assets (net)	10	2,469.42	2,773.47
Other non-current assets	11	0.90	40.54
Total Non-current assets		**19,320.71**	**38,683.99**
Current assets:			
Financial assets:			
Trade receivables	13	25,105.25	43,150.81
Cash and cash equivalents	15	514.01	208.31
Loans	6	1,384.78	1,258.29
Other financial assets	7	22,741.90	25,727.36
Other current assets	11	6,471.74	5,428.57
Total Current assets		**56,217.68**	**75,773.34**
Total assets		**75,538.39**	**1,14,457.33**
EQUITY AND LIABILITIES:			
Equity:			
Equity share capital	16	17,611.99	17,611.99
Other equity		(15,955.37)	(6,901.39)
Total equity		**1,656.62**	**10,710.60**
Liabilities:			
Non-current liabilities:			
Financial liabilities:			
Borrowings	17	300.00	500.00
Lease liability	18	19.63	827.90
Provisions	19	3,003.20	3,784.31
Total Non-current liabilities		**3,322.83**	**5,112.21**
Current liabilities:			
Financial liabilities:			
Borrowings	20	25,898.37	31,338.23
Lease liability	18	14.48	59.96
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		11.32	17.93
Total outstanding dues of creditors other than micro enterprises and small enterprises		27,595.85	45,734.31
Other financial liabilities	22	6,322.62	5,718.61
Other current liabilities	23	10,684.06	15,692.02
Provisions	19	32.24	73.46
Total Current liabilities		**70,558.94**	**98,634.52**
Total Liabilities		**73,881.77**	**1,03,746.73**
Total equity and liabilities		**75,538.39**	**1,14,457.33**
Summary of significant accounting policies	2		

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

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Place : Gurugram
Date : May 19, 2023

For and on behalf of the Board of Directors

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

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

Sd/-
Lalit Kumar
Chief Financial Officer

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

Standalone Statement of Profit and Loss for the Year ended March 31, 2023

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

	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income:			
Revenue from operations	24	6,958.65	13,601.00
Other income	25	3,068.54	1,036.00
Total income		**10,027.19**	**14,637.00**
Expenses:			
Cost of materials consumed	26	5,157.90	11,114.59
Employee benefits expenses	27	311.85	242.47
Finance costs	28	700.77	2,024.73
Depreciation and amortisation expenses	29	482.90	404.57
Other expenses	30	4,573.72	18,139.72
Total expenses		**11,227.14**	**31,926.08**
Loss before exceptional item and tax		**(1,199.95)**	**(17,289.08)**
Exceptional items - (loss)/gain	43	(5,312.58)	71.86
Loss before tax		**(6,512.53)**	**(17,217.22)**
Tax expense	32		
Current tax		0.54	6.51
Deferred tax charge (net)		2,641.07	-
		2,641.61	**6.51**
Loss for the year		**(9,154.14)**	**(17,223.73)**
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Re-measurement of defined benefit obligations		(7.21)	(7.77)
Total other comprehensive income for the year, net of tax		**(7.21)**	**(7.77)**
Total comprehensive income for the year		**(9,161.35)**	**(17,231.50)**
Loss per equity share (INR) :	33		
(Nominal value of shares INR 10)			
Basic		(5.20)	(9.78)
Diluted		(5.20)	(9.78)
Summary of significant accounting policies	2		

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

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

For and on behalf of the Board of Directors

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

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

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

Place : Gurugram
Date : May 19, 2023

Sd/-
Lalit Kumar
Chief Financial Officer

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

Standalone Statement of Changes in Equity for the year ended March 31, 2023

(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, 2021	16	**17,61,19,858**	**17,611.99**
Changes during the year		-	-
Balance as at March 31, 2022	16	**17,61,19,858**	**17,611.99**
Changes during the year		-	-
Balance as at March 31, 2023	16	**17,61,19,858**	**17,611.99**

B. Other equity

	Reserves and surplus*				
	Securities premium account	General reserve	Employee stock option plan reserve	Retained earnings	Total equity attributable to equity holders
Balance as at April 1, 2021	**89,586.56**	**640.14**	**800.72**	**(80,722.77)**	**10,304.65**
Loss for the year	-	-	-	(17,223.73)	**(17,223.73)**
Other comprehensive income	-	-	-	(7.77)	**(7.77)**
Total comprehensive income	-	-	-	**(17,231.50)**	**(17,231.50)**
Transfer from Employee stock option plan reserve on lapse	-	-	(13.54)	13.54	-
Transactions with owners in their capacity as owners:					
Employee stock option plan (ESOP) expense for the year	-	-	20.93	-	**20.93**
On account of ESOP given to employees of subsidiaries	-	-	4.53	-	**4.53**
Balance as at March 31, 2022	**89,586.56**	**640.14**	**812.64**	**(97,940.73)**	**(6,901.39)**
Loss for the year	-	-	-	(9,154.14)	**(9,154.14)**
Other comprehensive income	-	-	-	(7.21)	**(7.21)**
Total comprehensive income	-	-	-	**(9,161.35)**	**(9,161.35)**
Transfer from Employee stock option plan reserve on lapse	-	-	(259.79)	259.79	-
Transactions with owners in their capacity as owners:					
Employee stock option plan (ESOP) expense for the year	-	-	55.68	-	**55.68**
On account of ESOP given to employees of subsidiaries	-	-	51.69	-	**51.69**
Balance as at March 31, 2023	**89,586.56**	**640.14**	**660.22**	**(1,06,842.29)**	**(15,955.37)**

*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 **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Place : Gurugram
Date : May 19, 2023

For and on behalf of the Board of Directors

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

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

Sd/-
Lalit Kumar
Chief Financial Officer

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

Standalone Cash Flow Statement for the year ended March 31, 2023

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

		For the Year ended March 31, 2023	For the Year ended March 31, 2022
A	**Cash flows from operating activities:**		
	Loss before tax (after exceptional items)	(6,512.53)	(17,217.22)
	Adjustments:		
	Exceptional items	5,312.58	(71.86)
	Depreciation and amortisation expense	482.90	404.57
	Loss on disposal of property, plant and equipment (net)	4.74	942.15
	Interest expense	638.80	1,909.67
	Interest income	(9.01)	(445.67)
	Provision for contract revenue in excess of billing	1,328.78	162.64
	Provision for bad and doubtful debts, loans, advances and other receivables	1,013.16	15,088.44
	Liability/provision written back	(2,920.91)	(486.77)
	Provision for warranty	273.49	866.66
	Provision for employee benefits	3.10	8.95
	Account written off	-	78.80
	Recognition of share based payments at fair value	55.68	20.93
	Unwinding of interest on security deposits	(2.85)	(2.18)
	Gain on modification of lease contract	(61.68)	(1.37)
	Operating profit before working capital changes	**(393.75)**	**1,257.74**
	Net changes in working capital:		
	Changes in trade receivables	7,861.98	16,233.33
	Changes in loans	96.70	599.75
	Changes in other financial assets	(333.31)	(8,184.90)
	Changes in other assets	(1,192.96)	2,757.97
	Changes in trade payables	277.70	(6,492.06)
	Changes in provisions	(1,157.78)	935.40
	Changes in financial liabilities	(3.93)	(40.94)
	Changes in other liabilities	(2,224.70)	(5,033.87)
	Net changes in working capital	**3,323.70**	**774.68**
	Cash flow from operations	**2,929.95**	**2,032.42**
	Current taxes refund	303.51	169.03
	Net cash flow from operating activities (A)	**3,233.46**	**2,201.45**

Standalone Cash Flow Statement for the year ended March 31, 2023

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

		For the Year ended March 31, 2023	For the Year ended March 31, 2022
B	**Cash flows from investing activities:**		
	Acquisition of property, plant and equipment	(505.58)	(174.15)
	Proceeds from sale of property, plant and equipment	122.18	1,609.87
	Investment in newly formed subsidiary	-	(3.00)
	Proceeds from sale of investment in subsidiary	-	600.00
	Fixed deposits matured - (net)	3.53	131.66
	Interest received	9.01	158.55
	Net cash (used in)/ flow from investing activities (B)	**(370.86)**	**2,322.93**
C	**Cash flows from financing activities:**		
	Repayments of long-term borrowings	(1,160.25)	(3,430.11)
	Repayments of short term borrowings (net)	(1,189.35)	(127.01)
	Principal payment of lease liabilities	(60.71)	(21.56)
	Interest payment of lease liabilities	(87.58)	(17.06)
	Interest paid	(59.01)	(1,150.91)
	Net cash used in financing activities (C)	**(2,556.90)**	**(4,746.65)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**305.70**	**(222.27)**
	Cash and cash equivalents at the beginning of the year	208.31	430.58
	Cash and cash equivalents at the end of the year	**514.01**	**208.31**

		As at March 31, 2023	As at March 31, 2022
	Reconciliation of cash and cash equivalents as per the cash flow statement. (Refer Note 15)		
	Cash and cash equivalents as per above comprises of the following :		
a.	Cash in hand	0.63	0.68
b.	Balance in current account	513.38	207.63
	Balances as per statement of cash flows	**514.01**	**208.31**

Note: The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'. All figures in brackets are outflows.

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

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Place : Gurugram
Date : May 19, 2023

For and on behalf of the Board of Directors

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

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

Sd/-
Lalit Kumar
Chief Financial Officer

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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, 2023 were authorized and approved for issue by the Board of Directors on May 19, 2023. 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, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2023, 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, 2023

- **Contingencies**

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

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

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

- **Provisions**

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

- **Going Concern**

  The management has made an assessment of the Company's ability to continue as going concern and is satisfied that the Company has resources to continue in business for the foreseeable future. Further, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as going concern, read with note 31.

  Estimation uncertainty

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

- **Recoverability of advances/ receivables –** At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.

- **Classification of assets and liabilities into current and non-current –** The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities.

- **Warranty provision –** The management makes estimate of costs that would be incurred with respect to warranties given on products. The provision requires use of several estimates based on past data and expectations of future.

- **Impairment of non-financial assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

- **Impairment of financial assets –** The company estimates the recoverable amount of trade receivables and other financial assets where collection of the full amount is expected to be no longer probable. For individually significant amounts, this estimation is performed on an individual basis considering the length of time past due, financial condition of the counter-party, impending legal disputes, if any and other relevant factors.

- **Useful lives of depreciable/ amortisable assets (Property plant and equipment and intangible) –** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.

- **Revenue recognition –**The Company uses the Input method (percentage completion method) in accounting for its revenue from construction services. The use of percentage-of-completion method requires the Company to estimate costs expended to date as a proportion of the total costs to be expended. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and output.

- **Contract estimates –** The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recoverability of claims –** The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/ discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.
- **Defined benefit obligation (DBO) –** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements –** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available.

2.3 Significant accounting policies

a) Revenue recognition

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

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

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

Significant judgments are used in:

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

i. Revenue from engineering services

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

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

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

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

ii. Revenue from operation and maintenance services

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

iii. Income from professional and data processing services

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

iv. Revenue from operation of plant

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

v. Revenue from sale of goods

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

vi. Other income

- Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.
- Dividend income is accounted in the period in which the right to receive the same is established.
- Income from export incentives such as duty drawback is recognized on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.
- Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

b) Foreign currencies and operations

i. Functional and presentation currency

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

ii. Foreign currency transactions and balances

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

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

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

c) Joint operations

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

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

d) Property, plant and equipment (PPE)

i. Initial recognition

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

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

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

ii. Subsequent measurement

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

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

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

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

e) Intangible assets

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

f) Investments

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

g) Leases

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

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

Classification of leases

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

Recognition and initial measurement

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

Subsequent measurement

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

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

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

ii. Where the Company is lessor

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net 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.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

h) Financial instruments

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

i. Initial measurement, recognition and derecognition

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

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

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

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

ii. Classification and subsequent measurement of financial assets

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

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

❑ **Debt instruments at amortised cost**

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

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

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

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

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

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

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

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

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

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

- **Equity instruments**

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

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

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

iii. Classification and subsequent measurement of financial liabilities

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

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

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

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

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

- **Financial liabilities measured at amortised cost**

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

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

- **Offsetting of financial instruments**

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

iv. Impairment of financial assets

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

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

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

c) Loan commitments which are not measured as at FVTPL

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

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

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

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

i) Equity shares

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

j) Reserve and surplus

Nature and purpose of reserves;

i. General reserve

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

ii. Securities premium reserve

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

iii. Net gain on fair value of defined benefit plans

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

iv. Employee stock option plan reserves

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

k) Cash and cash equivalents

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

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

l) Income taxes

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

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

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss,

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

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

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

m) Fair value measurement

The Company measures financial instruments at fair value on initial recognition

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

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

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

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

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

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

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

n) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit (CGU) is estimated. If such recoverable amount of the asset or CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Standalone Statement of Profit and Loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Standalone Statement of Profit and Loss. An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.

o) Inventories

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

p) Provisions, contingent liabilities and contingent assets

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

A provision is recognised when:

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

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

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

q) Employee benefits

i. Short-term employee benefits

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

ii. Post-employment benefits

1. **Defined contribution plans:** The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2. **Defined benefit plans:** The liability is accounted for on the basis of actuarial valuation as per Ind AS 19 'Employee Benefits'. Liability recognized in the Standalone Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation.

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

   Actuarial gain / loss pertaining to gratuity, post separation benefits are accounted for as OCI. All remaining components of costs are accounted for in Standalone Statement of Profit and Loss.

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

r) Borrowing costs

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

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

s) Earnings per share

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

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

t) Segment reporting

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

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

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

No asymmetrical allocations have been applied between segments.

u) Share based payments

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

v) Current/non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.
- Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

  The Company is evaluating the requirements of the amendments and their impact on the standalone financial statements.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

(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, 2021	**635.10**	**26.00**	**462.64**	**3,723.40**	**12,671.48**	**126.77**	**1,495.72**	**525.10**	**19,666.21**	136.37	**26,788.01**
Additions	-	-	-	-	-	-	-	-	**-**	926.09	139.71
Disposal/adjustments	-	-	-	-	(11.03)	-	(90.44)	-	**(101.47)**	(82.80)	-
Balance as at March 31, 2022	**635.10**	**26.00**	**462.64**	**3,723.40**	**12,660.45**	**126.77**	**1,405.28**	**525.10**	**19,564.74**	**979.66**	**26,927.72**
Additions	-	-	3.03	-	0.14	-	-	0.51	3.68	28.69	539.24
Disposal/adjustments	(126.92)	-	-	-	-	-	(38.65)	-	(165.57)	(913.46)	-
Balance as at March 31, 2023	**508.18**	**26.00**	**465.67**	**3,723.40**	**12,660.59**	**126.77**	**1,366.63**	**525.61**	**19,402.85**	**94.89**	**27,466.96**
Accumulated depreciation, amortisation and impairment:											
Balance as at April 1, 2021	**-**	**26.00**	**458.87**	**3,440.60**	**9,921.04**	**124.68**	**1,462.65**	**522.34**	**15,956.19**	70.43	**22,413.72**
Depreciation/amortisation	-	-	2.10	5.48	358.25	1.11	5.42	0.87	**373.23**	31.34	-
Impairment (Refer Note 3.1)	-	-	-	-	-	-	-	-	**-**	-	-
Disposal/adjustments	-	-	-	-	(9.76)	-	(74.24)	-	**(84.00)**	(37.60)	-
Balance as at March 31, 2022	**-**	**26.00**	**460.97**	**3,446.08**	**10,269.53**	**125.79**	**1,393.83**	**523.21**	**16,245.42**	**64.17**	**22,413.72**
Depreciation/amortisation	-	-	2.32	5.48	353.12	0.52	4.99	0.91	**367.34**	115.56	-
Impairment (Note 3.1)	-	-	-	-	1,754.00	-	-	-	**1,754.00**	-	4,374.77
Disposal/adjustments	-	-	-	-	-	-	(38.65)	-	**(38.65)**	(118.41)	-
Balance as at March 31, 2023	**-**	**26.00**	**463.29**	**3,451.56**	**12,376.65**	**126.31**	**1,360.17**	**524.12**	**18,328.11**	**61.32**	**26,788.49**
Net carrying amount:											
Balance as at March 31, 2023	**508.18**	**-**	**2.38**	**271.84**	**283.94**	**0.46**	**6.46**	**1.49**	**1,074.74**	**33.57**	**678.47**
Balance as at March 31, 2022	**635.10**	**-**	**1.67**	**277.32**	**2,390.92**	**0.98**	**11.45**	**1.89**	**3,319.32**	**915.49**	**4,514.00**

Note 3.1: Power plant litigation and Impairment

In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Company had filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that "there appears to be force in the submissions and the issue requires scrutiny".

Further during the year ended March 31, 2021, the Company had also challenged the mandate of the arbitrator under section 14 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc amounting to INR 7,234.73 lakhs and interest thereon. The Company has challenged aforementioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has filed police complaint against the same.

Considering the facts explained above, management has decided to fully impair three cogeneration power plants in its books of accounts set up with respective sugar mills on Build, Own, Operate and Transfer (BOOT) basis. Hence, the management has recorded an impairment of INR 35,665.04 lakhs in the present value of the power plant as at March 31, 2023.

Out of the aforementioned impairment as at March 31, 2023 INR 26,788.49 lakhs pertain to two power plants, which were yet to be capitalised and INR 8,876.56 lakhs are for power plant which has already been capitalised.

Note 3.2: Contractual commitments

The Company does not have any outstanding contractual commitments to purchase any items of property, plant and equipment (including capital work in progress).

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

(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, 2023	As at March 31, 2022
Buildings under construction/civil work	190.04	190.04
Plant equipment's under erection	17,927.64	17,388.40
Borrowing costs capitalised		
Interest	5,179.50	5,179.50
Amortisation of ancillary borrowing cost	225.05	225.05
Other expenses (directly attributable to construction/erection of assets)		
Rent	107.24	107.24
Legal and professional charges	406.08	406.08
Employee benefit expense	991.56	991.56
Depreciation	334.80	334.80
Insurance charges	70.80	70.80
Power and fuel	158.67	158.67
Repair and maintenance charges	145.65	145.65
Test run expenses	1,515.94	1,515.94
Other miscellaneous expenses	213.99	213.99
Less:- Impairment (Refer note 3.1)	(26,788.49)	(22,413.72)
Total	**678.47**	**4,514.00**

Capital work-in-progress ageing schedule for the year ended March 31, 2023 is as follows:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	538.76	139.71	-	-	**678.47**
Projects temporarily suspended	-	-	-	-	**-**
Total	**538.76**	**139.71**	**-**	**-**	**678.47**

Capital work-in-progress ageing schedule for the year ended March 31, 2022 is as follows:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	139.71	-	-	-	**139.71**
Projects temporarily suspended	-	-	-	4,374.29	**4,374.29**
Total	**139.71**	**-**	**-**	**4,374.29**	**4,514.00**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 4 : INTANGIBLE ASSETS

	Computer Software	Total
Gross carrying amount:		
Balance as at April 01, 2021	**532.53**	**532.53**
Additions	-	-
Disposal/adjustments	-	-
Balance as at March 31, 2022	**532.53**	**532.53**
Additions	-	-
Disposal/adjustments	-	-
Balance as at March 31, 2023	**532.53**	**532.53**
Amortisation and impairment:		
Balance as at April 01, 2021	**531.65**	**531.65**
Amortisation for the year	0.88	0.88
Disposal/adjustments	-	-
Balance as at March 31, 2022	**532.53**	**532.53**
Amortisation for the year	-	-
Disposal/adjustments	-	-
Balance as at March 31, 2023	**532.53**	**532.53**
Net carrying amount:		
Balance as at March 31, 2023	**-**	**-**
Balance as at March 31, 2022	**-**	**-**

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

	As at March 31, 2023	As at March 31, 2022
***Note 5* : NON-CURRENT INVESTMENTS**		
Carrying amount		
I. Investments in equity instruments		
(i) Subsidiary companies	7,647.80	7,596.11
(ii) Associate companies	14,212.16	14,212.16
	21,859.96	**21,808.27**
II. Investments in preference shares (debt portion)		
(i) Subsidiary company	311.49	311.49
(ii) Associate company	9,024.63	9,024.63
	9,336.12	**9,336.12**
III. Provision for impairment in value of non-current investment		
(i) Subsidiary companies	(6,875.63)	(1,653.39)
(ii) Associate companies	(9,990.41)	(6,154.65)
	(16,866.04)	**(7,808.04)**
Total	**14,330.04**	**23,336.35**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

Note 5.1 Details of investments:

	As at March 31, 2023	As at March 31, 2022
I. Investment in equity instruments [Valued at cost]:		
(i) Subsidiary companies [Unquoted]:		
A. In fully paid-up equity shares :		
3,580,410 (March 31, 2022 : 3,580,410) equity shares of INR 10 each in A2Z Infraservices Limited	6,072.29	6,072.29
125,000 (March 31, 2022 : 125,000) equity shares of INR 10 each in A2Z Powercom Limited	10.00	10.00
30,000 (March 31, 2022 : 30,000) equity shares of INR 10 each in Blackrock Waste Processing Private Limited (Refer note 5.1.2)	3.00	3.00
50,000 (March 31, 2022 : 50,000) equity shares of INR 10 each in Mansi Bijlee & Rice Mills Limited	5.00	5.00
60,000 (March 31, 2022 : 60,000) equity shares of INR 10 each in Magic Genie Services Limited	6.00	6.00
	6,096.29	**6,096.29**
B. Investment in preference shares (equity portion)		
14,958,000 (March 31, 2022 : 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)	215.61	163.92
	215.61	**163.92**
	7,647.80	**7,596.11**
D. Provision for impairment in value of non-current investment		
Magic Genie Services Limited (in equity share)	(6.00)	(6.00)
Mansi Bijlee & Rice Mills Limited (in preference share - equity portion)	(1,335.90)	(1,335.90)
	(1,341.90)	**(1,341.90)**
(ii) Associates companies [Unquoted]:		
A. In fully paid-up equity shares :		
9,693,987 (March 31, 2022 : 9,693,987) equity shares of INR 10 each in Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML')	969.40	969.40
24,000 (March 31, 2022 : 24,000) equity shares of INR 10 each in A2Z Waste Management (Nainital) Private Limited	2.40	2.40
10,000 (March 31, 2022 : 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, 2022 : 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference shares of INR 10 each in Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML')	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 & 5.1.4)	41.75	41.75
	41.75	**41.75**
	14,212.16	**14,212.16**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2023	As at March 31, 2022
D. Provision for impairment in value of non-current investment		
A2Z Waste Management (Nainital) Private Limited	(2.40)	(2.40)
Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML')	(9,987.01)	(6,151.25)
A2Z Waste Management (Jaipur) Limited	(1.00)	(1.00)
	(9,990.41)	**(6,154.65)**
II. Investment in preference shares (Debt portion) [Valued at amortised cost]:		
Subsidiary companies [unquoted]:		
14,958,000 (March 31, 2022 : 14,958,000) fully paid up, 0.01% Non participative cumulative redeemable preference shares of INR 10 each in Mansi Bijlee & Rice Mills Limited	311.49	311.49
Associates companies [unquoted]:		
171,200,000 (March 31, 2022 : 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference shares of INR 10 each in Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML')	9,024.63	9,024.63
	9,336.12	**9,336.12**
Provision for impairment in value of non-current investment		
Mansi Bijlee & Rice Mills Limited (In preference share - debt portion)	(311.49)	(311.49)
Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML')	(5,222.24)	-
	(5,533.73)	**(311.49)**
Total	**31,196.08**	**31,144.39**
Aggregate amount of unquoted investments	31,196.08	31,144.39
Aggregate amount of impairment in value of investments	(16,866.04)	(7,808.04)

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

Note 5.1.2 During the previous year, Company has incorporated a subsidiary with name Blackrock Waste Processing Private Limited on November 3, 2021 and hold 60% shareholding in 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.

Note 5.1.4 This amount pertains to employee stock option granted to employees of the subsidiary companies which were earlier subsidiaries and now have become associates of the company.

Note 5.2: The Company, as at March 31, 2023, has non-current investments (net of impairment) amounting to INR 7,992.84 lakhs (March 31, 2022 : INR 17,050.84 lakhs), other current financial assets (net of impairment) amounting to INR 2,826.46 lakhs (March 31, 2022 : INR 2,878.37 lakhs) and current financial assets-loan amounting to INR 84.67 lakhs (March 31, 2022 : INR 84.67 lakhs) in its associate company Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). During the current year, Company has provided provision of INR 9,058.00 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2023 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 Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.

Note 5.3 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, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
***Note 6* : LOANS**				
(Unsecured considered good, unless otherwise stated)				
Loans to related parties (Refer Note 6.1 and 6.2)				
Subsidiaries				
Considered good	646.78	-	519.80	-
Credit impaired	912.31	-	918.49	-
Less: Provision for impairment	(912.31)	-	(918.49)	-
	646.78	-	519.80	-
Associates (Refer Note 5.2, 6.1 and 6.2)	738.00	-	738.49	-
Total	**1,384.78**	**-**	**1,258.29**	**-**

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, 2023		As at March 31, 2022	
	Amount out-standing**	Maximum amount outstanding during the year	Amount out-standing**	Maximum amount outstanding during the year
Subsidiaries:				
a) Mansi Bijlee & Rice Mills Limited	-	-	-	111.84
b) A2Z Maintenance & Engineering Services Limited and Satya Builder ("AOP")	-	10.00	3.82	19.72
c) A2Z Waste Management (Ludhiana) Limited	641.53	652.07	515.98	772.86
d) A2Z Powercom Limited	5.25	5.25	-	-
	646.78	**667.32**	**519.80**	**904.42**
Associates:				
a) Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML')	84.67	84.67	84.67	494.05
b) A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56	230.56	230.56
c) A2Z Waste Management (Ranchi) Limited	350.00	350.00	350.00	350.00
d) A2Z Waste Management (Varanasi) Limited	72.77	72.77	72.77	72.77
e) A2Z Waste Management (Jaunpur) Limited	-	0.49	0.49	0.49
	738.00	**738.49**	**738.49**	**1,147.87**
Total	**1,384.78**	**1,405.82**	**1,258.29**	**2,052.29**

* All the above loans are repayable on demand

** Net of impairment written off

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

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

	As at March 31, 2023	As at March 31, 2022
Nature of the transactions (loans given/investment made/guarantee given) #		
(A) Loan and advances:		
Subsidiaries:		
a) A2Z Maintenance & Engineering Services Limited and Satya Builder (AOP)	-	3.82
b) A2Z Waste Management (Ludhiana) Limited	641.53	515.98
c) A2Z Powercom Limited	5.25	-
Total	**646.78**	**519.80**
Associates:		
a) Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML')	84.67	84.67
b) A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56
c) A2Z Waste Management (Ranchi) Limited	350.00	350.00
d) A2Z Waste Management (Varanasi) Limited	72.77	72.77
e) A2Z Waste Management (Jaunpur) Limited	-	0.49
Total	**738.00**	**738.49**
(B) Guarantees:*		
Subsidiaries:		
a) A2Z Infraservices Limited	4,400.00	8,969.10
b) A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	-	580.00
	4,400.00	**9,549.10**
Associates:		
a) Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML')	15,715.00	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
	19,295.00	**28,605.00**
(C) Investment in fully paid equity instruments	Refer Note 5	

\# All transactions are in the ordinary course of business.

* Also Refer Note 40(a)

Type of Borrower	**As at March 31, 2023**		**As at March 31, 2022**	
	Amount of loan or advance in the nature of loan outstanding	**Percentage to the total Loans and Advances in the nature of loans**	**Amount of loan or advance in the nature of loan outstanding**	**Percentage to the total Loans and Advances in the nature of loans**
Promoter	-	0.0%	-	0.0%
Directors	-	0.0%	-	0.0%
KMPs	-	0.0%	-	0.0%
Related Parties	1,384.78	100.0%	1,258.29	100.0%
Total	**1,384.78**	**100.0%**	**1,258.29**	**100.0%**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
***Note 7* : OTHER FINANCIAL ASSETS**				
(Unsecured, considered good unless otherwise stated)				
Deferred purchase consideration against sale of investment				
Considered doubtful	-	146.00	-	146.00
Less: Provision for doubtful assets	-	(146.00)	-	(146.00)
	-	**-**	**-**	**-**
Earnest money deposit				
Considered good	-	-	-	-
Considered doubtful	226.88	-	226.88	-
Less: Provision for doubtful deposit	(226.88)	-	(226.88)	-
	-	**-**	**-**	**-**
Other assets				
Considered good	8,594.67	466.27	8,280.87	453.69
Considered doubtful	611.65	99.00	566.28	99.00
Less: Provision for doubtful assets	(611.65)	(99.00)	(566.28)	(99.00)
	8,594.67	**466.27**	**8,280.87**	**453.69**
Contract revenue in excess of billings (Refer Note 7.1)				
Considered good	10,422.34	-	14,109.94	-
Considered doubtful	42.99	-	759.31	-
Less: Provision for doubtful assets	(42.99)	-	(759.31)	-
	10,422.34	**-**	**14,109.94**	**-**
Recoverable from associates (Refer Note 5.2)				
Considered good	3,263.15	-	2,878.37	-
Considered doubtful	877.12	-	877.12	-
Less: Provision for doubtful assets	(877.12)	-	(877.12)	-
	3,263.15	**-**	**2,878.37**	**-**
Security deposits				
Considered good	461.74	145.85	458.18	138.17
Credit impaired	169.48	50.30	169.48	50.30
Less: Provision for impairment	(169.48)	(50.30)	(169.48)	(50.30)
	461.74	**145.85**	**458.18**	**138.17**
Bank deposits with more than 12 months maturity*	-	108.55	-	538.99
Total	**22,741.90**	**720.67**	**25,727.36**	**1,130.85**

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

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2021	Charge to statement of profit and loss	As at March 31, 2022	Charge to statement of profit and loss	As at March 31, 2023
Note 8 **: DEFERRED TAX ASSETS (NET)**					
Deferred tax assets					
Provision for doubtful debts and unbilled receivables	1,375.04	-	1,375.04	1,362.14	12.90
Provision for warranty	287.44	-	287.44	287.44	-
Provision for employee benefits	87.34	-	87.34	87.34	-
Property, plant and equipment	904.15	-	904.15	904.15	-
	2,653.97	**-**	**2,653.97**	**2,641.07**	**12.90**
Total	**2,653.97**	**-**	**2,653.97**	**2,641.07**	**12.90**

Note 9 :

The Company has not recognised deferred tax asset in respect of losses and unabsorbed depreciation of INR 66,394.63 lakhs and INR 11,345.74 lakhs, respectively (March 31, 2022: INR 82,251.58 lakhs and INR 11,468.33 lakhs respectively) as there is no reasonable certainty supported by convincing evidences of their recoverability in the near future. (Refer Note 32.1)

	As at March 31, 2023	As at March 31, 2022
Note 10 **: NON-CURRENT TAX ASSETS (NET)**		
Advance tax (net of provision)	2,469.42	2,773.47
Total	**2,469.42**	**2,773.47**

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Note 11 **: OTHER ASSETS**				
[Unsecured, considered good unless otherwise stated]				
Capital advances				
Considered good	-	0.90	-	40.54
Considered doubtful	-	12.60	-	12.81
Less: Provision for doubtful	-	(12.60)	-	(12.81)
	-	0.90	-	40.54
Other advances				
Considered good	4,730.75	-	2,930.92	-
Considered doubtful	1,382.70	-	1,269.45	-
Less: Provision for doubtful	(1,381.98)	-	(1,269.45)	-
	4,731.47	-	2,930.92	-
Prepaid expenses	0.92	-	1.30	-
Balances with government authorities				
Considered good (Refer note 12)	1,739.35	-	2,496.35	-
Considered doubtful	1,591.98	-	1,591.98	-
Less: Provision for doubtful	(1,591.98)	-	(1,591.98)	-
	1,739.35	-	2,496.35	-
Total	**6,471.74**	**0.90**	**5,428.57**	**40.54**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 12 :

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, 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.

	As at March 31, 2023	As at March 31, 2022
Note 13 : TRADE RECEIVABLES		
Trade receivables - (Unsecured):		
From other than related parties		
Considered good	24,979.29	43,024.85
Credit impaired	19,282.53	20,240.84
	44,261.82	**63,265.69**
From related parties		
Considered good	125.96	125.96
Credit impaired	188.16	188.16
	314.12	**314.12**
Less: Loss allowance (Refer Note 13.2)	(19,470.69)	(20,429.00)
Total	**25,105.25**	**43,150.81**

Note 13.1 : Trade receivables include retention money of INR 28,679.97 lakhs (March 31, 2022 INR 34,961.76 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 movements in the loss allowance is presented below:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at the beginning of the year	20,429.00	7,072.59
Changes in loss allowance:-		
Add: Provided for during the year	782.51	14,719.87
Less: Receivables written off during the year	(1,740.82)	(1,363.46)
Balance as at the end of year	**19,470.69**	**20,429.00**

All trade receivables are short-term. The effect of any difference between the effective interest rate applied and the estimated current market rate is not significant. Allowance for credit losses has been recorded accordingly within other expenses, and is based on the expected credit loss methodology. The doubtful trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 14 : AGEING OF TRADE RECEIVABLES

Ageing of trade receivables at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
- considered good	2,187.05	1,321.34	2,848.21	3,358.79	21,158.14	**30,873.54**
- which have significant increase in credit risk	22.28	58.33	127.43	174.33	8,447.33	**8,829.71**
- credit impaired	-	-	191.15	1,210.42	733.76	**2,135.33**
Disputed trade receivables						
- considered good	-	-	-	-	-	**-**
- which have significant increase in credit risk	-	22.02	3.50	8.66	511.24	**545.42**
- credit impaired	-	-	-	2.67	2,189.28	**2,191.95**
	2,209.33	**1,401.70**	**3,170.30**	**4,754.87**	**33,039.74**	**44,575.94**
Less : Loss allowance						19,470.69
Total						**25,105.25**

Ageing of trade receivables at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
- considered good	3,290.11	3,852.48	4,442.04	2,482.16	22,470.70	**36,537.48**
- which have significant increase in credit risk	23.02	348.24	2,382.40	766.38	8,612.35	**12,132.38**
- credit impaired	-	-	-	508.11	1,975.04	**2,483.14**
Disputed trade receivables						
- considered good	-	-	-	-	-	**-**
- which have significant increase in credit risk	22.34	0.78	8.66	16.20	516.76	**564.73**
- credit impaired	-	-	2.67	9,221.74	2,637.66	**11,862.07**
	3,335.47	**4,201.49**	**6,835.76**	**12,994.58**	**36,212.50**	**63,579.81**
Less : Loss allowance						20,429.00
Total						**43,150.81**

	As at March 31, 2023	As at March 31, 2022
***Note 15* : CASH AND CASH EQUIVALENTS**		
Balances with banks in current account	513.38	207.63
Cash in hand	0.63	0.68
Total	**514.01**	**208.31**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(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, 2021	**24,00,00,000**	**24,000.00**
Changes in equity share capital	-	-
Balance as at March 31, 2022	**24,00,00,000**	**24,000.00**
Changes in equity share capital	-	-
Balance as at March 31, 2023	**24,00,00,000**	**24,000.00**
(ii) Issued, subscribed and fully paid up		
Equity Shares of INR 10 each fully paid up		
Balance as at April 1, 2021	**17,61,19,858**	**17,611.99**
Issue of equity share capital	-	-
Balance as at March 31, 2022	**17,61,19,858**	**17,611.99**
Issue of equity share capital	-	-
Balance as at March 31, 2023	**17,61,19,858**	**17,611.99**

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

	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	17,61,19,858	17,611.99	17,61,19,858	17,611.99
Balance as at the end of the year	**17,61,19,858**	**17,611.99**	**17,61,19,858**	**17,611.99**

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

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

(v) No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2023 and March 31, 2022.

(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, 2023 and March 31, 2022.

(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, 2023		As at March 31, 2022	
	Number of Shares held	Holding	Number of Shares held	Holding
Amit Mittal	2,73,50,601	15.53%	2,73,50,601	15.53%
Mestric Consultants Private Limited	2,22,00,000	12.61%	2,22,00,000	12.61%
	4,95,50,601	**28.13%**	**4,95,50,601**	**28.13%**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

(ix) Shares held by promoters and promoter group at the end of the year:

	As at March 31, 2023		As at March 31, 2022		
	Number of shares held	Holding	Number of shares held	Holding	% change during the year
Equity shares of INR 10 each fully paid up					
Amit Mittal	2,73,50,601	15.53%	2,73,50,601	15.53%	0.00%
Mestric Consultants Private Limited	2,22,00,000	12.61%	2,22,00,000	12.61%	0.00%
Priya Goel	10,382	0.01%	10,382	0.01%	0.00%
	4,95,60,983	**28.14%**	**4,95,60,983**	**28.14%**	**0.00%**

	As at March 31, 2023		As at March 31, 2022	
	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)	1,931.22	300.00	758.13	500.00
Term loans from financial institution (Refer Note 17.3 and 17.5)	3,525.00	-	3,525.00	-
Working capital term loans from banks (Refer Note 17.4 (a) and 17.5)	354.30	-	354.30	-
Funded interest term loans from banks (Refer Note 17.4 (b) and 17.5)	609.25	-	1,128.90	-
	6,419.77	**300.00**	**5,766.33**	**500.00**
Less: Amount disclosed under current borrowings as 'Current maturities of long-term borrowings' (Refer Note 20)	6,419.77	-	5,766.33	-
Total	**-**	**300.00**	**-**	**500.00**

*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:

1) Term loans from banks amounting to INR 169.48 lakhs (March 31, 2022 INR 169.48 lakhs) having interest rate of 10.15% - 10.75% per annum during the year are repayable in 28 quarterly installments, first installment was due in March 2016. The above loan is secured against:
   (i) First charge ranking pari passu on present and future fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.
   (ii) Second charge ranking pari passu on present and future current assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.
   (iii) Second charge ranking pari passu on both present and future current assets, as well as fixed assets of Company other than assets exclusively financed to other lenders.
2) Term loans from banks amounting to INR 1,561.74 lakhs (March 31, 2022 INR 488.65 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:

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

(i) First charge ranking pari passu on both present and future current assets as well as fixed assets of the Company other than assets exclusively charged to other lenders.

(ii) Second charge ranking pari passu on both present and future current assets of the power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

3) Term loans from bank amounting to INR 500.00 lakhs (March 31, 2022 INR 600.00 lakhs), pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of facilities taken from bank. For DBS, it is repayable in 3 installments and the first installment was due in March 2023. (Refer Note: 43.1).

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

i) Equity shares of A2Z Infraservices Limited ("subsidiary company").

Note 17.3: Term loans from financial institution:

The loan amounting to INR 3,525.00 lakhs (March 31, 2022 INR 3,525.00 lakhs) is secured against first pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited.

The above loan is secured against

(i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

(ii) Second pari-passu charge on fixed assets and current assets on EPC business.

Pursuant to a One Time Settlement (OTS) agreement entered with the bank, the loan has been settled during financial year 2018-19. 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, 2022 INR 354.30 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly installments. First installment was due in March 2015.

The above loan is secured against:

(i) First pari passu charge on both present and future fixed assets as well as current assets of the Company or Borrower other than assets exclusively charged to other lenders.

(ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

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

Funded interest term loans from bank amounting to INR 298.01 lakhs (March 31, 2022 INR 817.66 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.

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, 2022 INR 311.24 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in single installment, which was due in March 2021.

The above loan is secured against:

(i) First charge pari passu on both present and future current asset as well as fixed assets of the EPC business other than assets exclusively charged to lenders.

(ii) Second charge pari passu on both current assets and fixed assets of the 3 biomass power plant projects situated at Fazlika, Nakodar and Morinda in the state of Punjab.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

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, 2023	As at March 31, 2022
Banks:		
- Principal		
0-3 Months	6.05	48.72
3-6 Months	-	1.88
6-12 Months	58.98	1,921.52
> 12 Months	2,176.39	1,420.39
- Interest		
0-3 Months	46.08	67.35
3-6 Months	20.91	38.43
6-12 Months	162.02	128.63
> 12 Months	187.45	474.74

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Note 18 **: LEASE LIABILITY**				
Lease liability (Refer Note 42)	14.48	19.63	59.96	827.90
	14.48	**19.63**	**59.96**	**827.90**

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Note 19 **: PROVISIONS**				
Provision for employee benefits				
Provision for gratuity (Refer Note 19.ii)	0.50	11.55	9.46	42.58
Provision for compensated absences	-	-	1.97	-
Others				
Provision for warranty (Refer Note 19.i)	31.74	2,991.65	62.03	3,741.73
Total	**32.24**	**3,003.20**	**73.46**	**3,784.31**

Movements in provisions:	As at March 31, 2023	As at March 31, 2022
	Amount	Amount
i) Movement in provision for warranty during the financial year are as follows:		
Balance as at beginning of the year	**3,803.76**	**1,914.95**
Charged/ (credited) to profit or loss		
Additional provision recognised	273.49	866.66
Unused amount reversed	-	-
Unwinding of the discounting	51.65	51.84
Amount added / reversed during the year	(1,105.51)	970.30
Balance as at end of the year	**3,023.39**	**3,803.76**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

A provision is recognised for expected warranty claims, based on past experience, for expected cost of meeting obligations of rectification/replacement. It is expected that most of these costs will be incurred in the next 1 year and all would have been incurred within 2 years after the reporting date. The Company accounts for the provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates / trends. These estimates are established using historical information on the nature and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

ii) Defined benefit plan and long term employment benefit

A General description:

Gratuity [Defined benefit plan]:

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company (Kotak Life Insurance) in the form of a qualifying insurance policy.

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

Assets and liability (Balance sheet position)

	As at March 31, 2023	As at March 31, 2022
Present value of obligation	(13.45)	(53.47)
Fair value of plan assets	1.40	1.43
Net liability	**(12.05)**	**(52.04)**

Expenses recognised during the year

	For the year ended March 31, 2023	For the year ended March 31, 2022
In statement of profit and loss	5.07	9.21
In other comprehensive income	7.21	7.77
Total expenses recognized during the year	**12.28**	**16.98**

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, 2023	For the year ended March 31, 2022
Present value of obligation as at the beginning	**53.47**	**71.55**
Current service cost	1.56	4.73
Interest expense	3.61	4.58
Re-measurement or actuarial (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(0.44)	(1.14)
- experience adjustments	7.52	8.80
Benefits paid	(52.27)	(35.05)
Present value of obligation as at the year end	**13.45**	**53.47**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

Bifurcation of net liability

	As at March 31, 2023	As at March 31, 2022
Current liability (short term)	0.50	9.46
Non-current liability (long term)	11.55	42.58
Net liability	**12.05**	**52.04**

Plan assets

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

Changes in the fair value of plan assets

	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the beginning	**1.43**	**1.58**
Interest income	0.10	0.10
Employer's contribution	19.67	15.39
Benefits paid	(19.67)	(15.53)
Return on plan assets (excluding amount recognised as interest income)	(0.13)	(0.11)
Fair value of plan assets as at the year end	**1.40**	**1.43**

Expenses recognised in the profit and loss statement

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	1.56	4.73
Net interest cost	3.51	4.48
Expenses recognised in the profit and loss statement	**5.07**	**9.21**

Other comprehensive income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gains) / losses		
- change in financial assumptions	(0.44)	(1.14)
- experience variance (i.e. Actual experience vs assumptions)	7.52	8.80
Return on plan assets (excluding amount recognised as interest income)	0.13	0.11
Components of defined benefit costs recognised in other comprehensive income	**7.21**	**7.77**

Financial assumptions

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

	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.30%	6.75%
Salary growth rate (per annum)	5.00%	5.00%

Demographic assumptions

	As at March 31, 2023	As at March 31, 2022
Mortality Rate (% of IALM 12-14)	100.00%	100.00%
Normal Retirement age	60 Years	60 Years
Withdrawal Rate	10.00%	10.00%

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

(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 has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The result of sensitivity analysis is given below:

	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation (Base)	13.46	53.47

	As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	14.27	12.72	56.85	50.45
(% change compared to base due to sensitivity)	6.10%	-5.50%	6.30%	(5.7)%
Salary Growth Rate (- / + 1%)	13.29	13.60	50.84	56.18
(% change compared to base due to sensitivity)	-1.20%	1.00%	(4.9)%	5.10%
Attrition Rate (- / + 50%)	11.94	14.49	50.52	55.35
(% change compared to base due to sensitivity)	-11.30%	7.60%	(5.5)%	3.50%
Mortality Rate (- / + 10%)	13.44	13.47	53.45	53.50
(% change compared to base due to sensitivity)	-0.10%	0.10%	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 from the prior period.

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

	As at March 31, 2023	As at March 31, 2022
Within the next 12 months [next annual reporting period]	1.90	10.89
Between 2 and 5 years	7.12	23.41
Between 6 and 10 years	5.46	20.86
Beyond 10 years	7.40	30.95
Total expected payments	**21.87**	**86.11**

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2022: 6 years)

	As at March 31, 2023	As at March 31, 2022
Note 20* : CURRENT BORROWINGS		
Carried at amortised cost		
From banks (secured) (Refer Note 20.1 and 20.2)		
Working capital loans	881.21	1,340.50
Cash credit facilities	18,597.40	24,231.41
Current maturities of long term debt (Refer Note 17, 22.1 & 20.2)	6,419.76	5,766.32
Total	**25,898.37**	**31,338.23**

*Refer Note 22.1 and 22.2

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

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

a) The working capital loans of INR 881.21 lakhs (March 31, 2022 INR 1,340.50 lakhs) and Cash credit facilities of INR 18,597.40 lakhs (March 31, 2022 INR 24,231.41 lakhs) from banks are secured against whole of the assets (both current as well as fixed) of the Company, namely stock of raw material, stock in process, semi-finished and finished goods, stores and spares (consumable stores and spares), bills receivables and book debts and all other movables and fixed assets (except fixed assets exclusively financed by other lenders) both present and future stored or to be stored at the Company's godown, premises and division at O-116, First Floor Shopping mall, Arjun Marg, DLF City Phase - I, Gurugram or wherever else the same may be by way of first pari - passu charge amongst the consortium members. The charge is also additionally secured by first charge over immovable properties i.e.

   I) Plot No. G-1030 A having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Balaji Pottery Private Limited;

   II) Plot No. G-1030 having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Hari Om Utensils Private Limited;

   III) Office space on 7th Floor of a B+G+7 storied commercial building on east side of LA-VIDA Mall at CK-3,4, 48, 49 Salt Lake City, Sector-II, Kolkata

   IV) Mortgage of following properties :

      (a) Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab;

      (b) Land measuring about 5.309 Hectare situated at village Palsora, District Indore;

      (c) Land with Boundary wall, Khasra No. 70, Vill Sherpur Madho urf Ghania Khera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 1.465 Hectare or 3.62 acre;

   V) Additionally, the following properties in the name of personal guarantor's has also been secured by way of first charge:

      (a) Flat, 401, Block A-3, Unitech Apartment, Unitech World, Gurgaon

      (b) Flat, A-126, Type Chancellor on 12th Floor in Regency Park I along with PA-114, DLF City Gurgaon

      (c) Flat, 1706 located at valley view Apartments, Gurgaon

      (d) Flat, 1606 located at valley view Apartments, Gurgaon

      (e) O-116, Shopping Mall, DLF Phase -1, Arjun Marg, Gurgaon

   Further secured by Corporate Guarantees of Shree Hariom Utensils Private Limited and Balaji Pottery Private Limited. The rate of interest vary from 10.15% - 13.25% per annum and these loans are repayable on demand.

b) Second charge on pari-passu basis over all rights, titles, interest, benefits, claims and demands in respect of projects and insurance contracts and over all movable and immoveable properties, accounts, plant and machinery, all other tangible moveable assets both present and future, project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature in respect of project.

Note 20.2: The Company has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

	As at March 31, 2023	As at March 31, 2022
Banks:		
- Principal		
0-3 Months	-	-
3-6 Months	-	-
6-12 Months	-	-
> 12 Months	8,362.33	8,679.56
- Interest		
0-3 Months	625.97	748.68
3-6 Months	399.40	462.92
6-12 Months	1,353.34	1,674.50
> 12 Months	4,505.80	4,462.21

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

	As at March 31, 2023	As at March 31, 2022
Financial institutions:		
- Principal		
0-3 Months	1,000.00	150.00
3-6 Months	100.00	100.00
6-12 Months	1,450.00	725.00
> 12 Months	975.00	-
- Interest		
0-3 Months	140.71	4.93
3-6 Months	81.88	19.18
6-12 Months	152.10	100.37
> 12 Months	124.48	-

	As at March 31, 2023	As at March 31, 2022
***Note 21* : TRADE PAYABLES**		
Total outstanding dues of micro enterprises and small enterprises (Refer note 21.1)	11.32	17.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	27,595.85	45,734.31
Total	**27,607.17**	**45,752.24**

Note 21.1 *Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) ("MSMD Act, 2006"):

The micro and small enterprises have been identified by the Company from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:

	As at March 31, 2023	As at March 31, 2022
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	6.90	12.11
- interest amount	1.35	2.12
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	4.42	5.82
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 23 enterprise for the purpose of disallowance as a deductible expenditure under section 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, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 21.2 Ageing of trade payables

Ageing of trade payables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	4.42	-	6.90	**11.32**
(ii) Others	21,075.94	1,885.58	1,406.36	206.51	2,992.46	**27,566.85**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	29.00	**29.00**
Total	**21,075.94**	**1,885.58**	**1,410.78**	**206.51**	**3,028.36**	**27,607.17**

Ageing of trade payables as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	5.82	-	8.71	2.00	**16.53**
(ii) Others	28,385.50	2,288.57	1,563.84	10,471.27	2,522.32	**45,231.51**
(iii) Disputed dues – MSME	-	-	-	1.40	-	**1.40**
(iv) Disputed dues - Others	-	-	-	67.25	435.55	**502.80**
Total	**28,385.50**	**2,294.39**	**1,563.84**	**10,548.64**	**2,959.87**	**45,752.24**

	As at March 31, 2023	As at March 31, 2022
Note 22 **: OTHER CURRENT FINANCIAL LIABILITIES**		
Interest accrued (Refer Note 22.1)	3,404.38	2,794.14
Book overdrafts	-	0.33
Security deposits received	2,894.49	2,898.09
Payable against purchase of property, plant and equipment	23.75	26.05
Total	**6,322.62**	**5,718.61**

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 3,374.33 lakhs and INR 4,276.44 lakhs for the year ended March 31, 2023 and as at March 31, 2023 respectively (INR 3,598.81 lakhs for the year ended March 31, 2022). 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 June 30, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred instalments. As at March 31, 2023, the Company has delayed payments in respect of the certain deferred instalments amounting INR 5,178.00 lakhs (March 31, 2022 : INR 5,178 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, basis the agreed terms/discussions, management believes that no additional liability shall devolve on the Company in addition to the carrying value of such liability as at March 31, 2023. 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.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2023	As at March 31, 2022
Note 23 : OTHER CURRENT LIABILITIES		
Advance purchase consideration against sale of property, plant and equipment	-	70.50
Advances from customers	1,169.93	3,995.50
Billing in excess of contract revenue	3,273.63	3,870.10
Other payables	771.67	671.93
Statutory dues payable (Refer Note 12)	5,468.83	7,083.99
Total	**10,684.06**	**15,692.02**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 24 : REVENUE FROM OPERATIONS*		
Operating revenues:		
Sale/rendering of services		
Revenue from engineering services	6,940.80	13,531.44
Other operating revenues:		
Sale of traded goods	17.85	69.56
Total	**6,958.65**	**13,601.00**

* Refer Note- 41

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 25 : OTHER INCOME		
Interest income		
on fixed deposits	9.01	42.20
on loan given to subsidiaries/associate	-	337.18
on others	2.85	68.47
Other non-operating income		
Rental income	28.72	3.60
Liabilities written back	2,920.91	486.77
Foreign exchange fluctuation(net)	11.08	34.64
Miscellaneous	95.97	63.14
Total	**3,068.54**	**1,036.00**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 26 : COST OF MATERIALS CONSUMED		
Purchases during the year	550.08	3,015.54
Freight and cartage	53.00	63.14
Sub contractor / erection expenses and technical consultancy for projects	4,240.84	7,693.16
Labour charges	170.56	257.79
Site expenditure	104.51	21.34
Other direct cost	38.91	63.62
Total	**5,157.90**	**11,114.59**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 27 **: EMPLOYEE BENEFITS EXPENSE**		
Salaries and bonus including directors' remuneration	236.40	196.94
Contribution to provident and other funds (Refer Note 27.1)	5.66	4.43
Gratuity (Refer Note 19 ii)	5.07	9.21
Compensated absences benefits	(1.97)	(0.26)
Share-based payments (Refer Note 27.2)	55.68	20.93
Staff welfare expenses	11.01	11.22
Total	**311.85**	**242.47**

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees, as specified under the law. The contributions are paid to the Provident Fund Trust set up by the Company or to the respective Regional Provident Fund Commissioner under the Pension Scheme. The Company is generally liable for annual contribution and any shortfall in the trust fund assets based on the government specified minimum rate of return and recognises such contribution and shortfall, if any, as an expense in the year it is incurred.

Note 27.1 Defined contribution plan

The Company has certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basis salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation the expense recognised during the year towards the defined contribution plan is INR 5.66 Lakhs (March 31, 2022 INR 4.43 Lakhs).

Note 27.2 Share-based employee remuneration

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

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

(b) A2Z Employees Stock Option Plan, 2014

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

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

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

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

The members of the Company vide special resolution at the Annual General Meeting held on September 29, 2018 had approved the A2Z Employees Stock Option Plan, 2018. The ESOP Compensation Committee in its meeting held on October 24, 2018 has granted 3,800,000 stock options convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/Directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each . The entire granted

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

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

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

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

The Nomination and remuneration Committee in its meeting held on January 3, 2022 has regranted 1,098,000 number of stock options (105,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 993,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

(g) A2Z Employees Stock Option Plan, 2018 (Regrant I)

The Nomination and remuneration Committee in its meeting held on January 3, 2022 has regranted 3,50,000 number of stock options against stock options lapses under A2Z Employee Stock Options Plan, 2018 convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

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

The Nomination and remuneration Committee in its meeting held on February 14, 2023 has regranted 1,735,000 number of stock options (367,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 1,368,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

(i) A2Z Employees Stock Option Plan, 2018 (Regrant II)

The Nomination and remuneration Committee in its meeting held on February 14, 2023 has regranted 7,55,000 number of stock options against stock options lapses under A2Z Employee Stock Options Plan, 2018 convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

	ESOP 2013-II Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2014 Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013 & 2014 (Regrant I) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018-I Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018-II Plan (Number of shares)
Outstanding as at April 1, 2021	**2,67,500**	**19.95**	**14,35,000**	**15.50**	**10,15,000**	**36.90**	**35,00,000**	**10.00**	**12,00,000**
Granted	-	-	-	-	-	-	-	-	-
Lapsed/forfeited	5,500	19.95	-	-	40,000	36.90	50,000	10.00	-
Exercised	-	-	-	-	-	-	-	-	-
Outstanding as at March 31, 2022	**2,62,000**	**19.95**	**14,35,000**	**15.50**	**9,75,000**	**36.90**	**34,50,000**	**10.00**	**12,00,000**
Granted	-	-	-	-	-	-	-	-	-
Lapsed/forfeited	2,62,000	19.95	6,95,000	15.50	1,55,000	36.90	6,00,000	10.00	-
Exercised	-	-	-	-	-	-	-	-	-
Outstanding as at March 31, 2023	**-**	**-**	**7,40,000**	**15.50**	**8,20,000**	**36.90**	**28,50,000**	**10.00**	**12,00,000**
Exercisable at March 31, 2022	2,62,000	19.95	14,35,000	15.50	9,75,000	36.90	34,50,000	10.00	12,00,000
Exercisable at March 31, 2023	-	-	7,40,000	15.50	8,20,000	36.90	28,50,000	10.00	12,00,000

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

	Programme weighted average exercise price per share	ESOP 2013 & 2014 (Regrant II) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018 (Regrant I) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013 & 2014 (Regrant III) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018 (Regrant II) Plan (Number of shares)	Programme weighted average exercise price per share
Outstanding as at April 1, 2021	**10.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Granted	-	10,98,000	10.00	3,50,000	10.00	-	-	-	-
Lapsed/forfeited	-	63,000	10.00	1,30,000	10.00	-	-	-	-
Exercised	-	-	-	-	-	-	-	-	-
Outstanding as at March 31, 2022	**10.00**	**10,35,000**	**10.00**	**2,20,000**	**10.00**	**-**	**-**	**-**	**-**
Granted	-	-	-	-	-	17,35,000	10.00	7,55,000	10.00
Lapsed/forfeited	-	65,000	10.00	30,000	10.00	-	-	-	
Exercised	-	-	-	-	-	-	-	-	-
Outstanding as at March 31, 2023	**10.00**	**9,70,000**	**10.00**	**1,90,000**	**10.00**	**17,35,000**	**10.00**	**7,55,000**	**10.00**
Exercisable at March 31, 2022	10.00	10,35,000	10.00	2,20,000	10.00	-	-	-	-
Exercisable at March 31, 2023	10.00	9,70,000	10.00	1,90,000	10.00	17,35,000	10.00	7,55,000	10.00

The following table lists the inputs to the models used for the ESOP plans as at March 31, 2023:

	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant I) Plan	ESOP 2018-I Plan	ESOP 2018-II Plan	ESOP 2013 & 2014 (Regrant II) Plan	ESOP 2018 (Regrant I) Plan	ESOP 2013 & 2014 (Regrant III) Plan	ESOP 2018 (Regrant II) Plan
Grant date	July 3, 2014	July 6, 2015	August 17, 2017	October 24, 2018	April 8, 2019	January 3, 2022	February 14, 2023	February 14, 2023	February 14, 2023
Vesting period ends	July 2, 2017	July 5, 2018	August 16, 2020	October 23, 2021	April 7, 2021	January 2, 2025	February 13, 2025	February 13, 2025	February 13, 2025
Share price at date of grant	INR 14.52	INR 10.48	INR 39.40	INR 10.40	INR 18.75	INR 9.95	INR 9.95	INR 8.45	INR 8.45
Volatility	67.05%	65.50%	50.14%	61.62%	58.73%	58.74%	58.74%	50.14%	50.14%
Option life	8 years	8 years	8 years	8 years	7 years	8 years	8 years	7 years	7 years
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free investment rate	8.64%	8.19%	6.74%	7.38%	6.67%	5.20%	5.20%	6.96%	6.96%
Fair value at grant date	INR 14.52	INR 11.15	INR 24.81	INR 6.09	INR 12.81	INR 5.11	INR 5.11	INR 3.67	INR 3.67
Exercise price at date of grant	INR 19.95	INR 15.50	INR 36.90	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00
Exercisable from	July 3, 2017	July 6, 2018	August 17, 2020	October 24, 2021	April 8, 2021	January 3, 2025	February 14, 2025	February 14, 2025	February 14, 2025
Exercisable till	July 2, 2022	July 5, 2023	August 16, 2025	October 23, 2026	April 7, 2026	January 2, 2030	February 13, 2030	February 13, 2030	February 13, 2030
Weighted average remaining contractual life (In years)	-	0.26	1.48	2.66	2.52	5.86	5.86	6.38	6.38
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

The following table lists the inputs to the models used for the ESOP plans as at March 31, 2022:

	ESOP 2010 Plan	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant I) Plan	ESOP 2018-I Plan	ESOP 2018-II Plan	ESOP 2013 & 2014 (Regrant II) Plan	ESOP 2018 (Regrant I) Plan
Grant date	June 2, 2010	July 3, 2014	July 6, 2015	August 17, 2017	October 24, 2018	April 8, 2019	January 3, 2022	January 3, 2022
Vesting period ends	June 1, 2015	July 2, 2017	July 5, 2018	August 16, 2020	October 23, 2021	April 7, 2021	January 2, 2025	January 2, 2025
Share price at date of grant	INR 221.75	INR 14.52	INR 10.48	INR 39.40	INR 10.40	INR 18.75	INR 9.95	INR 9.95
Volatility	34.93%	67.05%	65.50%	50.14%	61.62%	58.73%	58.74%	58.74%
Option life	10 years	8 years	8 years	8 years	8 years	7 years	8 years	8 years
Dividend yield	2.25%	0%	0%	0%	0%	0%	0%	0%
Risk-free investment rate	7.45%	8.64%	8.19%	6.74%	7.38%	6.67%	5.20%	5.20%
Fair value at grant date	INR 58.23	INR 14.52	INR 11.15	INR 24.81	INR 6.09	INR 12.81	INR 5.11	INR 5.11
Exercise price at date of grant	INR 314.13	INR 19.95	INR 15.50	INR 36.90	INR 10.00	INR 10.00	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	January 3, 2025	January 3, 2025
Exercisable till	June 1, 2020	July 2, 2022	July 5, 2023	August 16, 2025	October 23, 2026	April 7, 2026	January 2, 2030	January 2, 2030
Weighted average remaining contractual life (In years)	-	0.26	0.87	2.48	3.66	3.52	6.86	6.86
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 28 **: FINANCE COSTS**		
Interest expense (Refer Note 22.1)[*]	638.80	1,909.67
Other borrowing costs		
Bank commission and other charges	61.97	115.06
Total	**700.77**	**2,024.73**
[*] The break up of interest expense into major heads is given below:		
On term loans	102.67	156.47
On other bank loans	192.63	1,336.20
On others	343.51	417.00
Total	**638.80**	**1,909.67**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 29 **: DEPRECIATION AND AMORTISATION EXPENSES**		
Depreciation of property, plant and equipment (Refer Note 3)	367.34	373.23
Amortisation of intangible assets (Refer Note 4)	-	-
Depreciation on Right to use asset (Refer Note 3)	115.56	31.34
Total	**482.90**	**404.57**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 30 **: OTHER EXPENSES**		
Electricity	31.13	12.52
Rent (Refer Note 42)	45.12	23.63
Rates and taxes#	1,277.86	154.26
Insurance	3.23	8.25
Repair and maintenance - Others	11.70	3.55
Traveling expenses	101.97	68.83
Communication expenses	4.51	6.67
Printing and stationery	5.29	4.73
Legal and professional fees	393.37	612.05
Director sitting fees	15.00	15.25
Payment to auditors (Refer Note 30.1)	20.62	41.93
Loss on disposal of property, plant and equipment	4.74	942.15
Provision for contract revenue in excess of billing	1,328.78	162.64
Provision for bad and doubtful debts	782.51	14,719.87
Provision for bad and doubtful loans, advances and other receivables	230.65	368.57
Fees and subscription / inspection charges	0.34	8.14
Business promotion	9.48	12.27
Commission & Brokerage	9.10	-
Warranty expense (Refer Note 19.i)	273.49	866.66
Account written off	-	78.80
Miscellaneous expenses	24.83	28.95
Total	**4,573.72**	**18,139.72**

Note 30.1 : Details of payment to auditors*

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor		
Statutory audit fee	6.00	6.00
Limited review fee	9.00	18.50
Certification fee	1.45	3.25
Other matters**	4.17	9.65
Reimbursement of expenses	-	4.53
Total	**20.62**	**41.93**

* Excluding Goods and Service Tax, as applicable.

** Including INR 4.17 lakhs as audit fee of branch auditor (March 31, 2022 INR 4.65 lakhs)

Includes INR 1,250.00 lakhs on account of goods & service tax expenses

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 31:

The Company has incurred a net loss after tax of INR 9,154.14 lakhs for the year ended March 31, 2023 (March 31, 2022 INR 17,223.73 lakhs) and has accumulated losses amounting INR 1,06,842.29 lakhs as at March 31, 2023 (March 31, 2022 INR 97,940.73 lakhs). At present, company is facing acute liquidity issues on account of delayed realization of trade receivables from the clients. Also, one of the bank has earlier filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to INR 10,046.64 lakhs and interest theron and at present the said matteris held in abeyance as the company has entered into an one time settlement with the said bank on deferred payment basis. Further, three parties have also filed applications with the National Company Law Tribunal (NCLT) for recovery of their dues amounting to INR 763.53 lakhs. The said outstandings are disputed in nature, and Company is pursuing the same before the NCLT hence at present said matters are sub-judice. Further, during the year ended March 31, 2020, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Company amounting to 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 22.1 and 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 in future. 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 debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the standalone financial statements and accordingly, these have been prepared on a going concern basis.

	For the year ended March 31, 2023	For the year ended March 31, 2022
***Note 32* : TAX EXPENSE**		
Current tax		
Current tax expense *	0.54	6.51
	0.54	**6.51**
Deferred tax		
Deferred tax expenses (Refer Note 8)	2,641.07	-
Tax expense	**2,641.61**	**6.51**

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss before tax	(6,512.53)	(17,217.22)
Corporate tax rate as per income tax act, 1961	25.17%	25.17%
Tax on accounting profit	**(1,639.20)**	**(4,333.57)**
i) Tax effect on non deductible expenses/non taxable income	(693.09)	(2,682.86)
ii) Tax effect on temporary timing differences on which deferred tax not created	459.42	4,625.76
iii) Tax effect on losses of current year on which no deferred tax is created	1,860.09	2,392.08
iv) Tax effect on temporary timing differences on which deferred tax was created, now reversed during the year	2,653.97	-
v) Effect of change in tax rates	0.41	5.10
Tax expense	**2,641.61**	**6.51**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

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

	As at March 31, 2023			As at March 31, 2022		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Tax losses						
Assessment Year 2014-15	-	-	March 31, 2023	13,971.29	3,516.57	March 31, 2023
Assessment Year 2015-16	15,307.92	3,853.00	March 31, 2024	15,307.92	3,853.00	March 31, 2024
Assessment Year 2017-18	11,147.83	2,805.91	March 31, 2026	11,147.83	2,805.91	March 31, 2026
Assessment Year 2018-19	3,352.60	843.85	March 31, 2027	3,352.60	843.85	March 31, 2027
Assessment Year 2019-20	21,852.36	5,500.24	March 31, 2028	21,852.36	5,500.24	March 31, 2028
Assessment Year 2020-21	5,846.44	1,471.55	March 31, 2029	5,846.44	1,471.55	March 31, 2029
Assessment Year 2021-22	2,228.83	561.00	March 31, 2030	2,228.83	561.00	March 31, 2030
Assessment Year 2022-23	-	-	March 31, 2031	8,544.31	2,150.60	March 31, 2031
Assessment Year 2023-24	6,658.65	1,675.98	March 31, 2032			
Total	**66,394.63**	**16,711.53**		**82,251.58**	**20,702.72**	

b) Detail of unrecognised deductible temporary differences and unabsorbed depreciation for which no deferred tax asset is recognised in standalone financial statements:

	As at March 31, 2023			As at March 31, 2022		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	11,345.74	2,855.72	Not applicable	11,468.33	2,886.58	Not applicable
Provision for doubtful advances	21,303.06	5,361.98	Not applicable	12,086.84	3,042.26	Not applicable
Impairment loss	26,788.49	6,742.66	Not applicable	22,413.72	5,641.53	Not applicable
	59,437.29	**14,960.36**		**45,968.89**	**11,570.37**	

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, 2023 or March 31, 2022.

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, 2023	As at March 31, 2022
Weighted average number of shares used in basic earnings per share	17,61,19,858	17,61,19,858
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	**17,61,19,858**	**17,61,19,858**

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

(Loss)/Profit attributable to shareholders	INR in Lakhs	(9,154.14)	(17,223.73)
Weighted average number of equity shares outstanding during the year	Numbers	17,61,19,858	17,61,19,858
Nominal value of equity share	INR	10.00	10.00
Basic EPS	INR	(5.20)	(9.78)
Diluted EPS	INR	(5.20)	(9.78)

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

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

A) Interest in subsidiaries

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

S. No.	Name	Principal place of business	Proportion of ownership interest as at March 31, 2023	Proportion of ownership interest as at March 31, 2022
I	**Subsidiary companies**			
1	A2Z Infraservices Limited	India	93.83%	93.83%
2	A2Z Powercom Limited	India	100.00%	100.00%
3	Mansi Bijlee & Rice Mills Limited	India	100.00%	100.00%
4	Magic Genie Services Limited	India	75.00%	75.00%
5	Blackrock Waste Processing Private Limited (w.e.f. 03.11.2021) (Refer note 34.5)	India	60.00%	60.00%
6	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	India	60.00%	60.00%
II	**Step down subsidiaries**			
A	**Subsidiaries of A2Z Infraservices Limited**			
1	Ecogreen Envirotech Solutions Limited (Refer note 34.4)	India	49.00%	49.00%
2	A2Z Infraservices (Lanka) Private Limited (till 24.04.2022) (Refer Note 34.2)	Sri Lanka	0.00%	51.00%
3	A2Z Waste Management (Aligarh) Limited	India	80.00%	80.00%
4	A2Z Waste Management (Ludhiana) Limited	India	70.00%	70.00%
5	Vsapients Techno Services Private Limited (w.e.f. 21.02.2023) (Refer Note 34.6)	India	100.00%	0.00%
6	Vswach Enviroment (Aligarh) Private Limited (w.e.f. 09.12.2022) (Refer Note 34.7)	India	100.00%	0.00%
B	**Subsidiary of A2Z Waste Management (Ludhiana) Limited**			
1	Magic Genie Smartech Solutions Limited	India	100.00%	100.00%
2	Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)	India	100.00%	100.00%

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

B) Associates

The Company's interest and share in Associate Companies

S. No.	Name	Principal place of business	Proportion of ownership interest as at March 31, 2023	Proportion of ownership interest as at March 31, 2022
I	**Associate Companies**			
1	Greeneffect Waste Management Limited	India	42.61%	42.61%
2	A2Z Waste Management (Nainital) Private Limited (Refer Note 34.1)	India	48.00%	48.00%
3	A2Z Waste Management (Jaipur) Limited (Refer Note 34.3)	India	20.00%	20.00%
II	**Subsidiaries of Greeneffect Waste Management Limited**			
1	A2Z Waste Management (Moradabad) Limited	India	80.00%	80.00%
2	A2Z Waste Management (Merrut) Limited	India	80.00%	80.00%
3	A2Z Waste Management (Varanasi) Limited	India	80.00%	80.00%
4	A2Z Waste Management (Jaunpur) Limited	India	100.00%	100.00%
5	A2Z Waste Management (Badaun) Limited	India	100.00%	100.00%
6	A2Z Waste Management (Sambhal) Limited	India	100.00%	100.00%
7	A2Z Waste Management (Mirzapur) Limited	India	100.00%	100.00%
8	A2Z Waste Management (Balia) Limited	India	100.00%	100.00%
9	A2Z Waste Management (Fatehpur) Limited	India	100.00%	100.00%
10	A2Z Waste Management (Ranchi) Limited	India	100.00%	100.00%
11	A2Z Waste Management (Dhanbad) Private Limited	India	100.00%	100.00%
12	Shree Balaji Pottery Private Limited	India	100.00%	100.00%
13	Shree Hari Om Utensils Private Limited	India	100.00%	100.00%
14	A2Z Waste Management (Jaipur) Limited (Refer Note 34.3)	India	80.00%	80.00%
15	A2Z Waste Management (Ahmedabad) Limited	India	100.00%	100.00%
16	Earth Environment Management Services Private Limited	India	100.00%	100.00%
III	**Associate of Greeneffect Waste Management Limited**			
1	A2Z Waste Management (Ludhiana) Limited	India	30.00%	30.00%
2	A2Z Waste Management (Nainital) Private Limited (Refer Note 34.1)	India	26.00%	26.00%
IV	**Associate of A2Z Waste Management (Ludhiana) Limited**			
1	Ecogreen Envirotech Solutions Limited (Refer note 34.4)	India	51.00%	51.00%

Note 34.1: The Company directly holds 48% (March 31, 2022 : 48%) of the share capital and 26% (March 31, 2022 : 26%) indirectly through its associate, Greeneffect Waste Management Limited.

Note 34.2: A2Z Infraservices Limited was initial shareholder by virtue of shares subscription arrangement with A2Z Infraservices (Lanka) Private Limited and had committed to make investment in the company. During the current year, on April 24, 2022, A2Z Infraservices Limited has transferred its entire shareholding in A2Z Infraservices (Lanka) Private Limited.

Note 34.3: The Company directly holds 20% (March 31, 2022 20%) of the share capital and 80% (March 31, 2022 80%) indirectly through its associate, Greeneffect Waste Management Limited.

Note 34.4: Ecogreen Envirotech Solution Limited is direct subsidiary of A2Z Infraservices Limited as A2Z Infraservices Limited holds 49% shareholding in the Ecogreen Envirotech Solutions Limited along with management control and remaining 51% shares are held by A2Z Waste Management (Ludhiana) Limited.

Note 34.5: During the previous year, Company has incorporated a subsidiary with name Blackrock Waste Processing Private Limited on November 3. 2021 and hold 60% shareholding in the Company.

Note 34.6: During the current year, A2Z Infraservices Limited has incorporated a subsidiary with name Vsapients Techno Services Private Limited on February 21, 2023 and hold 100% shareholding in the Company.

Note 34.7: During the current year, A2Z Infraservices Limited has incorporated a subsidiary with name Vswach Enviroment (Aligarh) Private Limited on December 9, 2022 and hold 100% shareholding in the Company.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

C) Interest in joint ventures

The Company's interest and share in joint ventures in the jointly controlled operations as at March 31, 2023 and March 31, 2022 are as follows:

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation
1	M/s UB Engineering Limited (UBEL)	Jointly controlled operations	A Joint Venture Agreement effective from December 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	*
2	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	*
3	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	*
4	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	
5	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	*
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 1x50 MVA, 132/33 KV Grid Sub-Station at Battal, Manwal, District Udhampur (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 November 15, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package for Survey, Engineering, Design, Fabrication of Lattice Type Structures Galvanisation Supply of Structures, Laying of foundation, Protection Works, Erection of Towers, laying & stringing of ACSR PANTHER Conductor, Testing and Commissioning of Transmission lines from Badampora – Bandipora and from Lassipora – Sopian.	See Note 34(c).1 below	*

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

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

Note 35 : DISCLOSURE OF RELATED PARTIES /RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"

A Name of the related parties and nature of the related party relationship:

1 Subsidiary companies

a) A2Z Infraservices Limited
b) A2Z Powercom Limited
c) Mansi Bijlee & Rice Mills Limited
d) Chavan Rishi International Limited (till February 8, 2022)
e) Magic Genie Services Limited
f) Blackrock Waste Processing Private Limited (w.e.f. November 3, 2021)
g) A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)

2 Associate Companies

a) Greeneffect Waste Management Limited
b) A2Z Waste Management (Nainital) Private Limited

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

c) A2Z Waste Management (Jaipur) Limited

3 **Subsidiaries of Greeneffect Waste Management Limited**

a) A2Z Waste Management (Merrut) Limited
b) A2Z Waste Management (Moradabad) Limited
c) A2Z Waste Management (Varanasi) Limited
d) A2Z Waste Management (Badaun) Limited
e) A2Z Waste Management (Balia) Limited
f) A2Z Waste Management (Fatehpur) Limited
g) A2Z Waste Management (Jaunpur) Limited
h) A2Z Waste Management (Mirzapur) Limited
i) A2Z Waste Management (Ranchi) Limited
j) A2Z Waste Management (Sambhal) Limited
k) A2Z Waste Management (Dhanbad) Private Limited
l) A2Z Waste Management (Jaipur) Limited
m) A2Z Waste Management (Ahmedabad) Limited
n) Earth Environment Management Services Private Limited
o) Shree Balaji Pottery Private Limited
p) Shree Hari Om Utensils Private Limited

4 **Subsidiaries of A2Z Infraservices Limited**

a) Ecogreen Envirotech Solutions Limited
b) A2Z Waste Management (Ludhiana) Limited
c) A2Z Waste Management (Aligarh) Limited
d) A2Z Infraservices (Lanka) Private Limited (till April 24, 2022)
e) Vswach Environment (Aligarh) Private Limited (w.e.f. December 09, 2022)
f) Vsapients Techno Services Private Limited (w.e.f. February 21, 2023)

5 **Subsidiaries of A2Z Waste Management (Ludhiana) Limited**

a) Magic Genie Smartech Solutions Limited
b) Rishikesh Waste Management Limited

6 **Joint Venture (unincorporated)**

a) M/s UB Engineering Limited
b) M/s Southern Petrochemical Industries Corporation Limited (SPIC - SMO)

7 **Key Management Personnel (‘KMP’)**

a) Mr. Amit Mittal (Managing Director) (also appointed as Chief Executive Officer w.e.f. November 15, 2021)
b) Mr. Surender Kumar Tuteja (Non- executive independent director)
c) Ms. Atima Khanna (Non-executive independent director)
d) Mrs. Dipali Mittal (Non-Executive Director)
e) Mr. Arun Gaur (Non-Executive Director) (w.e.f. Novemeber 16, 2021)
f) Mr. Manoj Tiwari (Non-Executive Director) (w.e.f. July 20, 2022)
g) Mr. Rajesh Jain (Chief Executive Officer and Whole time director) (till November 15, 2021)
h) Mr. Ashok Kumar Saini (Non-Executive Director) (till July 20, 2022)
i) Mr. Atul Kumar Agarwal (Company Secretary)
j) Mr. Rajiv Chaturvedi (Chief Financial Officer) (till March 31, 2022)
k) Mr. Lalit Kumar (Chief Financial Officer) (w.e.f. May 18, 2022)

8 **Relatives of Key Management Personnel**

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

9 **Entity in which Director/Relative of the Director is Director**

a) Fibzy Infrasolutions Private Limited (till November 15, 2021)

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

(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, 2023					For the year ended March 31, 2022				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors
Interest income										
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	-	-	-	-	-	326.90	-	-	-
- A2Z Waste Management (Ludhiana) Limited	-	-	-	-	-	10.28	-	-	-	-
Liability written back										
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	-	-	-	-	-	15.90	-	-	-	-
- Chavan Rishi International Limited	-	-	-	-	-	161.94	-	-	-	-
- Magic Genie Service Ltd.	-	-	-	-	-	3.28	-	-	-	-
- Mansi Bijlee & Rice Mills Limited	-	-	-	-	-	111.93	-	-	-	-
- A2Z Waste Management (Jaunpur) Ltd	-	0.01	-	-	-	-	-	-	-	-
- A2Z Waste Management (Jaipur) Limited	-	227.00	-	-	-	-	-	-	-	-
Purchase of goods or services										
- Fibzy Infrasolutions Private Limited	-	-	-	-	-	-	-	-	54.25	-
Subcontractor expenses										
- A2Z Infraservices Limited	-	-	-	-	-	3,049.19	-	-	-	-
Reversal of subcontractor expenses										
- A2Z Infraservices Limited	1,902.48	-	-	-	-	-	-	-	-	-
Rent expense										
- Sudha Mittal	-	-	-	-	5.28	-	-	-	-	5.28
- Dipali Mittal	-	-	-	-	10.90	-	-	-	-	10.80
Share based payment expenses (refer note 5.1.3)										
- A2Z Infraservices Limited	-	-	-	-	-	3.44	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	0.26	-	-	-	-	0.07	-	-	-	-
- A2Z Waste Management (Aligarh) Limited	0.13	-	-	-	-	1.56	-	-	-	-
- Mansi Bijlee & Rice Mills Limited	0.26	-	-	-	-	0.07	-	-	-	-
- Ecogreen Envirotech Solution Limited	81.35	-	-	-	-	0.31	-	-	-	-
- Magic Genie Service Limited	0.13	-	-	-	-	0.04	-	-	-	-
- Rishikesh Waste Management Limited	-	-	-	-	-	0.23	-	-	-	-
- A2Z Powercom Limited	-	-	-	-	-	0.23	-	-	-	-
- Rajesh Jain	-	-	-	-	(67.83)	-	-	-	-	7.61
- Ashok Kumar Saini	-	-	-	-	(80.27)	-	-	-	-	2.29
- Atul Kumar Aggarwal	-	-	-	-	3.00	-	-	-	-	2.29
Reversal of ESOP option to employees										
- A2Z Infraservices Limited	27.55	-	-	-	-	-	-	-	-	-
- Chavan Rishi International Limited	-	-	-	-	-	1.41	-	-	-	-
- Rishikesh Waste Management Limited	2.90	-	-	-	-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

(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, 2023					For the year ended March 31, 2022				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors
Fund transferred / includes expenses incurred on behalf of related party										
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	388.03	-	-	-	-	2,100.00	-	-	-
- A2Z Infraservices Limited	3,957.47	-	-	-	-	3,039.95	-	-	-	-
- Dipali Mittal	-	-	-	-	-	-	-	-	-	18.01
- Sudha mittal	-	-	-	-	-	-	-	-	-	13.56
- Mansi Bijlee & Rice Private Limited	8.58	-	-	-	-	2.30	-	-	-	-
- Atima Khanna	-	-	-	-	0.12	-	-	-	-	-
Fund received / includes expenses incurred on behalf of Company										
- A2Z Infraservices Limited	3,951.00	-	-	-	-	2,004.12	-	-	-	-
- UB Engineering Limited	-	-	-	-	-	-	-	159.78	-	-
- Mansi Bijlee & Rice Mills Limited	-	-	-	-	-	135.60	-	-	-	-
- A2Z Waste Management (Jaipur) Limited	-	227.00	-	-	-	-	-	-	-	-
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	3.25	-	-	-	-	-	-	-	-
- A2Z Powercom Limited	5.25	-	-	-	-	-	-	-	-	-
Rent expenses paid										
- Dipali Mittal	-	-	-	-	6.48	-	-	-	-	18.01
- Sudha mittal	-	-	-	-	5.15	-	-	-	-	13.56
Provision created/(reversed) for doubtful debts expense										
- UB Engineering Limited	-	-	-	-	-	-	-	112.22	-	-
- SPIC-SMO	-	-	-	-	-	-	-	44.59	-	-
Provision created/write back of loans and advances										
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	6.18	-	-	-	-	(15.90)	-	-	-	-
- Mansi Bijlee & Rice Private Limited	-	-	-	-	-	(111.93)	-	-	-	-
Provision created for investments										
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	9,058.00	-	-	-	-	5,222.24	-	-	-
Investments written off										
- Chavan Rishi International Limited	-	-	-	-	-	431.69	-	-	-	-
Loan given / advances given										
- A2Z Waste Management (Ludhiana) Limited	130.55	-	-	-	-	259.30	-	-	-	-

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

(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, 2023					For the year ended March 31, 2022				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors
Loan / advances refunded										
- A2Z Waste Management (Jaunpur) Ltd	-	0.50	-	-	-	-	-	-	-	-
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	-	-	-	-	-	62.76	-	-	-
- A2Z Waste Management (Ludhiana) Limited	5.00	-	-	-	-	522.70	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	10.00	-	-	-	-	15.90	-	-	-	-
Guarantees reduced on behalf of subsidiaries										
- A2Z Infraservices Limited	4,569.10	-	-	-	-	1,728.90	-	-	-	-
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	9,310.00	-	-	-	-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	580.00	-	-	-	-	-	-	-	-	-
Imprest given during the year										
- Rajesh Jain	-	-	-	-	-	-	-	-	-	5.69
Remuneration/sitting fee										
- Ashok Kumar Saini	-	-	-	-	0.25	-	-	-	-	1.00
- Dipali Mittal	-	-	-	-	2.75	-	-	-	-	3.50
- Surender Kumar Tuteja	-	-	-	-	3.50	-	-	-	-	4.75
- Arun Gaur	-	-	-	-	3.50	-	-	-	-	1.00
- Atima Khanna	-	-	-	-	4.25	-	-	-	-	5.00
- Atul Kumar Agarwal	-	-	-	-	45.12	-	-	-	-	36.25
- Rajiv Chaturvedi	-	-	-	-	-	-	-	-	-	17.35
- Lalit Kumar	-	-	-	-	26.66	-	-	-	-	-
- Manoj Tiwari	-	-	-	-	0.75	-	-	-	-	-

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

C. Balance outstanding at the end of the year

	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors
Loan/advances given										
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	84.67	-	-	-	-	84.67	-	-	-
- A2Z Waste Management (Ludhiana) Limited	641.53	-	-	-	-	515.98	-	-	-	-
- A2Z Waste Management (Dhanbad) Private Limited	-	230.56	-	-	-	-	230.56	-	-	-
- A2Z Waste Management (Ranchi) Limited	-	350.00	-	-	-	-	350.00	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	72.77	-	-	-	-	72.77	-	-	-
- A2Z Waste Management (Jaunpur) Limited	-	-	-	-	-	-	0.49	-	-	-
- A2Z Powercom Private Limited	5.25	-	-	-	-	-	-	-	-	-
- A2Z Maintenance & Engineering Services Limited and Satya Builder - (AOP)	912.31	-	-	-	-	922.31	-	-	-	-
Investment in equity shares (net of impairment)										
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	40.39	-	-	-	-	40.39	-	-	-
- A2Z Infraservices Limited	6,072.29	-	-	-	-	6,072.29	-	-	-	-
- A2Z Powercom Limited	10.00	-	-	-	-	10.00	-	-	-	-
- Mansi Bijlee & Rice Mills Limited	5.00	-	-	-	-	5.00	-	-	-	-
- Blackrock Waste Processing Private Limited	3.00	-	-	-	-	3.00	-	-	-	-
Investment in shares - ESOP Scheme										
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	10.45	-	-	-	-	10.45	-	-	-
- A2Z Powercom Limited	46.40	-	-	-	-	46.40	-	-	-	-
- A2Z Infraservices Limited	38.65	-	-	-	-	66.20	-	-	-	-
- A2Z Waste Management (Ludhiana) Limited	1.06	-	-	-	-	0.80	-	-	-	-
- A2Z Waste Management (Merrut) Limited	-	19.19	-	-	-	-	19.19	-	-	-
- A2Z Waste Management (Balia) Limited	-	12.11	-	-	-	-	12.11	-	-	-
- Ecogreen Envirotech Solution Limited	124.27	-	-	-	-	42.91	-	-	-	-
- Rishikesh Waste Management Limited	3.05	-	-	-	-	5.95	-	-	-	-
- A2Z Waste Management (Aligarh) Limited	1.69	-	-	-	-	1.56	-	-	-	-
- Mansi Bijlee & Rice Mills Limited	0.33	-	-	-	-	0.07	-	-	-	-
- Magic Genie Service Limited	0.17	-	-	-	-	0.04	-	-	-	-
Trade receivable / advances recoverable										
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	4,140.27	-	-	-	-	3,755.49	-	-	-
- A2Z Waste Management (Ludhiana) Limited	25.96	-	-	-	-	25.96	-	-	-	-
- UB Engineering Limited	-	-	240.22	-	-	-	-	240.22	-	-
- SPIC-SMO	-	-	47.94	-	-	-	-	47.94	-	-

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

C. Balance outstanding at the end of the year

	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors
Investment in preference shares (debt portion)										
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	3,802.39	-	-	-	-	3,802.39	-	-	-
Investment in preference shares (equity portion)										
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	4,139.61	-	-	-	-	13,197.61	-	-	-
Provision for doubtful debts/advances										
- UB Engineering Limited	-	-	140.22	-	-	-	-	140.22	-	-
- SPIC-SMO	-	-	47.94	-	-	-	-	47.94	-	-
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	877.12	-	-	-	-	877.12	-	-	-
Provision created/write off of loans and advances										
- A2Z Maintenance & Engineering Services Limited and Satya Builders (AOP)	912.31	-	-	-	-	918.49	-	-	-	-
Remuneration/sitting fees payable										
- Ashok Kumar Saini	-	-	-	-	1.26	-	-	-	-	1.74
- Dipali Mittal	-	-	-	-	-	-	-	-	-	0.75
- Surender Kumar Tuteja	-	-	-	-	-	-	-	-	-	0.90
- Ashok Kumar	-	-	-	-	3.65	-	-	-	-	3.65
- Lalit Kumar	-	-	-	-	1.54	-	-	-	-	-
- Atima khanna	-	-	-	-	-	-	-	-	-	1.03
- Atul Kumar Agarwal	-	-	-	-	5.29	-	-	-	-	7.12
- Rajiv Chaturvedi	-	-	-	-	-	-	-	-	-	3.35
- Arun Gaur	-	-	-	-	0.90	-	-	-	-	-

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

C. Balance outstanding at the end of the year

	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors	Subsidiary Companies	Associate Companies	Joint Ventures	Enterprise in control of Relatives of KMP	KMP/ Relative of KMP/ Directors
Trade payable/imperest payable										
- A2Z Infraservices Limited	1,098.61	-	-	-	-	3,007.56	-	-	-	-
- Mansi Bijlee & Rice Private Limited	12.79	-	-	-	-	21.36	-	-	-	-
- Dipali Mittal	-	-	-	-	4.95	-	-	-	-	1.62
- Sudha Mittal	-	-	-	-	2.38	-	-	-	-	2.77
- Atul Kumar Aggarwal	-	-	-	-	-	-	-	-	-	1.00
- Rajiv Chaturvedi	-	-	-	-	-	-	-	-	-	0.20
Guarantees given on behalf of subsidiaries/ associates (Refer Note 40(a))										
- A2Z Infraservices Limited	4,400.00	-	-	-	-	8,969.10	-	-	-	-
- Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	-	15,715.00	-	-	-	-	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	-	-	-	-

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(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, 2023	For the year ended March 31, 2022
Short term employee benefits	71.78	53.60
Defined contribution/ benefit plan*	-	-
Share-based payment expenses	3.00	12.19
Sitting fees	15.00	15.25
Total compensation paid/payable to key management personnel	**89.78**	**81.04**

* In the absence of employee wise details of the defined contribution/ benefit plan, the amount considered is INR Nil (March 31, 2022: Nil)

Note 36 : FINANCIAL RISK MANAGEMENT

(i) Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

	As at March 31, 2023		
	FVTPL	**FVTOCI**	**Amortised cost**
Financial assets			
Investments in Preference shares	-	-	9,336.12
Trade receivables	-	-	25,105.25
Loans	-	-	1,384.78
Cash and cash equivalents	-	-	514.01
Other financial assets	-	-	23,462.57
Total	**-**	**-**	**59,802.73**
Financial liabilities			
Borrowings	-	-	26,198.37
Lease liability	-	-	34.11
Trade payables	-	-	27,607.17
Other financial liabilities	-	-	6,322.62
Total	**-**	**-**	**60,162.27**

	As at March 31, 2022		
	FVTPL	**FVTOCI**	**Amortised cost**
Financial assets			
Investments in Preference shares	-	-	9,336.12
Trade receivables	-	-	43,150.81
Loans	-	-	1,258.29
Cash and cash equivalents	-	-	208.31
Other financial assets	-	-	26,858.21
Total	**-**	**-**	**80,811.74**
Financial liabilities			
Borrowings	-	-	31,838.23
Lease liability	-	-	887.86
Trade payables	-	-	45,752.24
Other financial liabilities	-	-	5,718.61
Total	**-**	**-**	**84,196.94**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

(ii) Risk management

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

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

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

A. Credit risk

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

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

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

	As at March 31, 2023	As at March 31, 2022
Not more than 30 days	583.23	1,418.73
More than 30 days but not more than 60 days	356.07	341.86
More than 60 days but not more than 90 days	743.74	106.69
More than 90 days	42,892.91	61,712.53
	44,575.94	**63,579.81**
Less: Provision for impairment	(19,470.69)	(20,429.00)
Total	**25,105.25**	**43,150.81**

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good. The Company recognizes lifetime expected credit losses on specific trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables. The Company follows a single loss rate approach and estimates expected credit loss on trade receivables to be 7%. Further, specific provision is made for any individual debtors which are considered to be doubtful and non-recoverable in part or in full. The reconciliation of expected credit losses on trade receivables is given below.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	**20,429.00**	**7,072.59**
Changes in provisions		
Additional Provision	782.51	14,719.87
Reversal/Write-off	(1,740.82)	(1,363.46)
Balance as at the end of the year	**19,470.69**	**20,429.00**

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, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings					
Borrowings (including estimated future interest)	25,958.37	336.00	-	-	**26,294.37**
Trade payables	27,607.17	-	-	-	**27,607.17**
Lease liability	17.28	13.32	8.00	-	**38.60**
Other financial liabilities	6,322.62	-	-	-	**6,322.62**
Total	**59,905.44**	**349.32**	**8.00**	**-**	**60,262.76**

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings (including estimated future interest)	31,410.23	260.00	336.00	-	**32,006.23**
Trade payables	45,752.24	-	-	-	**45,752.24**
Lease liability	147.30	137.40	136.74	954.65	**1,376.09**
Other financial liabilities	5,718.61	-	-	-	**5,718.61**
Total	**83,028.38**	**397.40**	**472.74**	**954.65**	**84,853.17**

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, 2023, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

Interest rate risk exposure

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

	As at March 31, 2023	As at March 31, 2022
Variable rate borrowing	22,173.37	27,713.23
Fixed rate borrowing	4,025.00	4,125.00
Total borrowings	**26,198.37**	**31,838.23**

Sensitivity

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

	As at March 31, 2023	As at March 31, 2022
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	(165.92)	(207.38)
Interest rates – decrease by 100 basis points (100 bps)	165.92	207.38

* Holding all other variables constant

(b) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Ugandan Shillings and Tanzania Shillings. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Unhedged foreign currency exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

	As at March 31, 2023			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Trade receivables	USD	2.60	82.15	213.47
Cash and cash equivalents	USD	0.06	82.15	5.23
	Uganda Shillings	9.28	0.02	0.20
	NPR	0.90	0.62	0.56
	Tanzania Shillings	3,860.27	0.04	136.37
Other financial assets	USD	-	82.15	-
Trade payables	USD	0.02	82.15	2.02
	Uganda Shillings	581.80	0.02	12.43

	As at March 31, 2022			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Trade receivables	USD	2.80	75.51	211.30
Cash and cash equivalents	USD	0.11	75.51	8.46
	Uganda Shillings	9.99	0.02	0.21
	NPR	0.90	0.61	0.55
	Tanzania Shillings	1,967.40	0.03	63.88
Other financial assets	USD	0.02	75.51	1.24
Trade payables	USD	0.04	75.51	3.26
	Uganda Shillings	454.20	0.02	9.60

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	As at March 31, 2023	As at March 31, 2022
USD sensitivity		
INR/USD- increase by 6.82% (for previous year - 6.82%)	11.06	11.11
INR/USD- decrease by 6.82%(for previous year - 6.82%)	(11.06)	(11.11)
Uganda Shillings (UGX) sensitivity		
INR/UGX- increase by 6.05% (for previous year - 6.05%)	(0.55)	(0.43)
INR/UGX- decrease by 6.05% (for previous year - 6.05%)	0.55	0.43
NPR sensitivity		
INR/NPR- increase by 12.26% (for previous year - 12.26%)	0.05	0.05
INR/NPR- decrease by 12.26% (for previous year - 12.26%)	(0.05)	(0.05)
TZS sensitivity		
INR/TZS- increase by 6.41% (for previous year - 6.41%)	6.54	3.06
INR/TZS- decrease by 6.41% (for previous year - 6.41%)	(6.54)	(3.06)

* Holding all other variables constant

Note 37 : CAPITAL MANAGEMENT POLICIES AND PROCEDURES

For the purpose of the Company's capital management, capital includes issued equity share capital, security premium and all other equity reserves attributable to the equity holders of the Company.

The Company' s capital management objectives are:

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

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

	As at March 31, 2023	As at March 31, 2022
Borrowings	26,198.37	31,838.23
Less: cash and cash equivalents	514.01	208.31
Net debt	25,684.36	31,629.92
Equity	1,656.62	10,710.60
Capital and net debt	**27,340.98**	**42,340.52**
Gearing ratio	**93.94%**	**74.70%**

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, 2023 and March 31, 2022.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 38 : FINANCIAL RATIOS

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reason for variance
Current ratio	Current assets	Current liabilities	0.80	0.77	3.71%	No Major Variance
Debt-equity ratio	Total debt	Shareholder's equity	15.81	2.97	432.01%	Due to loss in current year majorly on account of provision for investments and impairment of CWIP.
Debt service coverage ratio	Earnings available for debt service*	Debt Service**	(3.12)	(2.92)	6.75%	No Major Variance
Return on equity ratio	Net profit after taxes	Average shareholder's equity	-148.04%	-89.18%	66.00%	Due to loss in current year majorly on account of provision for investments and impairment of CWIP.
Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	NA	NA	NA	NA
Trade receivables turnover ratio	Sales	Average Trade Receivables	0.20	0.22	-6.25%	No Major Variance
Trade payables turnover ratio	Purchases	Average Trade Payables	0.14	0.22	-37.48%	Due to decrease in purchases and trade payables in current year.
Net capital turnover ratio	Sales	Working Capital	(0.49)	(0.59)	-18.44%	No Major Variance
Net profit ratio	Net profit after tax	Sales	(1.32)	(1.27)	3.88%	No Major Variance
Return on capital employed	Earnings before interest and Taxes	Capital employed****	(0.02)	(0.36)	-95.00%	Due to loss in current year majorly on account of provision for investments and impairment of CWIP.
Return on Investment (%)	Current value of investment - Cost of investment	Cost of investment	100.00%	100.00%	0.00%	No Major Variance

* Earning for Debt Service = Net Profit after taxes*** + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

** Debt service = Interest & Lease Payments + Principal Repayments

*** "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

**** Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

Note 39 : SEGMENT REPORTING

Segmental information

Business segments:

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

(i) Engineering service (ES)

(ii Power generation projects ('PGP')

(iii) Others represents trading of goods and renting of equipments

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2023			
	Engineering services	Power generation projects	Others	Total
Revenue				
Segment revenue	6,940.80	-	17.85	**6,958.65**
Other income	2,995.00	-	-	**2,995.00**
Total segment revenue	**9,935.80**	**-**	**17.85**	**9,953.65**
Cost				
Segment cost	(10,299.15)	(259.95)	-	**(10,559.10)**
Total segment cost	**(10,299.15)**	**(259.95)**	**-**	**(10,559.10)**
Segment operating (loss)/profit	**(363.35)**	**(259.95)**	**17.85**	**(605.45)**
Total reportable segment operating loss				**(605.45)**
Interest income				11.86
Interest expense				(638.80)
Exceptional item				(5,312.58)
Unallocable expenditure net off unallocable income				32.45
Loss before tax				**(6,512.53)**
Tax expense				
Current tax				0.54
Deferred tax (net)				2,641.07
Loss after tax				**(9,154.14)**
Reclassification of net actuarial gain on employee defined benefit obligations				(7.21)
Total comprehensive income for the year (comprising loss and other comprehensive income)				**(9,161.35)**

	As at March 31, 2023			
	Engineering services	Power generation projects	Others	Total
Assets				
Segment assets	51,694.91	404.75	1,322.31	**53,421.97**
Unallocable corporate assets	-	-	-	**22,116.42**
Total assets	**51,694.91**	**404.75**	**1,322.31**	**75,538.39**
Liabilities				
Segment liabilities	42,248.75	117.04	5,283.49	**47,649.28**
Unallocable corporate liabilities	-	-	-	**26,232.49**
Total liabilities	**42,248.75**	**117.04**	**5,283.49**	**73,881.77**
Capital expenditure	542.92	-	-	**542.92**
Depreciation	107.38	259.96	115.56	**482.90**
Other non-cash expenditure	-	-	-	**2,674.21**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2022			
	Engineering services	**Power generation projects**	**Others**	**Total**
Revenue				
Segment revenue	13,531.44	-	69.56	**13,601.00**
Other income	586.78	-	-	**586.78**
Total segment revenue	**14,118.22**	**-**	**69.56**	**14,187.78**
Cost				
Segment cost	(29,644.48)	(264.15)	-	**(29,908.63)**
Total segment cost	**(29,644.48)**	**(264.15)**	**-**	**(29,908.63)**
Segment operating (loss) / profit	**(15,526.26)**	**(264.15)**	**69.56**	**(15,720.85)**
Total reportable segment operating loss				**(15,720.85)**
Interest income				447.85
Interest expense				(1,909.67)
Exceptional item				71.86
Unallocable expenditure net off unallocable income				(106.41)
Loss before tax				**(17,217.22)**
Tax expense				
Current tax				6.51
Deferred tax credit				-
Loss after tax				**(17,223.73)**
Reclassification of net actuarial gain on employee defined benefit obligations				(7.77)
Total comprehensive income for the year (comprising profit and other comprehensive income)				**(17,231.50)**

	As at March 31, 2022			
	Engineering services	**Power generation projects**	**Others**	**Total**
Assets				
Segment assets	72,824.39	7,008.52	61.18	**79,894.09**
Unallocable corporate assets	-	-	-	**34,563.24**
Total assets	**72,824.39**	**7,008.52**	**61.18**	**1,14,457.33**
Liabilities				
Segment liabilities	65,143.05	117.32	5,759.95	**71,020.31**
Unallocable corporate liabilities	-	-	-	**32,726.42**
Total liabilities	**65,143.05**	**117.32**	**5,759.95**	**1,03,746.73**
Capital expenditure	139.71	-	-	**139.71**
Depreciation	113.27	259.96	31.34	**404.57**
Other non-cash expenditure				**16,226.42**

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 company basis.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

The revenue from customers (having more than 10% of total revenue) during the year is INR 6,575.43 lakhs (March 31, 2022 INR 8,878.62 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, 2023	As at March 31, 2022
Corporate guarantees given to banks on account of facilities granted by said banks to subsidiaries, associates	23,695.00	38,154.10
Litigations under workmen compensation act*	4.53	35.46
Litigations with contractors and others*	102.75	158.46
Sales tax demand under dispute*	8,852.03	8,892.33
GST demand under dispute (net of amount paid under protest)	2,793.28	-
Income tax demand under dispute**	2,371.38	2,792.10
	37,818.96	**50,032.45**

*Based on discussions with the solicitors / favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

**The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability.

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

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

During the year ended March 31, 2019, the Company has received orders from CIT (Appeals) quashing the penalty orders aggregating INR 477.71 lakhs out of the aforementioned and upholding the rest. During the current year, the company has received order from ITAT quashing the penalty order and quantum order is still pending at ITAT level.

Based on their assessment 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. The auditors have expressed an emphasis of matter on the same.

Note : 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. The Company will continue to assess any further developments in this matter for the implications on the financial statements, if any.

b) Commitments outstanding:

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

	As at March 31, 2023	As at March 31, 2022
Commitments	17,958.00	23,626.38
	17,958.00	**23,626.38**

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

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

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

i. For the year ended March 31, 2023:

Segment	Revenue as per Ind AS 115	Total
Operating revenues:		
Sale/rendering of services		
Revenue from engineering services	6,940.80	**6,940.80**
Other operating revenues:		
Sale of traded goods	17.85	**17.85**
Total	**6,958.65**	**6,958.65**

ii. For the year ended March 31, 2022:

Segment	Revenue as per Ind AS 115	Total
Operating revenues:		
Sale/rendering of services		
Revenue from engineering services	13,531.44	**13,531.44**
Other operating revenues:		
Sale of traded goods	69.56	**69.56**
Total	**13,601.00**	**13,601.00**

(b) Out of the total revenue recognised under IND AS-115 during the year, INR 6,940.80 lakhs (March 31, 2022 : INR 13,531.44 lakhs) is recognised over a period of time and INR 17.85 lakhs (March 31, 2022 : INR 69.56 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance as at April 1	**20,429.00**	**7,072.59**	**759.31**	**602.27**
Changes in allowance for expected credit loss:				
Provision/(reversal) of allowance for expected credit loss	782.51	14,719.87	1,328.78	162.64
Write off as bad debts (Refer Note-36 (ii)(A))	(1,740.82)	(1,363.46)	(2,045.10)	(5.60)
Closing balance as at March 31	**19,470.69**	**20,429.00**	**42.99**	**759.31**

(d) Contract balances:

(i) Movement in contract balances during the year:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Trade Receivable	Contract assets *	Contract liabilities	Trade Receivable*	Contract assets *	Contract liabilities
Opening balance as at April 1	43,150.81	14,109.94	7,865.60	81,923.82	12,031.65	8,864.65
Closing balance as at March 31	25,105.25	10,422.34	4,443.56	43,150.81	14,109.94	7,865.60
Net (decrease)/ increase	**(18,045.56)**	**(3,687.60)**	**(3,422.04)**	**(38,773.01)**	**2,078.29**	**(999.05)**

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to INR 1,834.76 lakhs (March 31, 2022: INR 1,225.22 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, 2022: NIL)

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023

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

(e) Cost to obtain the contract :

(i) Amount of amortisation recognised in Profit and Loss : NIL (March 31, 2022: NIL)

(ii) Amount recognised as assets as at March 31, 2023: NIL (March 31, 2022: NIL)

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

Particulars	March 31, 2023	March 31, 2022
Opening contracted price of orders as at April 1*	2,17,313.18	2,17,313.18
Add:		
Fresh orders/change orders received (net)	17.85	69.56
Less:		
Orders completed during the year	17.85	69.56
Closing contracted price of orders as at March 31*	**2,17,313.18**	**2,17,313.18**
Total Revenue recognised during the year:	6,958.65	13,601.00
Less: Revenue out of orders completed during the year	83.26	723.75
Revenue out of orders under execution at the end of the year (I)	6,875.39	12,877.25
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	1,88,567.06	1,75,689.81
Balance revenue to be recognised in future viz. Order book (III)	21,870.73	28,746.13
Closing contracted price of orders as at March 31* (I+II+III)	**2,17,313.18**	**2,17,313.18**

*including full value of partially executed contracts.

(g) Remaining performance obligations

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

As at March 31, 2023

Particulars	Total	Expected conversion in revenue	
		Upto 1 Year	More than 1 Year
Transaction price allocated to remaining performance obligation	21,870.73	21,870.73	-

As at March 31, 2022

Particulars	Total	Expected conversion in revenue	
		Upto 1 Year	More than 1 Year
Transaction price allocated to remaining performance obligation	28,746.13	26,329.98	-

(h) The Company has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under the law/accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 42 : DISCLOSURE PURSUANT TO IND AS 116 "LEASES"

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Gross rental expenses aggregate to INR 45.12 Lakhs (March 31, 2022: INR 23.63 Lakhs).

Lease payments not included in measurement of lease liability:

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

Particulars	As at March 31, 2023	As at March 31, 2022
Short-term leases	45.12	23.63
Leases of low value assets	-	-
Variable lease payments	-	-
Closing Balance	**45.12**	**23.63**

The changes in the carrying value of ROU assets for the year ended March 31, 2023 are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	915.49	65.94
Addition during the year	28.69	926.09
Depreciation during the year	115.56	31.34
Deletion during the year	795.05	45.20
Closing Balance	**33.57**	**915.49**

The movement in lease liabilities during the year ended March 31, 2023 is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	887.86	68.26
Addition during the year	28.69	887.74
Finance cost accrued during the year	87.58	17.06
Payment of lease liabilities	148.30	38.62
Deletion during the year	821.73	46.57
Closing Balance	**34.11**	**887.86**

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

The break-up of current and non-current lease liabilities as at March 31, 2023 is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	14.48	59.96
Non-current lease liabilities	19.63	827.90
Total	**34.11**	**887.86**

The details of the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	17.28	147.30
One to five years	21.32	578.02
More than five years	-	650.78
Total	**38.60**	**1,376.09**

The information about extension and termination options are as follows:

Particulars	Office premises
Number of leases	2.00
Range of remaining term (in years)	1.25-2.67
Average remaining lease term (in years)	1.96
Number of leases with extension option	Nil
Number of leases with purchase option	Nil
Number of leases with termination option	1.00

Note 43 : EXCEPTIONAL ITEMS

	For the year ended March 31, 2023	For the year ended March 31, 2022
One time settlement with banks and financial institutions (refer note 43.1)	2,775.44	8,161.42
Liabilites written back	9,598.99	5,239.20
Unbilled provision/write off	(2,500.24)	-
Capital assets impaired/written off (refer note 3.1)	(6,128.77)	-
Trade receivable written off	-	(7,674.82)
Loss on sale of subsidiary	-	(431.69)
Investment provision/written off	(9,058.00)	(5,222.25)
Total	**(5,312.58)**	**71.86**

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

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 44 : DISCLOSURE PURSUANT TO IND AS - 7 "STATEMENT OF CASH FLOWS"- CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	Non- current borrowings (Including current maturities) (Refer Note 17 & 22)	Current borrowings (Refer Note 20)	Interest accrued on borrowings (Refer Note 22)	Total
Balance as at April 1, 2021	**15,383.88**	**28,649.50**	**1,336.70**	**45,370.08**
(a) Changes from financing cash flow	(3,430.09)	(127.01)	(1,150.91)	**4,708.01**
(b) Other changes				
(i) Reclassification within categories	-	-	-	**-**
(ii) Interest charge to statement of profit and loss	-	-	1,492.67	**1,492.67**
(iii) Reclassification with other financial liabilities	2,100.00	15.50	15.27	**2,130.78**
(iv) One time settlement				
Gain on one time settlement with banks of borrowing and financial institutions	(7,787.47)	(373.95)	-	**(8,161.42)**
(v) Liablities written back	-	(2,592.13)	-	**(2,592.13)**
Balance as at March 31, 2022	**6,266.32**	**25,571.91**	**1,693.73**	**33,531.97**
(a) Changes from financing cash flow	(1,160.25)	(1,189.35)	(59.01)	**(2,408.61)**
(b) Other changes				
(i) Reclassification within categories	4,449.60	(4,866.41)	416.81	**-**
(ii) Interest charges to statement of profit and loss	-	-	295.30	**295.30**
(iii) Reclassification with other financial liabilities	(60.48)	(37.55)	-	**(98.03)**
(iv) One time settlement (Refer Note 43.1)				
Gain on one time settlement with banks of borrowing and financial institutions	(2,775.44)	-	-	**(2,775.44)**
(iv) Liabilities written back (Refer Note 43)	-	**-**		
Balance as at March 31, 2023	**6,719.76**	**19,478.61**	**2,346.83**	**28,545.19**

Note 45 : OTHER STATUTORY INFORMATION

(i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iii) During the current year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

   (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(iv) During the current year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

   (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(vii) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(ix) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

(x) The Company has not had any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(xi) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(xii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained

Note 46 : CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors of the Company have formulated a Corporate Social Responsibility (CSR) Policy pursuant to Section 135 of the Companies Act, 2013. 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, 2023 and March 31, 2022.

Dissolution of CSR Committee with effect from February 13, 2021

As per Companies (Amendment) Act, 2020, where the amount to be spent by a company does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee is not applicable and the functions of such Committee provided under section 139 shall, in such cases, be discharged by the Board of Directors of such company.

As the Company is incurring losses and it is not required to spend any amount towards CSR activities, the Board has dissolved the CSR Committee w.e.f. February 13, 2021 and the functions of Committee are discharged by Board of Directors of the Company.

Note 47 :

The Tanzania branch has a contract with Rural Energy Agency (REA) for supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Bahi, Kongwa and Chemba districts) on a Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondoa and Mpwapwa districts) on Turnkey basis for Lot 2. The Tanzania branch is expecting to complete the works by March 2024. The contract allows for a further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued and the contract will expire. This condition indicates that a material uncertainity exists, that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.

Note 48 :

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

Note 49 : POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the March 31, 2023 reporting date and the date of authorisation May 19, 2023.

Summary of significant accounting policies and other explanatory information to standalone financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 50 : AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended March 31, 2023 (including comparatives) were approved by the board of directors on May 19, 2023.

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Place : Gurugram
Date : May 19, 2023

For and on behalf of the Board of Directors

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

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

Sd/-
Lalit Kumar
Chief Financial Officer

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

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 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Basis for Disclaimer of Opinion

3. a. As stated in Note 52 to the accompanying consolidated financial statements, the Holding Company has incurred a net loss after tax of Rs. 9,154.14 lakhs during the year ended 31 March 2023, and as of that date, the Holding Company's accumulated losses amount to Rs. 1,06,842.29 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 14,341.26 lakhs. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in Note 51 and 52. The Holding Company has also delayed in repayment of borrowings, including delays with respect to dues payable under one time settlement agreements as further detailed in Note 50 and 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. Such events and conditions & its possible impact on management's assumptions, 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. Further, the component auditor of the Holding Company's Tanzania Branch as detailed in Note 55 has also reported a material uncertainty related to going concern section in their auditor's report on the financial statements of the branch for the year ended 31 March 2023. Our report on the consolidated financial statements for the year ended 31 March 2022 also included a disclaimer of opinion in respect of this matter.

   b. 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 2023 aggregating to Rs. 3,374.33 lakhs (accumulated interest as at 31 March 2023 being Rs. 4,276.44 lakhs) payable under the terms of the said agreements, as estimated by the management, on the basis of expected re-negotiation with the Lenders.

   Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreements, and the consequential impact of such adjustments on the accompanying consolidated financial statements. Our report on the consolidated financial statements for the year ended 31 March 2022 also included a disclaimer of opinion in respect of this matter.

   c. As stated in Note 6.2 to the accompanying consolidated financial statements, the Holding Company's non-current investment Rs. 7,992.84 Lakhs (net of impairment) in its associate Company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its other current financial assets Rs. 2,826.46 Lakhs (net of impairment) and its current financial assets-loan Rs. 84.67 Lakhs which include amounts dues from such associate company as on 31 March 2023. 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, arbitration awarded in favor of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying consolidated financial statement. Our report on the consolidated financial statements for the year ended 31 March 2022 also included a disclaimer of opinion in respect of this matter.

Emphasis of Matters

4. We draw attention to:

   a. Note 3.1 to the accompanying consolidated financial statements, which describes the uncertainties relating to the outcome of the pending various litigations in respect of the three cogeneration power plants of the Company, for which the Company has filled petitions and appeals at various forums. The final outcome of these matters is presently unascertainable. Further, the said note also describes that these three cogeneration power plants fully impaired in its books of accounts during the year ended 31 March 2023. Hence, the management has recorded an impairment of INR 9,058 and INR 35,665.04 lakhs in the present value of the power plant during the year and as at March 31, 2023 respectively.

   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 utilization/ recovery 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 of its associates continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

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

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

Other Matter

9. We did not audit the financial statements of thirteen subsidiaries, whose financial statements reflect total assets of Rs. 38,721.77 lakhs and net assets of Rs. 6,698.05 lakhs as at 31 March 2023, total revenues of Rs. 26,083.01 lakhs

and net cash outflows amounting to Rs. 153.30 lakhs for the year ended on that date, as considered in the consolidated financial statements. We also did not audit the financial statements of two branches included in the standalone audited financial statements of Holding Company, whose financial statements reflects total assets and net assets of Rs. 1,421.73 lakhs and Rs. 434.85 lakhs respectively as at 31 March 2023, total revenues of Rs. 20.34 lakhs, total net profit after tax of Rs. 22.86 lakhs, total comprehensive income of Rs. 22.86 lakhs, and net cash inflows of Rs. 71.95 lakhs for the year ended on that date, as considered in the standalone audited financial statements of the Holding Company. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of Rs. 396.16 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of eighteen associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, are based solely on the reports of the other auditors.

Further, of these subsidiaries/ associates/ branches, two branches are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by branch auditors under generally accepted auditing standards specified in Annexure 2, as applicable in their respective countries. The Holding Company's management has converted the financial statements of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. This report, in so far as it relates to the balances and affairs of these branches, is based on the audit report of branch auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The standalone audited financial statements of Holding Company, includes the financial statement and information of one branch, which has not been audited by branch auditor, and whose financial information reflects total revenues of Rs. 20.65 lakhs, total net loss after tax of Rs. 1.63 lakhs and total comprehensive loss of Rs. 1.63 lakhs for the year ended 31st March 2023, as considered in the standalone audited financial statements of Holding Company. This report, in so far as it relates to the balances and affairs of this branch, is based solely on such financial statement and information, as certified and provided by the management. According to the information and explanations given to us by the management, their would not be consequential material impact on the financial statements of the Company.

Report on Other Legal and Regulatory Requirements

10. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 9 above, on separate financial statements of the subsidiaries and associates, we report that two subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that Holding company, fourteen subsidiary companies and eighteen associate companies, have not paid or provided for any managerial remuneration during the year above the limit prescribed under section 197(16) of the Act.

11. With respect to matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, according to the information and explanations given to us and based on the CARO reports issued by the respective auditors of companies included in the consolidated financial statements, to which reporting under CARO is applicable, we report as under:

    Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No.	Name of Company	Holding/subsidiary/ associate/	Clause number of the CARO report which is qualified or is adverse
1.	A2Z Infra Engineering Limited	Holding	vii(a), ix(a), xix
2.	A2Z Infraservices Limited	Subsidiary	vii(a)
3.	A2Z Powercom Limited	Subsidiary	vii(a)
4.	A2Z Waste Management (Ludhiana) Limited	Subsidiary	vii(a)
5.	A2Z Waste Management (Aligarh) Limited	Subsidiary	vii(a)
6.	Magic Genie Smartech Solutions Limited	Subsidiary	vii(a)
7.	Mansi Bijlee & Rice Mills Limited	Subsidiary	vii(a), ix(a)
8.	Rishikesh Waste Management Limited	Subsidiary	vii(a)
9.	Magic Genie Services Limited	Subsidiary	vii(a)
10.	Ecogreen Envirotech Solutions Limited	Subsidiary	vii(a)

S. No.	Name of Company	Holding/subsidiary/ associate/	Clause number of the CARO report which is qualified or is adverse
11.	A2Z Waste Management (Jaipur) Limited	Associate	vii(a)
12.	A2Z Waste Management (Badaun) Limited	Associate	vii(a)
13.	A2Z Waste Management (Dhanbad) Private Limited	Associate	vii(a)
14.	A2Z Waste Management (Fatehpur) Limited	Associate	vii(a)
15.	Shree Balaji Pottery Private Limited	Associate	vii(a)
16.	Shree Hari Om Utensils Private Limited	Associate	vii(a)
17.	A2Z Waste Management (Jaunpur) Limited	Associate	vii(a)
18.	A2Z Waste Management (Mirzapur) Limited	Associate	vii(a)
19.	A2Z Waste Management (Nainital) Private Limited	Associate	vii(a)
20.	A2Z Waste Management (Ranchi) Limited	Associate	vii(a)
21.	A2Z Waste Management (Sambhal) Limited	Associate	vii(a)
22.	Earth Environment Management Services Private Limited	Associate	vii(a), ix(a)
23.	A2Z Waste Management (Meerut) Limited	Associate	vii(a), ix(a)
24.	A2Z Waste Management (Moradabad) Limited	Associate	vii(a), ix(a)
25.	A2Z Waste Management (Varanasi) Limited	Associate	vii(a), ix(a)
26.	Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited)	Associate	vii(a), ix(a)
27.	A2Z Waste Management (Ahmedabad) Limited	Associate	vii(a)

12. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates, we report, to the extent applicable, that:

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

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

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

    g) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies covered under the Act, none of the directors of the Group companies and its associate companies covered under the Act, are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act;

    h) the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section, read with paragraph 11(b) above;

    i) we were also engaged to audit the internal financial controls with reference to consolidated financial statements of the Holding Company as on 31 March 2023 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 19 May 2023 as per Annexure A expressed disclaimer of opinion; and

    j) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the

Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates:

i. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the consolidated financial statements disclose fully the impact of pending litigations on the consolidated financial position of the Group and its associates as at 31 March 2023;

ii. due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section, we are unable to state whether the Group and its associates has made adequate provision as at 31 March 2023, 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 2023; and

iv. (a) The respective managements of the Holding Company, its subsidiaries and associates, have represented to us and the other auditors of such subsidiaries and associates respectively that to the best of its knowledge and belief, as disclosed in note no. 56(iii) to the consolidated financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associates to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company, its subsidiaries and associates, have represented to us and the other auditors of such subsidiaries and associates respectively that to the best of its knowledge and belief, as disclosed in note no. 56(iv), to the consolidated financial statement, no funds have been received by the Holding Company or any of such subsidiaries and associates from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

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

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Date: 19.05.2023
Place: Gurgaon
UDIN: 23512362BGWDLL1027

Annexure 1

List of entities included in the Consolidated Financial Statements

S. No.	Name	Relation
1	A2Z Infraservices Limited	Subsidiary
2	A2Z Powercom Limited	Subsidiary
3	Rishikesh Waste Management Limited (formerly known as A2Z Powertech Limited)	Subsidiary
4	Mansi Bijlee & Rice Mills Limited	Subsidiary
5	Magic Genie Services Limited	Subsidiary
6	Blackrock Waste Processing Private Limited	Subsidiary with effect from 3 Nov 2021
7	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Subsidiary
8	A2Z Infraservices (Lanka) Private Limited (till April 24, 2022)	Subsidiary
9	Ecogreen Envirotech Solutions Limited	Subsidiary
10	A2Z Waste Management (Aligarh) Limited	Subsidiary
11	A2Z Waste Management (Ludhiana) Limited	Subsidiary
12	Magic Genie Smartech Solutions Limited	Subsidiary
13	Vswach Environment (Aligarh) Private Limited	Subsidiary
14	Vsapients Techno Services Private Limited	Subsidiary
15	Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited)	Associate
16	A2Z Waste Management (Nainital) Private Limited	Associate
17	A2Z Waste Management (Moradabad) Limited	Associate
18	A2Z Waste Management (Meerut) Limited	Associate
19	A2Z Waste Management (Varanasi) Limited	Associate
20	A2Z Waste Management (Jaunpur) Limited	Associate
21	A2Z Waste Management (Badaun) Limited	Associate
22	A2Z Waste Management (Sambhal) Limited	Associate
23	A2Z Waste Management (Mirzapur) Limited	Associate
24	A2Z Waste Management (Balia) Limited	Associate
25	A2Z Waste Management (Fatehpur) Limited	Associate
26	A2Z Waste Management (Ranchi) Limited	Associate
27	A2Z Waste Management (Dhanbad) Private Limited	Associate
28	Shree Balaji Pottery Private Limited	Associate
29	Shree Hari Om Utensils Private Limited	Associate
30	A2Z Waste Management (Jaipur) Limited	Associate
31	A2Z Waste Management (Ahmedabad) Limited	Associate
32	Earth Environment Management Services Private Limited	Associate

Annexure 2

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

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

1. We were engaged to audit the internal financial controls with reference to consolidated financial statements of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as at 31 March 2023 in conjunction with our audit of the consolidated financial statements of the Group and its associates as at and for the year ended on that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI.

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

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Disclaimer of Opinion

6. Because of the matters described below, according to the information and explanations given to us, and based on our audit and consideration of the report of the other auditor on internal financial controls with reference to financial statements of subsidiaries and associates, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Holding company's internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2023:

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

7. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group and its associates as at and for the year ended 31 March 2023, 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 13 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of Rs. 38,721.77 lakhs and net assets of Rs. 6,698.05 lakhs as at 31 March 2023, total revenues of Rs. 26,083.01 lakhs and cash flows (net) amounting to Rs. (153.30) 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 profit (including other comprehensive income) of Rs. 396.16 lakhs for the year ended 31 March 2023, in respect of 18 associate companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements for the Holding Company, its subsidiary companies and its associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and associate companies is based solely on the reports of the auditors of such companies.

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Date: 19.05.2023
Place: Gurgaon
UDIN: 23512362BGWDLL1027

Consolidated Balance Sheet as at March 31, 2023

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

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	3,673.04	6,188.15
Right to use asset	3	33.58	916.29
Capital work-in-progress	3	5,475.97	9,311.49
Goodwill	4	3,563.65	3,563.65
Intangible assets	4	3.79	5.67
Intangible assets under development	4	-	41.94
Investments accounted for using the equity method	6	6,978.24	15,635.94
Financial assets:			
Other financial assets	8	1,460.53	1,500.48
Deferred tax assets (net)	9	1,087.23	3,018.74
Non-current tax assets (net)	10	5,751.27	5,614.21
Other non-current assets	11	497.54	551.27
Total non-current assets		**28,524.84**	**46,347.83**
Current assets:			
Inventories	12	462.00	450.38
Financial assets:			
Trade receivables	13	32,491.42	51,156.13
Cash and cash equivalents	14	1,064.09	911.69
Other bank balances	15	141.98	137.71
Loans	7	1,546.35	8,430.84
Other financial assets	8	27,110.31	27,869.21
Other current assets	11	7,732.09	7,417.68
Total current assets		**70,548.24**	**96,373.64**
Total assets		**99,073.08**	**1,42,721.47**
EQUITY AND LIABILITIES:			
Equity:			
Equity share capital	16	17,611.99	17,611.99
Other equity		(13,806.98)	(1,697.91)
Equity attributable to equity holders of the Company		**3,805.01**	**15,914.08**
Non-controlling interests		(931.70)	(638.82)
Total equity		**2,873.31**	**15,275.26**
Liabilities:			
Non-current liabilities:			
Financial liabilities:			
Borrowings	17	398.48	580.87
Lease liability	18	19.63	827.90
Provisions	20	3,632.47	4,414.55
Deferred tax liabilities (net)	9	-	0.14
Other non-current liabilities	21	2,852.60	3,031.48
Total non-current liabilities		**6,903.18**	**8,854.94**
Current liabilities:			
Financial liabilities:			
Borrowings	22	30,910.93	37,929.19
Lease liability	18	14.48	61.21
Trade payables	23		
Total outstanding dues of micro and small enterprises		16.30	30.22
Total outstanding dues of creditors other than micro and small enterprises		36,171.19	52,839.32
Other financial liabilities	19	8,612.19	7,484.75
Other current liabilities	21	13,513.55	20,104.28
Provisions	20	45.84	98.69
Current tax liabilities (net)	24	12.11	43.61
Total current liabilities		**89,296.59**	**1,18,591.27**
Total liabilities		**96,199.77**	**1,27,446.21**
Total equity and liabilities		**99,073.08**	**1,42,721.47**
Summary of significant accounting policies	2		

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

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Place : Gurugram
Date : May 19, 2023

For and on behalf of the Board of Directors

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

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

Sd/-
Lalit Kumar
Chief Financial Officer

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

Consolidated Statement of Profit and Loss for the Year ended March 31, 2023

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

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Income:			
Revenue from operations	25	34,944.16	35,332.50
Other income	26	3,261.41	1,760.65
Total income		**38,205.57**	**37,093.15**
Expenses:			
Cost of materials consumed	27	13,386.48	18,850.84
Change in inventories	28	(5.88)	261.86
Employee benefits expenses	29	15,522.37	11,311.73
Finance costs	30	1,329.49	2,787.13
Depreciation and amortisation expenses	31	883.24	904.45
Other expenses	32	5,899.81	19,761.07
Total expenses		**37,015.51**	**53,877.08**
Profit/(Loss) before exceptional items, share of loss from associates and tax		**1,190.06**	**(16,783.93)**
Add: Profit/(loss) share from associate accounted through equity method		396.16	(1,412.59)
Profit/(Loss) before exceptional items and tax		**1,586.22**	**(18,196.52)**
Exceptional items	43	(12,204.13)	527.06
Loss before tax		**(10,617.91)**	**(17,669.46)**
Tax expense	33		
Current tax		61.40	314.40
Deferred tax (net)		1,926.17	(3.43)
		1,987.57	**310.97**
Loss for the year		**(12,605.48)**	**(17,980.43)**
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
a) Remeasurement of defined benefit obligations		101.36	144.09
b) Income tax relating to items that will not be reclassified to profit or loss		(5.20)	(30.80)
Total other comprehensive income for the year		**96.16**	**113.29**
Total comprehensive income for the year		**(12,509.32)**	**(17,867.14)**
(Loss) / Profit is attributable to:			
Equity holders of the Company		(12,292.03)	(17,991.00)
Non-controlling interests		(313.45)	10.57
Other comprehensive income is attributable to:			
Equity holders of the Company		75.59	100.57
Non-controlling interests		20.57	12.72
Total comprehensive income is attributable to:			
Equity holders of the Company		(12,216.44)	(17,890.43)
Non-controlling interests		(292.88)	23.29
(Loss) / Earning per equity share (INR) :	34		
(Nominal value of shares INR 10)			
Basic		(6.98)	(10.22)
Diluted		(6.98)	(10.22)
Summary of significant accounting policies	2		

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

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Place : Gurugram
Date : May 19, 2023

For and on behalf of the Board of Directors

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

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

Sd/-
Lalit Kumar
Chief Financial Officer

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

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

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

	Note	Number of shares	Amount
A. Equity share capital:			
Issued, subscribed and fully paid up			
Equity shares of INR 10 each			
Balance as at April 1, 2021	16	**17,61,19,858**	**17,611.99**
Changes during the year		-	-
Balance as at March 31, 2022	16	**17,61,19,858**	**17,611.99**
Changes during the year		-	-
Balance as at March 31, 2023	16	**17,61,19,858**	**17,611.99**

B. Other equity:

	Attributable to equity holders of the Company								
		Reserves and Surplus*							
	Equity component of compound financial instruments	Securities premium account	Capital reserve	General reserve	Employee stock option plan reserve	Retained earnings	Total other equity	Non-controlling interests	Total
Balance as at April 1, 2021	**465.54**	**89,586.56**	**14.57**	**640.14**	**800.72**	**(75,340.47)**	**16,167.06**	**(664.11)**	**15,502.95**
(Loss) for the year	-	-	-	-	-	(17,991.00)	**(17,991.00)**	10.57	**(17,980.43)**
Other comprehensive income (net of tax)	-	-	-	-	-	100.57	**100.57**	12.72	**113.29**
Total comprehensive income	-	-	-	-	-	**(17,890.43)**	**(17,890.43)**	**23.29**	**(17,867.14)**
Transfer from Employee stock option plan reserve on lapse	-	-	-	-	(13.54)	13.54	-	-	-
Adjustment on account of acquisition of subsidiary	-	-	-	-	-	-	-	2.00	**2.00**
Employee stock option (ESOP) expense for the year (Refer Note 29.2)	-	-	-	-	25.46	-	**25.46**	-	**25.46**
Balance as at March 31, 2022	**465.54**	**89,586.56**	**14.57**	**640.14**	**812.64**	**(93,217.36)**	**(1,697.91)**	**(638.82)**	**(2,336.73)**
(Loss) for the period	-	-	-	-	-	(12,292.03)	**(12,292.03)**	(313.45)	**(12,605.48)**
Other comprehensive income (net of tax)	-	-	-	-	-	75.59	**75.59**	20.57	**96.16**
Total comprehensive income	-	-	-	-	-	**(12,216.44)**	**(12,216.44)**	**(292.88)**	**(12,509.32)**
Transfer from Employee stock option plan reserve on lapse	-	-	-	-	(259.79)	259.79	-	-	-
Employee stock option (ESOP) expense for the year (Refer Note 29.2)	-	-	-	-	107.37	-	**107.37**	-	**107.37**
Balance as at March 31, 2023	**465.54**	**89,586.56**	**14.57**	**640.14**	**660.22**	**(1,05,174.01)**	**(13,806.98)**	**(931.70)**	**(14,738.68)**

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

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

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Place : Gurugram
Date : May 19, 2023

For and on behalf of the Board of Directors

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

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

Sd/-
Lalit Kumar
Chief Financial Officer

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

Consolidated Cash Flow Statement for the year ended March 31, 2023

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

		For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flows from operating activities**		
	Net loss before tax and non-controlling interest (after exceptional items)	**(10,617.91)**	**(17,669.46)**
	Adjustments :		
	Exceptional items - loss/(profit)	12,204.13	(527.06)
	Share of associates	(396.16)	1,412.59
	Depreciation and amortisation expense	883.24	904.45
	Interest expense	1,195.55	2,616.93
	Interest income	(61.15)	(1,027.49)
	(Gain)/loss on sale of property, plant and equipment (net)	4.74	942.15
	Provision for contract revenue in excess of billing	1,328.78	162.64
	Gain on modification of lease contract	(61.68)	(1.37)
	Provision for bad and doubtful debts, loans, advances and other receivables (net)	1,013.16	15,088.44
	Advances written off	41.94	153.66
	Provision for warranty	273.49	866.66
	Provisions/liabilities written back	(2,914.73)	(555.27)
	Remeasurement of defined benefit obligations	101.36	144.09
	Recognition of share based payments at fair value	107.37	25.46
	Subsidy amortised	(48.07)	(48.07)
	Rental income	(28.72)	(29.05)
	Operating profit before working capital changes	**3,025.34**	**2,459.30**
	Net changes in working capital		
	Change in inventories	(11.62)	257.37
	Change in trade receivables	16,363.75	16,656.78
	Change in loans	524.45	341.77
	Change in other financial assets	(2,680.52)	(5,682.97)
	Change in other assets	(464.20)	1,573.02
	Change in trade payables	(6,134.59)	(7,044.44)
	Change in other financial liabilities	537.99	(146.75)
	Change in other liabilities	(3,946.84)	(5,486.05)
	Change in provisions	(1,160.07)	977.51
	Net changes in working capital:	**3,028.35**	**1,446.24**
	Cash flow from operations	**6,053.69**	**3,905.54**
	Current taxes paid	(229.96)	(91.92)
	Net cash flow from operating activities (A)	**5,823.73**	**3,813.62**

Consolidated Cash Flow Statement for the year ended March 31, 2023

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

		For the year ended March 31, 2023	For the year ended March 31, 2022
B	**Cash flows from investing activities:**		
	Payments for property, plant and equipment (including capital work in progress)	(652.82)	(167.27)
	Purchase for intangible asset	(2.50)	-
	Proceeds from sale of property, plant and equipment	122.18	1,640.07
	Proceeds from sale of subsidiary	-	600.00
	Fixed deposits matured - (net)	(239.86)	175.60
	Rental income	28.72	29.05
	Interest received	(270.80)	213.82
	Net cash flow from investing activities (B)	**(1,015.08)**	**2,491.27**
C	**Cash flows from financing activities:**		
	Repayment of long term borrowings	(1,387.90)	(3,986.09)
	Repayments of short term borrowings (net)	(2,526.45)	(1,116.27)
	Principal payment of lease liabilities	(60.73)	(31.62)
	Interest payment of lease liabilities	(87.58)	(18.19)
	Interest paid	(593.59)	(1,632.58)
	Net cash used in financing activities (C)	**(4,656.25)**	**(6,784.75)**
	Net decrease in cash and cash equivalents (A+B+C)	**152.40**	**(479.86)**
	Cash and cash equivalents at the beginning of the year	911.69	1,391.55
	Cash and cash equivalents at the end of the year	**1,064.09**	**911.69**
	Reconciliation of cash and cash equivalents as per the cash flow statement (Refer Note 14)	**As at March 31, 2022**	**As at March 31, 2021**
	Cash and cash equivalents as per above comprises of the following :		
	a. Cash in hand	4.80	30.45
	b. Balances with banks		
	- in current account	1,052.37	874.27
	- in fixed deposit account (less than 3 month maturity)	6.92	6.97
		1,064.09	**911.69**

Note: All figures in brackets are outflows.

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

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

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Place : Gurugram
Date : May 19, 2023

For and on behalf of the Board of Directors

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

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

Sd/-
Lalit Kumar
Chief Financial Officer

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

1 : CORPORATE INFORMATION

A2Z Infra Engineering Limited ('A2Z or the Holding Company') was incorporated at National Capital Territory of Delhi and Haryana on January 7, 2002 for providing maintenance and engineering services. The Holding Company commenced its business with the facility management services and entered into engineering business during the year 2005-06. The Holding Company has also entered into collaboration with sugar mills for setting up 3 Cogeneration (Cogen) power plants on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years. The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries and associates collectively hereinafter referred to as the 'Group'. The Group is also setting up one biomass based power plant at Kanpur in the state of Uttar Pradesh.

The Group's main business primarily include:

i) Engineering services mainly includes supply, erection and maintenance of electrical transmission lines including laying and maintenance of Optic Fiber Cable (OFC) and allied services to power distribution companies;

ii) Municipal solid waste management which primarily includes door to door collection, intermediate transportation and processing of waste to compost, vermin compost, plastic recyclable and eco bricks;

iii) Facility management services; and

iv) Technology based facility management services.

These consolidated financial statements for the year ended March 31, 2023 were authorized and approved for issue by the Board of Directors on May 19, 2023. 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, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements").

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

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

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

2.2 Use of estimates and judgments

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

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

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

Significant management judgements

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

- **Evaluation of indicators for impairment of assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Evaluation of whether an arrangement contains a lease –** The Group has entered into certain arrangement for municipal solid waste management. In such contracts, it was evaluated whether the arrangement contains a lease based on whether an item of property, plant and equipment is specifically identifiable and whether the arrangement contains a right to use such asset.
- **Classification of leases –** The Group enters into leasing arrangements for various 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.
- **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.
- **Going concern**

  The management has made an assessment of the Group's ability to continue as going concern and is satisfied that the Group has resources to continue in business for the foreseeable future. Further, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as going concern, read with note 52.

  Estimation uncertainty

  Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.
- **Recoverability of advances/ receivables –** At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.
- **Classification of assets and liabilities into current and non-current –** The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realisation of the assets or timing of contractual settlement of liabilities.
- **Warranty provision –** The management makes estimate of costs that would be incurred with respect to warranties given on products. The provision requires use of several estimates based on past data and expectations of future.
- **Impairment of non-financial assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- I**mpairment of financial assets –** The Group estimates the recoverable amount of trade receivables and other financial assets where collection of the full amount is expected to be no longer probable. For individually significant amounts, this estimation is performed on an individual basis considering the length of time past due, financial condition of the counter-party, impending legal disputes, if any and other relevant factors.
- **Useful lives of depreciable/ amortisable assets (Property plant and equipment and intangible) –** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other plant and equipment.

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

2.3 Significant accounting policies

a) Principles of consolidation

<u>**Subsidiary**</u>

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at 31 March 2023. 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.

Consolidation procedures:

- 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.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- 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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

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

i. Revenue from engineering services

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

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

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

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

ii. Revenue from operation and 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.

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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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.

De-recognition

Property, plant and equipment 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. 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

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

Classification of leases

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

Recognition and initial measurement

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

Subsequent measurement

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

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

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

ii. Where the Group is lessor

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

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

h) Financial instruments

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

i. Initial measurement, recognition and derecognition

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

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

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

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

ii. Classification and subsequent measurement of financial assets

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

- Debt instruments at Amortised cost
- Debt instruments at Fair value through other comprehensive income (FVTOCI)

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

❑ **Debt instruments at amortised cost**

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

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

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

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

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

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

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

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

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

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

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

❑ **Equity instruments**

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

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

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

iii. Classification and subsequent measurement of financial liabilities

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

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

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

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

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

- **Financial liabilities measured at amortised cost**

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

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

- **Offsetting of financial instruments**

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

iv. Impairment of financial assets

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

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

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

c) Loan commitments which are not measured as at FVTPL

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

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

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

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

i) Equity shares

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

j) Reserves and Surplus

Nature and purpose of reserves;

i. General reserve

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

ii. Securities premium reserve

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

iii. 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.

iv. 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.

v. 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 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 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

At each reporting date, the Group assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit (CGU) is estimated. If such recoverable amount of the asset or CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Consolidated Statement of Profit and Loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Consolidated Statement of Profit and Loss. An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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 through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished form those of the rest of the Group and which represents a separate major line of business or geographical area of operations and

- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

s) **Provisions, contingent liabilities and contingent assets**

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

A provision is recognised when:

· The Group has a present obligation as a result of a past event;

· It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

· A reliable estimate can be made of the amount of the obligation.

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

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

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 is accounted for on the basis of actuarial valuation as per Ind AS 19 'Employee Benefits'. Liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation.

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

   Actuarial gain / loss pertaining to gratuity, post separation benefits are accounted for as OCI. All remaining components of costs are accounted for in Statement of Profit and Loss.

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

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

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;
- 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

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.
- Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

The Group is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

(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 equip-ment	Total	Right to use of Assets (Refer Note 54)	Capital work in progress
Gross carrying amount:												
Balance as at April 1, 2021	**635.10**	**73.47**	**923.74**	**5,250.69**	**16,649.64**	**322.96**	**3,096.56**	**275.40**	**734.32**	**27,961.88**	**194.47**	**30,943.06**
Additions	-	-	2.07	-	36.94	-	7.05	-	2.76	**48.82**	926.10	273.84
Disposals/adjustment	-	-	-	-	54.60	-	131.76	-	-	**186.36**	122.58	-
Balance as at March 31, 2022	**635.10**	**73.47**	**925.81**	**5,250.69**	**16,631.98**	**322.96**	**2,971.85**	**275.40**	**737.08**	**27,824.34**	**997.99**	**31,216.90**
Additions	-	-	9.62	-	24.51	-	84.48	2.50	7.55	**128.66**	28.70	539.25
Disposals/adjustment	126.92	-	-	-	-	-	38.65	-	-	**165.57**	913.46	-
Balance as at March 31, 2023	**508.18**	**73.47**	**935.43**	**5,250.69**	**16,656.49**	**322.96**	**3,017.68**	**277.90**	**744.63**	**27,787.43**	**113.23**	**31,756.15**
Accumulated depreciation, amortisation and impairment:												
Balance as at April 1, 2021	**-**	**73.47**	**915.16**	**3,872.66**	**12,223.10**	**303.96**	**2,637.35**	**267.04**	**703.09**	**20,995.83**	**103.07**	**21,905.41**
Depreciation	-	-	4.70	56.36	620.73	4.67	82.90	3.95	5.54	**778.85**	49.53	-
Disposals/adjustment	-	-	-	-	30.10	-	108.39	-	-	**138.49**	70.90	-
Balance as at March 31, 2022	**-**	**73.47**	**919.86**	**3,929.02**	**12,813.73**	**308.63**	**2,611.86**	**270.99**	**708.63**	**21,636.19**	**81.70**	**21,905.41**
Depreciation	-	-	5.99	56.70	596.73	3.63	93.37	0.40	6.03	**762.85**	116.36	-
Impairment (Refer Note 3.1)	-	-	-	-	1,754.00	-	-	-	-	**1,754.00**	-	4,374.77
Disposals/adjustment	-	-	-	-	-	-	38.65	-	-	**38.65**	118.41	-
Balance as at March 31, 2023	**-**	**73.47**	**925.85**	**3,985.72**	**15,164.46**	**312.26**	**2,666.58**	**271.39**	**714.66**	**24,114.39**	**79.65**	**26,280.18**
Net carrying amount:												
Balance as at March 31, 2023	**508.18**	**-**	**9.58**	**1,264.97**	**1,492.03**	**10.70**	**351.10**	**6.51**	**29.97**	**3,673.04**	**33.58**	**5,475.97**
Balance as at March 31, 2022	**635.10**	**-**	**5.95**	**1,321.67**	**3,818.25**	**14.33**	**359.99**	**4.41**	**28.45**	**6,188.15**	**916.29**	**9,311.49**

Note 3.1: Impairment

In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Holding Company had filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that "there appears to be force in the submissions and the issue requires scrutiny".

Further during the year ended March 31, 2021, the Holding Company had also challenged the mandate of the arbitrator under section 14 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Holding Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc amounting to INR 7,234.73 lakhs and interest thereon. The Holding Company has challenged aforementioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has filed police complaint against the same.

Considering the facts explained above, management has decided to fully impair three cogeneration power plants in its books of accounts set up with respective sugar mills on Build, Own, Operate and Transfer (BOOT) basis. Hence, the management has recorded an impairment of INR 35,665.04 lakhs in the present value of the power plant as at March 31, 2023.

Out of the aforementioned impairment as at March 31, 2023 INR 26,788.49 lakhs pertain to, two power plants, which were yet to be capitalised and INR 8,876.56 lakhs are for power plant which has already been capitalised.

Note 3.2: Contractual commitments

The Group does not have any outstanding contractual commitments to purchase any items of property, plant and equipment (including capital work in progress).

Note 3.3: Property, plant and equipment are pledged as collateral for borrowings from banks (Refer Note 17 and Note 22).

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

(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, 2023	As at March 31, 2022
Buildings under construction	1,302.02	1,302.02
Power plant equipment's under erection	20,573.85	20,034.60
Borrowing costs capitalised	184.87	184.87
Other expenses (directly attributable to construction/erection of assets)		
Employee benefit expense	1,099.37	1,099.37
Depreciation	491.36	491.36
Other directly attributable expenses (including trial/test run expenses)	8,828.46	8,828.46
Less:- Revenue recognised during trial run period	(215.47)	(215.47)
Less:- Impairment (Refer Note 3.1)	(26,788.49)	(22,413.72)
Total	**5,475.97**	**9,311.49**

Capital work-in-progress ageing schedule for the year ended March 31, 2023 is as follows:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	538.75	273.84	-	1.85	**814.44**
Projects temporarily suspended	-	-	4.50	4,657.02	**4,661.53**
Total	**538.75**	**273.84**	**4.50**	**4,658.87**	**5,475.97**

Capital work-in-progress ageing schedule for the year ended March 31, 2022 is as follows:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	273.84	-	-	1.85	**275.69**
Projects temporarily suspended	-	4.50	347.89	8,683.41	**9,035.80**
Total	**273.84**	**4.50**	**347.89**	**8,685.26**	**9,311.49**

Note 4 : OTHER INTANGIBLE ASSETS

	Computer Software	Intangibles assets under development*	Goodwill (Refer Note 5)
Gross carrying amount:			
Balance as at April 1, 2021	**794.27**	**73.42**	**4,291.23**
Additions	-	-	-
Disposal of subsidiary	-	-	(713.01)
Disposal/adjustments	-	(31.48)	(14.57)
Balance as at March 31, 2022	**794.27**	**41.94**	**3,563.65**
Additions	2.50	-	-
Disposal/adjustments	-	(41.94)	-
Balance as at March 31, 2023	**796.77**	**-**	**3,563.65**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

	Computer Software	Intangibles assets under development*	Goodwill (Refer Note 5)
Amortisation and impairment:			
Balance as at April 1, 2021	**784.52**	-	-
Amortisation	4.08	-	-
Disposal/adjustments	-	-	-
Balance as at March 31, 2022	**788.60**	-	-
Amortisation	4.38	-	-
Disposal/adjustments	-	-	-
Balance as at March 31, 2023	**792.98**	-	-
Net carrying amount:			
Balance as at March 31, 2023	**3.79**	-	**3,563.65**
Balance as at March 31, 2022	**5.67**	**41.94**	**3,563.65**

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

Note 4.2: All amortisation is included in depreciation and amortisation expenses.

Note 5 : IMPAIRMENT TESTING OF GOODWILL:

Goodwill acquired through business combinations has been allocated to the four cash generating units (CGU) below, which are also operating and reportable segments, for impairment testing:

(i) Facility management services (FMS)

Carrying amount of goodwill allocated to each CGUs are as under;

	As at March 31, 2023	As at March 31, 2022
(i) Facility management services (FMS)	3,563.65	3,563.65
	3,563.65	**3,563.65**

The Group performed its impairment test for the goodwill assessment. The Group considers the relationship between recoverable value which is calculated based on future discounted cash flows/net sale price, as applicable and its book value, among other factors, when reviewing for indicators of impairment.

Facility management services (FMS)

The recoverable amount of this segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

	As at March 31, 2023	As at March 31, 2022
Note 6 **: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**		
Carrying amount		
I. Investments in equity instruments	3,142.67	11,804.51
II. Investments in preference shares (Debt portion)	3,802.39	3,802.39
III. Investments in debentures (Debt portion)	33.18	29.04
Total	**6,978.24**	**15,635.94**
Details of investments:		
I. Investment in equity instruments [Valued at cost]:		
Associate companies [Unquoted]:		
a. In fully paid-up equity shares :		
9,693,987 (March 31, 2022 9,693,987) equity shares of INR 10 each in Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	969.40	969.40
10,000 (March 31, 2022 10,000) equity shares of INR 10 each in A2Z Waste Management (Jaipur) Limited	1.00	1.00
24,000 (March 31, 2022 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, 2022 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	13,197.61	13,197.61
	13,197.61	**13,197.61**
c. Investment in debentures (Equity portion)		
1,475,000 (March 31, 2022 1,475,000) fully paid-up, Zero Coupon debenture of INR 10 each in Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	1,461.04	1,461.04
	1,461.04	**1,461.04**
d. Investment in Associate, other than in shares (Refer Note 6.1)	41.75	41.75
	41.75	**41.75**
Less: Share of loss from associate accounted through equity method	(2,540.12)	(2,936.28)
Less: Provision for impairment in value of non-current investments		
A2Z Waste Management (Nainital) Private Limited	(2.40)	(2.40)
Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	(9,987.01)	(929.01)
A2Z Waste Management (Jaipur) Limited	(1.00)	(1.00)
	3,142.67	**11,804.51**
II. Investment in preference shares (Debt portion) [Valued at amortised cost]:		
Subsidiary companies [Unquoted]:		
171,200,000 (March 31, 2022 171,200,000) fully paid-up, 0.01%, Non participative cumulative redeemable preference share of INR 10 each in Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	9,024.63	9,024.63
Less: Provision for impairment in value of non-current investments	(5,222.24)	(5,222.24)
	3,802.39	**3,802.39**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

	As at March 31, 2023	As at March 31, 2022
III. Investment in debentures (Debt portion) [Valued at amortised cost]:		
1,475,000 (March 31, 2022 1,475,000) fully paid-up, Zero Coupon debenture of INR 10 each in Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	33.18	29.04
	33.18	**29.04**
Aggregate amount of unquoted investments	**6,978.24**	**15,635.94**
Aggregate amount of impairment in value of investment	**(9,990.41)**	**(932.41)**

Note 6.1 Investment in associates, other than in shares, represents employee stock option exercised by employees of associates. This amount pertains to employee stock option granted to employees of the Group which were earlier subsidiaries and now have become associates of the Group.

Note 6.2 The Holding Company, as at March 31, 2023, has non-current investments (net of impairment) amounting to INR 7,992.84 lakhs (March 31, 2022 : INR 17,050.84 lakhs), other current financial assets (net of impairment) amounting to INR 2,826.46 lakhs (March 31, 2022 : INR 2,878.37 lakhs) and current financial assets-loan amounting to INR 84.67 lakhs (March 31, 2022 : INR 84.67 lakhs) in its associate company Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). During the current year, Holding Company has provided provision of INR 9,058.00 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2023 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 Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.

Note 6.3 The management has committed to provide continued operational and financial support to its subsidiaries/associates for meeting their working capital and other financial requirements and based upon approved future projections of the associates, believes that no impairment exist in excess of the provision already created and accordingly, no further adjustment is considered necessary in respect of carrying value of investments.

Note 6.4 The Group does not have any quoted investments.

	As at March 31, 2023	As at March 31, 2022
***Note 7* : LOANS**		
[Unsecured considered good, unless otherwise stated]		
Loan to employees	0.87	1.16
Loans to associate companies (Refer Note 7.1 and Note 7.2)	1,524.29	8,416.39
Loans to others	21.19	13.29
Total	**1,546.35**	**8,430.84**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

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, 2023		As at March 31, 2022	
	Amount out-standing*	Maximum amount outstanding during the year	Amount out-standing*	Maximum amount outstanding during the year
Associates:				
Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	843.17	4,447.57	7,734.76	8,117.65
A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56	230.56	230.56
A2Z Waste Management (Ranchi) Limited	350.48	350.48	350.48	350.48
A2Z Waste Management (Varanasi) Limited	83.25	83.42	83.25	83.25
A2Z Waste Management (Merrut) Limited	8.92	8.92	8.92	8.92
Shree Balaji Pottery Private Limited	0.25	0.25	0.26	0.26
Shree Hari Om Utensils Private Limited	1.02	1.02	1.03	1.03
A2Z Waste Management (Jaunpur) Limited	-	0.49	0.49	0.49
A2Z Waste Management (Mordabad) Limited	6.64	6.64	6.64	6.64
	1,524.29	**5,129.36**	**8,416.39**	**8,799.28**

* net of impairment

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, 2023	As at March 31, 2022
(A) Loan and advances:		
Associates:		
Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	843.17	7,734.76
A2Z Waste Management (Dhanbad) Private Limited	230.56	230.56
A2Z Waste Management (Ranchi) Limited	350.48	350.48
A2Z Waste Management (Varanasi) Limited	83.25	83.25
A2Z Waste Management (Merrut) Limited	8.92	8.92
Shree Balaji Pottery Private Limited	0.25	0.26
Shree Hari Om Utensils Private Limited	1.02	1.03
A2Z Waste Management (Jaunpur) Limited	-	0.49
A2Z Waste Management (Mordabad) Limited	6.64	6.64
Total	**1,524.29**	**8,416.39**
(B) Guarantees:*		
Associates:		
Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited)	15,715.00	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
	19,295.00	**28,605.00**

\# All transactions are in ordinary course of business

* Also Refer Note 42(a)

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	0.0%	-	0.0%
Directors	-	0.0%	-	0.0%
KMPs	-	0.0%	-	0.0%
Related Parties	1,524.29	98.6%	8,416.39	99.8%
Total	**1,524.29**	**98.6%**	**8,416.39**	**99.8%**

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Note 8 **: OTHER FINANCIAL ASSETS**				
[Unsecured, considered good unless otherwise stated]				
Advance recoverable in cash	95.50	-	117.89	-
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	241.12	-	168.28	-
Considered doubtful	226.88	-	226.88	-
Less: Provisions for doubtful assets	(226.88)	-	(226.88)	-
	241.12	**-**	**168.28**	**-**
Other assets				
Considered good	10,057.18	466.27	9,851.53	453.69
Considered doubtful	611.65	99.00	566.28	99.00
Less: Provisions for doubtful assets	(611.65)	(99.00)	(566.28)	(99.00)
	10,057.18	**466.27**	**9,851.53**	**453.69**
Contract revenue in excess of billings (Refer Note 8.1)				
Considered good	11,900.54	-	13,265.30	-
Considered doubtful assets	42.99	-	759.31	-
Less: Provisions for doubtful assets	(42.99)	-	(759.31)	-
	11,900.54	**-**	**13,265.30**	**-**
Amount recoverable from associates				
Considered good	3,975.35	-	3,506.18	-
Considered doubtful	877.12	-	877.12	-
Less: Provisions for doubtful assets	(877.12)	-	(877.12)	-
	3,975.35	**-**	**3,506.18**	**-**
Security deposits				
Considered good	822.81	407.75	820.16	268.96
Credit impaired	169.48	50.30	169.48	50.30
Less: Provisions for impairment	(169.48)	(50.30)	(169.48)	(50.30)
	822.81	**407.75**	**820.16**	**268.96**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Subsidy receivable (Refer Note 21.2)	-	-	135.37	-
Interest accrued on fixed deposits	17.81	0.14	4.50	0.14
Bank deposits with more than 12 months maturity**	-	586.37	-	777.69
Total	**27,110.31**	**1,460.53**	**27,869.21**	**1,500.48**

** 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.

	As at March 31, 2021	Credit /(Charge) to statement of profit and loss and other comprehensive income	As at March 31, 2022	Credit /(Charge) to statement of profit and loss and other comprehensive income	As at March 31, 2023
Note 9 **: DEFERRED TAX**					
a) Deferred tax assets (net)					
Deferred tax liabilities/ (assets)					
Property, plant and equipment	61.35	(920.53)	(859.18)	898.45	39.27
	61.35	**(920.53)**	**(859.18)**	**898.45**	**39.27**
Deferred tax assets					
Unabsorbed losses and depreciation	14.42	0.22	14.64	1.02	15.66
Provision for doubtful advances and others*	372.63	(276.16)	96.47	775.62	872.09
Provision for doubtful debts and unbilled receivables	8.08	1,375.04	1,383.12	(1,314.36)	68.76
Other provisions for expense allowance on payment basis under income tax act (net)	2,750.44	(2,085.11)	665.33	(495.34)	169.99
	3,145.57	**(986.01)**	**2,159.56**	**(1,033.06)**	**1,126.50**
Total	**3,084.22**	**(65.48)**	**3,018.74**	**(1,931.51)**	**1,087.23**
* Includes deferred tax charged to other comprehensive income INR 5.20 lakhs (March 31, 2022 : INR 30.80 lakhs)					
b) Deferred tax liabilities (net)					
Deferred tax liabilities					
Depreciation	55.08	(54.94)	0.14	(0.14)	-
	55.08	**(54.94)**	**0.14**	**(0.14)**	**-**
Deferred tax assets					
Unabsorbed losses and depreciation	16.83	(16.83)	-	-	-
	16.83	**(16.83)**	**-**	**-**	**-**
Total	**38.25**	**(38.11)**	**0.14**	**(0.14)**	**-**

The group has not recognised deferred tax asset in respect of losses and unabsorbed depreciation & other items of INR 134,844.08 lakhs and INR 13,259.03 lakhs, respectively (March 31, 2022: INR 83,631.41 lakhs and INR 12,918.01 lakhs respectively) as there is no reasonable certainty supported by convincing evidences of their recoverability in the near future. (Refer Note 33.1)

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2023	As at March 31, 2022
Note 10 **: NON-CURRENT TAX ASSETS (NET)**		
Advance tax (net of provision)	5,751.27	5,614.21
Total	**5,751.27**	**5,614.21**

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Note 11 **: OTHER ASSETS**				
[Unsecured, considered good unless otherwise stated]				
Capital advances				
Considered good	-	446.86	-	500.59
Considered doubtful	-	12.60	-	12.81
Less: Provision for doubtful advances	-	(12.60)	-	(12.81)
	-	**446.86**	**-**	**500.59**
Other advances				
Considered good	5,554.31	-	4,469.67	-
Considered doubtful	1,382.70	-	1,269.45	-
Less: Provision for doubtful advances	(1,381.98)	-	(1,269.45)	-
	5,555.03	**-**	**4,469.67**	**-**
Prepaid expenses	67.05	-	38.16	-
Balances with government authorities				
Considered good	2,110.01	50.68	2,909.85	50.68
Considered doubtful	1,591.98	-	1,591.98	-
Less: Provision for doubtful advances	(1,591.98)	-	(1,591.98)	-
Total	**7,732.09**	**497.54**	**7,417.68**	**551.27**

	As at March 31, 2023	As at March 31, 2022
Note 12 **: INVENTORIES**		
[Valued at lower of cost or net realisable value]		
Project stores and spares	2.36	16.50
Raw material	19.88	-
Finished goods	439.76	433.88
Total	**462.00**	**450.38**

Note 12.1 : Inventories are pledged as collateral for borrowings from banks (Refer Note 17 & Note 22)

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2023	As at March 31, 2022
***Note 13* : TRADE RECEIVABLES**		
Trade receivables - (Unsecured):		
From other than related parties		
Considered good	31,955.20	50,627.88
Credit impaired	19,522.24	20,592.92
	51,477.44	**71,220.80**
From related parties		
Considered good	536.22	528.25
Credit impaired	188.16	188.16
	724.38	**716.41**
Less: Loss allowance (Refer Note 13.3)	(19,710.40)	(20,781.08)
Total	**32,491.42**	**51,156.13**

Note 13.1: Trade receivables include retention money of INR 28,679.97 lakhs (March 31, 2022 INR 34,961.76 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: All trade receivables are short-term. The effect of any difference between the effective interest rate applied and the estimated current market rate is not significant. Allowance for credit losses has been recorded accordingly within other expenses, and is based on the expected credit loss methodology. The doubtful trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at the beginning of the year	20,781.08	7,424.67
Changes in loss allowance:-		
Add: Provided during the year	782.51	14,719.87
Less: Receivables written off during the year	1,853.19	1,363.46
Balance as at the end of the year	**19,710.40**	**20,781.08**

Note 13.4 : Ageing of trade receivables

Ageing of trade receivables at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
- considered good	5,856.77	1,425.80	2,871.36	4,402.89	23,239.51	**37,796.33**
- which have significant increase in credit risk	22.28	58.33	127.43	174.52	8,686.85	**9,069.41**
- credit impaired	-	-	191.15	1,210.42	733.76	**2,135.33**
Disputed trade receivables						
- considered good	-	-	-	-	463.37	**463.37**
- which have significant increase in credit risk	-	22.02	3.50	8.66	511.24	**545.42**
- credit impaired	-	-	-	2.67	2,189.28	**2,191.95**
	5,879.05	**1,506.15**	**3,193.44**	**5,799.16**	**35,824.01**	**52,201.82**
Less - Loss Allowances						19,710.40
Total						**32,491.42**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Ageing of trade receivables at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
- considered good	7,162.90	4,254.13	5,594.03	3,567.21	23,840.95	**44,419.22**
- which have significant increase in credit risk	23.02	348.24	2,382.59	766.38	8,627.21	**12,147.43**
- credit impaired	-	-	-	508.11	1,975.04	**2,483.14**
Disputed trade receivables						
- considered good	-	-	-	-	460.62	**460.62**
- which have significant increase in credit risk	22.34	0.78	8.66	16.20	516.76	**564.73**
- credit impaired	-	-	2.67	9,221.74	2,637.66	**11,862.07**
	7,208.26	**4,603.15**	**7,987.95**	**14,079.64**	**38,058.23**	**71,937.21**
Less - Loss Allowances						20,781.08
Total						**51,156.13**

	As at March 31, 2023	As at March 31, 2022
Note 14 **: CASH AND CASH EQUIVALENTS**		
Balances with banks in current account (Refer Note 14.1)	1,059.29	881.24
Cash in hand	4.80	30.45
Total	**1,064.09**	**911.69**
Note 14.1: Balances with banks include:		
i Balance in current account	1,052.37	874.27
ii Balances with Banks in deposits account having original maturity of less than three months	6.92	6.97
	1,059.29	**881.24**

	As at March 31, 2023	As at March 31, 2021
Note 15 **: OTHER BANK BALANCES**		
Fixed deposit with bank having original maturity of more than three months less than a year [^]	141.98	137.71
Total	**141.98**	**137.71**

[^] 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, 2023
(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, 2021	**24,00,00,000**	**24,000.00**
Changes in equity share capital	-	-
Balance as at March 31, 2022	**24,00,00,000**	**24,000.00**
Changes in equity share capital	-	-
Balance as at March 31, 2023	**24,00,00,000**	**24,000.00**
(ii) Issued, subscribed and fully paid up		
Equity Shares of INR 10 each		
Balance as at April 1, 2021	17,61,19,858	17,611.99
Issue of equity share capital	-	-
Balance as at March 31, 2022	**17,61,19,858**	**17,611.99**
Issue of equity share capital	-	-
Balance as at March 31, 2023	**17,61,19,858**	**17,611.99**

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

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	17,61,19,858	17,611.99	17,61,19,858	17,611.99
Balance as at the end of the year	**17,61,19,858**	**17,611.99**	**17,61,19,858**	**17,611.99**

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

Terms/rights attached to equity shares

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

(v) No shares have been allotted as fully paid up pursuant to contracts without payment being received in cash or as bonus shares for the period of 5 years immediately preceding March 31, 2023 and March 31, 2022.

(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, 2023 and March 31, 2022.

(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

(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, 2023		As at March 31, 2022	
	Number of shares held	Holding	Number of shares held	Holding
Amit Mittal	2,73,50,601	15.53%	2,73,50,601	15.53%
Mestric Consultants Private Limited	2,22,00,000	12.61%	2,22,00,000	12.61%
	4,95,50,601	**28.13%**	**4,95,50,601**	**28.13%**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

(ix) Shares held by promoters and promoter group at the end of the year:

	As at March 31, 2023		As at March 31, 2022		
	Number of shares held	Holding	Number of shares held	Holding	% change during the year
Equity shares of INR 10 each fully paid up					
Amit Mittal	2,73,50,601	15.53%	2,73,50,601	15.53%	0.00%
Mestric Consultants Private Limited	2,22,00,000	12.61%	2,22,00,000	12.61%	0.00%
Priya Goel	10,382	0.01%	10,382	0.01%	0.00%
	4,95,60,983	**28.14%**	**4,95,60,983**	**28.14%**	**0.00%**

	As at March 31, 2023		As at March 31, 2022	
	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 Refer Note 17.9)	1,931.22	300.00	1,024.80	500.00
From financial institution (Refer Note 17.3 and Refer Note 17.9)	3,525.00	-	3,525.00	-
Working capital term loans				
From banks (Refer Note 17.4 and Refer Note 17.9)	354.30	-	354.30	-
Funded interest term loans				
From banks (Refer Note 17.5, 17.6 and 17.9)	609.25	-	1,128.90	-
Vehicle loans				
From banks (Refer Note 17.7 and Refer Note 17.9)	13.44	-	11.79	7.70
From financial institution (Refer Note 17.7 and Refer Note 17.9)	23.72	42.88	-	21.54
Carried at amortised cost - Unsecured				
Debt portion of debentures (Refer Note 17.8)	-	55.60	-	51.63
	6,456.93	**398.48**	**6,044.79**	**580.87**
Less: Amount disclosed under current borrowings as ‘Current maturities of long-term borrowings’ (Refer Note 22)	6,456.93	-	6,044.79	-
Total	**-**	**398.48**	**-**	**580.87**

* 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, 2022 INR 169.48 lakhs) having interest rate of 10.15% - 10.75% per annum during the year are repayable in 28 quarterly instalments, first installment was due in March 2016.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

The above loan is secured against:

(i) First charge ranking pari passu on present and future fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

(ii) Second charge ranking pari passu on present and future current assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

(iii) Second charge ranking pari passu on both present and future current assets, as well as fixed assets of Company other than assets exclusively financed to other lenders.

2) Term loans from banks amounting to INR 1,561.74 lakhs (March 31, 2022 INR 488.65 lakhs) having interest rate from 10.15% - 10.75% per annum during the year are repayable in 21 quarterly instalments, first installment was due in March 2016.

The above loan is secured against:

(i) First charge ranking pari passu on both present and future current assets as well as fixed assets of the Company other than assets exclusively charged to other lenders.

(ii) Second charge ranking pari passu on both present and future current assets of the power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

3) Term loans from bank amounting to INR 500.00 lakhs (March 31, 2022 INR 600.00 lakhs), pertains to settlement consideration payable to the bank pursuant to One Time Settlement Agreement (OTS) of facilities taken from bank. For DBS, it is repayable in 3 installments and the first installment shall be due in MArch 2023. (Refer Note: 43.1).

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

i) Equity shares of A2Z Infraservices Limited ("subsidiary company").

4) Term loan outstanding of INR Nil (March 31, 2022 INR 266.67 lakhs), in case of A2Z Infraservices Limited, from Yes Bank Limited is secured by first pari-passu charge on all the Fixed assets of A2Z Infraservices 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 amounting to INR 3,525.00 lakhs (March 31, 2022 INR 3,525.00 lakhs) is secured against first pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab. During the year ended March 31, 2017, the bank had transferred/assigned its fund based outstanding amount recoverable in favour of Edelweiss Assets Reconstruction Company Limited.

The above loan is secured against:

(i) First pari passu charge on both present and future current assets as well as fixed assets of the biomass based power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

(ii) Second pari-passu charge on fixed assets and current assets on EPC business.

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

Note 17.4 : Working Capital Term Loan :

Working capital term loans from bank amounting to INR 354.30 lakhs (March 31, 2022 INR 354.30 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in 29 quarterly instalments. First instalment was due in March 2015.

The above loan is secured against:

(i) First pari passu charge on both present and future fixed assets as well as current assets of the Company or Borrower other than assets exclusively charged to other lenders.

(ii) Second pari passu charge on both present and future current assets as well as fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

Note 17.5 : Funded Interest Term Loan -1 (EPC) :

Funded interest term loans from bank amounting to INR 298.01 lakhs (March 31, 2022 INR 817.66 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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

The above loan is secured against:

(i) First charge by way of mortgage ranking pari passu on both present and future fixed assets as well as current assets of the Company other than assets exclusively charged to other lenders.

(ii) Second charge ranking pari passu on both present and future current assets as well as fixed assets of the Power projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

Note 17.6 : Funded Interest Term Loan -2 (EPC) :

Funded interest term loans from bank amounting to INR 311.24 lakhs (March 31, 2022 INR 311.24 lakhs) having an interest rate of 10.15% - 10.75% per annum as per CDR Scheme are repayable in single instalment, which will due in March 2021.

The above loan is secured against:

(i) First charge pari passu on both present and future current asset as well as fixed assets of the EPC business other than assets exclusively charged to lenders.

(ii) Second charge pari passu on both current assets and fixed assets of the 3 biomass power plant projects situated at Fazilka, Nakodar and Morinda in the state of Punjab.

Note 17.7: Vehicle loans:

1) Vehicle loan outstanding of INR 13.44 lakhs (March 31, 2022 19.49 lakhs), in case of Ecogreen Envirotech Solutions Limited , from Bank of Baroda is secured by charge on all the respecitve 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 66.60 lakhs (March 31, 2022 21.54 lakhs), in case of Ecogreen Envirotech Solutions Limited , from Kogta Financial (India) Limited is secured by charge on all the respecitve 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 Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited) (subsidiary company) of INR 470.00 (March 31, 2022 INR 470.00 lakhs) lakhs issued to A2Z Greenwaste Management Limited on April 1, 2016 till October 1, 2056. This being compound financial instrument, the same has been discounted and debt portion amounting INR 10.59 lakhs (March 31, 2022 INR 10.59 lakhs) is shown as borrowing in the consolidated financial statement.

2. Zero coupon debentures issued by A2Z Waste management (Aligarh) Limited (subsidiary company) of INR 630.00 (March 31, 2022 INR 630.00 lakhs) lakhs issued to A2Z Waste management (Ranchi) Limited on October 1, 2016 till October 1, 2056. This being compound financial instrument, the same has been discounted and debt portion amounting INR 45.01 lakhs (March 31, 2022 INR 41.04 lakhs) is shown as borrowing in the consolidated financial statement.

Note 17.9: The Group has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

	As at March 31, 2023	As at March 31, 2022
Banks:		
- Principal		
0-3 Months	6.05	48.72
3-6 Months	-	1.88
6-12 Months	58.98	1,921.52
> 12 months	2,176.39	1,420.39
- Interest		
0-3 Months	46.08	67.35
3-6 Months	20.91	38.43
6-12 Months	162.02	128.63
> 12 months	187.45	474.74

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Note 18 **: LEASE LIABILITY**				
Lease liability (Refer Note 54)	14.48	19.63	61.21	827.90
	14.48	**19.63**	**61.21**	**827.90**

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Note 19 **: OTHER FINANCIAL LIABILITIES**				
Interest accrued (Refer Note 50)	4,313.26	-	3,684.81	-
Book overdrafts	0.06	-	6.24	-
Security deposits received	3,325.84	-	2,977.89	-
Payable against purchase of property, plant and equipment: dues of creditors other than micro and small enterprises	89.25	-	128.25	-
Payable to others	883.78	-	687.56	-
Total	**8,612.19**	**-**	**7,484.75**	**-**

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Note 20 **: PROVISIONS**				
Provision for employee benefits				
Provision for gratuity (Refer Note 20 ii)	14.10	640.82	16.55	672.82
Provision for compensated absences	-	-	20.11	-
Others				
Provision for warranty (Refer Note 20 i)	31.74	2,991.65	62.03	3,741.73
Total	**45.84**	**3,632.47**	**98.69**	**4,414.55**

Movements in provisions:

i) **Movement in provision for warranty/liquidated damages during the financial year are as follows:**	**Warranty**
As at April 1, 2021	**1,914.95**
Charged/ (credited) to profit /loss	
Additional provision recognized	866.66
Unwinding of discount	51.84
Amount added / reversed during the year	970.31
As at March 31, 2022	**3,803.76**
Charged/ (credited) to profit /loss	
Additional provision recognized	273.49
Unwinding of the discounting	51.65
Amount added / reversed during the year	(1,105.51)
As at March 31, 2023	**3,023.39**

A provision is recognised for expected warranty claims, based on past experience, for expected cost of meeting obligations of rectification/replacement. It is expected that most of these costs will be incurred in the next 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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

available with the management duly taking into account the current and past technical estimates / trends. These estimates are established using historical information on the nature and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

ii) Defined benefit plan and long term employment benefit

A General description:

Gratuity [Defined benefit plan]:

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

Assets and liability (Balance sheet position)

	As at March 31, 2023	As at March 31, 2022
Present value of obligation	667.26	701.32
Fair value of plan assets	12.34	11.95
Net liability	**654.92**	**689.37**

Expenses recognised during the year

	For the year ended March 31, 2023	For the year ended March 31, 2022
In statement of profit and loss	310.45	254.94
In other comprehensive income	(101.36)	(144.09)
Total expenses recognized during the year	**209.10**	**110.85**

Defined benefit obligation

The details of the Group's DBO are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation as at the beginning	**701.32**	**706.26**
Current service cost	261.51	208.95
Interest expense	49.80	47.21
Re-measurement or actuarial (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(15.24)	(38.44)
- experience adjustments	(86.58)	(105.89)
Benefits paid	(243.55)	(116.77)
Present value of obligation as at the year end	**667.26**	**701.32**

Bifurcation of net liability

	As at March 31, 2023	As at March 31, 2022
Current liability	14.10	16.55
Non-current liability	640.82	672.82
Net liability	**654.92**	**689.37**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Plan assets

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

Changes in the fair value of plan assets

	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value of plan assets as at the beginning	**11.95**	**19.18**
Investment Income	0.85	1.28
Employer's contribution	19.67	15.39
Benefits paid	(19.67)	(23.66)
Return on plan assets (excluding amount recognised in net interest expense)	(0.46)	(0.24)
Fair value of plan assets as at the year end	**12.34**	**11.95**

Expenses recognised in the profit and loss statement

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	261.51	208.95
Net interest cost / (income) on the net defined benefit liability / (asset)	48.95	45.99
Expenses recognised in the statement of profit and loss	**310.45**	**254.94**

Other comprehensive income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gains) / losses		
- change in financial assumptions	(15.24)	(38.44)
- experience variance (i.e. Actual experience vs assumptions)	(86.58)	(105.89)
Return on plan assets (excluding amount recognised in net interest expense)	0.46	0.24
Components of defined benefit costs recognised in other comprehensive income	**(101.36)**	**(144.09)**

Financial assumptions

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

	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.30%	6.75-7.20%
Salary growth rate (per annum)	5.00%	5.00%

Demographic assumptions

	As at March 31, 2023	As at March 31, 2022
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Normal Retirement age	60 Years	60 Years
Withdrawal rates, based on service years: (per annum)		
4 and below years	2-20%	2-20%
Above 4 years	2.00%	2.00%

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

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, 2023	As at March 31, 2022
Defined benefit obligation (Base)	667.26	701.32

	As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	768.31	582.59	806.26	616.60
(% change compared to base due to sensitivity)	20.05%	-16.33%	17.18%	-8.53%
Salary Growth Rate (- / + 1%)	580.78	769.01	614.79	802.76
(% change compared to base due to sensitivity)	-16.07%	19.43%	-13.42%	17.15%
Attrition Rate (- / + 50%)	650.49	678.52	711.03	686.55
(% change compared to base due to sensitivity)	-4.73%	2.83%	-1.17%	2.38%
Mortality Rate (- / + 10%)	665.75	667.04	699.84	701.05
(% change compared to base due to sensitivity)	-0.12%	0.12%	-0.08%	0.05%

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, 2023	As at March 31, 2022
Within the next 12 months [next annual reporting period]	22.59	29.69
Between 2 and 5 years	109.88	152.92
Between 5 and 10 years	245.58	228.64
Beyond 10 years	1,934.35	1,848.57
Total expected payments	**2,312.40**	**2,259.82**

The average duration of the defined benefit plan obligation at the end of reporting period is 7-20 years (March 31, 2022 7-20 years).

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
***Note 21* : OTHER LIABILITIES**				
Advance purchase consideration against sale of property, plant and equipment	-	-	70.50	-
Advances from customers	1,174.63	-	4,000.20	-
Billing in excess of contract revenue	3,400.51	-	3,996.98	-
Statutory dues payable (Refer Note 21.1)	6,659.21	-	9,034.85	-
Other payables				
Subsidy (Refer Note 21.2)	-	2,492.85	-	2,676.44
Lease equalisation reserve	-	359.75	-	355.04
Others	2,279.20	-	3,001.75	-
Total	**13,513.55**	**2,852.60**	**20,104.28**	**3,031.48**

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, 2023	As at March 31, 2022
Note 22* : CURRENT BORROWINGS		
Carried at amortised cost		
Secured borrowings from banks (Refer Note 22.1 and 22.3)		
Working capital loans	881.21	1,340.50
Cash credit facilities	19,834.30	26,956.89
Term loans	2,685.36	2,685.36
Current maturities of long term debt (Refer Note 17 and Note 51)	6,456.93	6,044.79
Unsecured borrowings (Refer Note 22.2)		
From related parties	897.25	897.26
From others	155.88	4.39
Total	**30,910.93**	**37,929.19**

* Refer Note 50 and 51

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

Note 22.1: Working capital loans from banks and other secured loans

a) The working capital loans of INR 881.21 lakhs (March 31, 2022 INR 1,340.50 lakhs) and Cash credit facilities of INR 18,597.40 lakhs (March 31, 2022 INR 24,231.41 lakhs) from banks are secured against whole of the assets (both current as well as fixed) of the Company, namely stock of raw material, stock in process, semi-finished and finished goods, stores and spares (consumable stores and spares), bills receivables and book debts and all other movables and fixed assets (except fixed assets exclusively financed by other lenders) both present and future stored or to be stored at the Company's godown, premises and division at O-116, First Floor Shopping mall, Arjun Marg, DLF City Phase - I, Gurugram or wherever else the same may be by way of first pari - passu charge amongst the consortium members. The charge is also additionally secured by first charge over immovable properties i.e.

   I) Plot No. G-1030 A having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Balaji Pottery Private Limited;

   II) Plot No. G-1030 having 1500 sq mtr. area situated at Industrial Area, Bhiwadi Phase-III, Bhiwadi, Rajasthan in the name of Shree Hari Om Utensils Private Limited;

   III) Office space on 7th Floor of a B+G+7 storied commercial building on east side of LA-VIDA Mall at CK-3,4, 48, 49 Salt Lake City, Sector-II, Kolkata

   IV) Mortgage of following properties :

      (a) Land measuring 17 Bigha-1 Biswa, situated at village Morinda, Tehsil Chamkur Sahib, District Roop Nagar, Punjab;

      (b) Land measuring about 5.309 Hectare situated at village Palsora, District Indore;

      (c) Land with Boundary wall, Khasra No. 70, Vill Sherpur Madho urf Ghania Khera, Near India Brick Kiln, Pargana & Tehsil Bilari, District Moradabad admeasuring about 1.465 Hectare or 3.62 acre;

   V) Additionally, the following properties in the name of personal guarantor's has also been secured by way of first charge:

      (a) Flat, 401, Block A-3, Unitech Apartment, Unitech World, Gurgaon

      (b) Flat, A-126, Type Chancellor on 12th Floor in Regency Park I along with PA-114, DLF City Gurgaon

      (c) Flat, 1706 located at valley view Apartments, Gurgaon

      (d) Flat, 1606 located at valley view Apartments, Gurgaon

      (e) O-116, Shopping Mall, DLF Phase -1, Arjun Marg, Gurgaon

   Further secured by Corporate Guarantees of Shree Hariom Utensils Private Limited and Balaji Pottery Private Limited. The rate of interest vary from 10.15% - 13.25% per annum and these loans are repayable on demand.

b) Second charge on pari-passu basis over all rights, titles, interest, benefits, claims and demands in respect of projects and insurance contracts and over all movable and immoveable properties, accounts, plant and machinery, all other tangible moveable assets both present and future, project book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature in respect of project.

2. Cash credit facility from banks amounting to INR 1,236.90 lakhs (March 31, 2022 INR 2,725.48 lakhs), in case of A2Z Infraservices Limited, are secured by first pari passu charge on the current assets of subsidiary company including book debts and other receivable and fixed assets of the subsidiary company and also by Corporate Guarantee of the Holding Company and personal guarantee of Mr. Amit Mittal (Managing Director) and Ms. Dipali Mittal (Director) of the Company.

3. Term loan from Yes Bank amounting to INR 2,685.36 lakhs (March 31, 2022 INR 2,685.36 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: The unsecured borrowing from others and related parties is repayable on demand and having an interest rate of 10.75% - 24.00 % per annum.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

Note 22.3: The Group has defaulted in repayment of principal and interest in respect of loans from banks and financial institutions as mentioned below:

	As at March 31, 2023	As at March 31, 2022
Banks:		
- Principal		
0-3 Months	-	-
3-6 Months	-	-
6-12 Months	-	-
> 12 months	8,362.33	8,679.56
- Interest		
0-3 Months	625.97	748.68
3-6 Months	399.40	462.92
6-12 Months	1,353.34	1,674.50
> 12 months	4,505.80	4,462.21
Financial institutions:		
- Principal		
0-3 Months	1,000.00	150.00
3-6 Months	100.00	100.00
6-12 Months	1,450.00	725.00
> 12 months	975.00	-
- Interest		
0-3 Months	140.71	4.93
3-6 Months	81.88	19.18
6-12 Months	152.10	100.37
> 12 months	124.48	-

	As at March 31, 2023	As at March 31, 2022
***Note 23* : TRADE PAYABLES**		
Total outstanding dues of micro and small enterprises (Refer Note 23.1)	16.30	30.22
Total outstanding dues of creditors other than micro and small enterprises	36,171.19	52,839.32
Total	**36,187.49**	**52,869.54**

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, 2023	As at March 31, 2022
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	11.88	22.29
- interest amount	1.35	2.12
The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2023	As at March 31, 2022
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	4.42	5.82
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.

Note 23.2 Ageing of trade payables

Ageing of trade payables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSMED	0.47	-	7.28	0.42	8.13	**16.30**
(ii) Others	23,883.17	5,051.22	2,020.73	678.29	4,508.78	**36,142.19**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	29.00	**29.00**
Total	**23,883.64**	**5,051.22**	**2,028.01**	**678.71**	**4,545.91**	**36,187.49**

Ageing of trade payables as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSMED	4.15	13.95	-	8.71	2.00	**28.81**
(ii) Others	27,357.29	6,854.60	1,584.81	11,533.31	5,006.52	**52,336.53**
(iii) Disputed dues – MSME	-	-	-	1.40	-	**1.40**
(iv) Disputed dues - Others	-	-	-	67.25	435.55	**502.80**
Total	**27,361.44**	**6,868.55**	**1,584.81**	**11,610.67**	**5,444.07**	**52,869.54**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

	As at March 31, 2023	As at March 31, 2022
***Note 24* : CURRENT TAX LIABILITIES**		
Current tax liabilities (net of advance tax)	12.11	43.61
	12.11	**43.61**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 25* : REVENUE FROM OPERATIONS		
Sale/rendering of services		
Revenue from engineering services	6,940.80	13,531.44
Revenue from facility management services	19,765.24	12,188.70
Revenue from collection and transportation of municipal solid waste	8,184.26	9,053.62
Revenue from sale of power/ electricity	-	12.33
Revenue from professional services	-	7.74
Sale of products		
Compost sale	33.05	24.44
Miscellaneous sale	2.96	444.67
Other operating revenues:		
Sale of traded goods	17.85	69.56
Total	**34,944.16**	**35,332.50**

*Refer Note 45

	For the year ended March 31, 2023	For the year ended March 31, 2022
***Note 26* : OTHER INCOME**		
Interest income:		
on fixed deposits	52.63	62.83
on income tax refund	0.10	1.20
on loan given to associates	-	871.94
on others	8.42	91.52
Other non-operating income		
Rental income	28.72	29.05
Foreign exchange fluctuation (net)	11.08	34.64
Subsidy amortised	48.07	48.07
Provisions/liabilities written back	2,914.73	555.27
Miscellaneous	197.66	66.13
Total	**3,261.41**	**1,760.65**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
***Note 27* : COST OF MATERIALS CONSUMED**		
Opening inventory - project	16.50	12.01
Add: Raw material purchased*	1,534.97	5,954.77
Add: Material purchased for execution of projects	358.62	797.23
Less: Closing inventory - raw material	19.88	-
Less: Closing inventory - project	2.36	16.50
Material consumed	**1,887.85**	**6,747.51**
Freight and cartage	53.00	175.77
Sub contractor / erection expenses and technical consultancy for projects	7,666.23	6,748.57
Labour charges	170.56	257.79
Site expenditure	107.19	25.70
Deduction and demurrage	-	94.40
Other direct cost	3,501.65	4,801.10
Total	**13,386.48**	**18,850.84**

	For the year ended March 31, 2023	For the year ended March 31, 2022
***Note 28* : CHANGE IN INVENTORIES**		
Opening inventory of finished goods	433.88	695.74
Less: Closing inventory of finished goods	439.76	433.88
(Increase)/Decrease in inventory	**(5.88)**	**261.86**

	For the year ended March 31, 2023	For the year ended March 31, 2022
***Note 29* : EMPLOYEE BENEFITS EXPENSE**		
Salaries and bonus including directors' remuneration	13,823.64	10,274.32
Contribution to provident and other funds (Refer Note 29.1)	1,251.44	717.99
Gratuity (Refer Note 20 ii)	310.45	254.94
Compensated absences benefits	(20.11)	4.90
Share-based payments (Refer Note 29.2)	107.79	25.46
Staff welfare expenses	49.16	34.12
Total	**15,522.37**	**11,311.73**

Note 29.1: Defined contribution plan

The Group has certain defined contribution plans. The contributions are made to provident fund in India for employees at the rate of 12% of the basis salary as per regulations. The contribution are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards the defined contribution plan is INR 1,251.44 lakhs (March 31, 2022 INR 717.99 lakhs)

Note 29.2: Share-based employee remuneration

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

The members of the Company vide special resolution at the Annual General Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on July 3, 2014 has granted 1,905,000 number of stock options convertible into equivalent number of equity shares of INR 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of INR 19.95 each which is BSE closing market price on July 02, 2014 (i.e. previous trading day of the grant date). The entire granted stock options shall vest

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

and will be exercisable 30% on the first anniversary, 30% on the second anniversary & 40% on the third anniversary of the grant date till completion of five years since then.

(b) A2Z Employees Stock Option Plan, 2014

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

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

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

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

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

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

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

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

The Nomination and remuneration Committee in its meeting held on January 3, 2022 has regranted 1,098,000 number of stock options (105,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 993,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

(g) A2Z Employees Stock Option Plan, 2018 (Regrant I)

The Nomination and remuneration Committee in its meeting held on January 3, 2022 has regranted 3,50,000 number of stock options against stock options lapses under A2Z Employee Stock Options Plan, 2018 convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of five years since then.

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

The Nomination and remuneration Committee in its meeting held on February 14, 2023 has regranted 1,735,000 number of stock options (367,000 against stock option lapses under A2Z Employee Stock Options Plan, 2013 and 1,368,000 against stock options lapses under A2Z Employee Stock Options Plan, 2014) convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

10.00 each. The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

(i) A2Z Employees Stock Option Plan, 2018 (Regrant II)

The Nomination and remuneration Committee in its meeting held on February 14, 2023 has regranted 7,55,000 number of stock options against stock options lapses under A2Z Employee Stock Options Plan, 2018 convertible into equivalent number of equity shares of INR 10.00 each to the eligible employees/directors of the Company and its subsidiary companies at the exercise price of INR 10.00 each. The entire granted stock options shall vest and will be exercisable 50% on the first anniversary and 50% on the second anniversary of the grant date till completion of five years since then.

	ESOP 2013-II Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2014 Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013 & 2014 (Regrant I) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018-I Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018-II Plan (Number of shares)
Outstanding as at March 31, 2021	**2,67,500**	**19.95**	**14,35,000**	**15.50**	**10,15,000**	**36.90**	**35,00,000**	**10.00**	**12,00,000**
Granted	-	-	-	-	-	-	-	-	-
Lapsed/Forfeited	5,500	19.95	-	-	40,000	36.90	50,000	10.00	-
Exercised	-	-	-	-	-	-	-	-	-
Outstanding as at March 31, 2022	**2,62,000**	**19.95**	**14,35,000**	**15.50**	**9,75,000**	**36.90**	**34,50,000**	**10.00**	**12,00,000**
Granted	-	-	-	-	-	-	-	-	-
Lapsed/Forfeited	2,62,000	19.95	6,95,000	15.50	1,55,000	36.90	6,00,000	10.00	-
Exercised	-	-	-	-	-	-	-	-	-
Outstanding as at March 31, 2023	**-**	**-**	**7,40,000**	**15.50**	**8,20,000**	**36.90**	**28,50,000**	**10.00**	**12,00,000**
Exercisable at March 31, 2022	2,62,000	19.95	14,35,000	15.50	9,75,000	36.90	34,50,000	10.00	12,00,000
Exercisable at March 31, 2023	-	-	7,40,000	15.50	8,20,000	36.90	28,50,000	10.00	12,00,000

	Programme weighted average exercise price per share	ESOP 2013 & 2014 (Regrant II) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018 (Regrant I) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2013 & 2014 (Regrant III) Plan (Number of shares)	Programme weighted average exercise price per share	ESOP 2018 (Regrant II) Plan (Number of shares)	Programme weighted average exercise price per share
Outstanding as at March 31, 2020	**10.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Granted	-	10,98,000	10.00	3,50,000	10.00	-	-	-	-
Lapsed/Forfeited	-	63,000	10.00	1,30,000	10.00	-	-	-	-
Exercised	-	-	-	-	-	-	-	-	-
Outstanding as at March 31, 2021	**10.00**	**10,35,000**	**10.00**	**2,20,000**	**10.00**	**-**	**-**	**-**	**-**
Granted	-	-	-	-	-	17,35,000	10.00	7,55,000	10.00
Lapsed/Forfeited	-	65,000	10.00	30,000	10.00	-	-	-	
Exercised	-	-	-	-	-	-	-	-	-
Outstanding as at March 31, 2022	**10.00**	**9,70,000**	**10.00**	**1,90,000**	**10.00**	**17,35,000**	**10.00**	**7,55,000**	**10.00**
Exercisable at March 31, 2021	10.00	10,35,000	10.00	2,20,000	10.00	-	-	-	-
Exercisable at March 31, 2022	10.00	9,70,000	10.00	1,90,000	10.00	17,35,000	10.00	7,55,000	10.00

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

(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, 2023

	ESOP 2013-II Plan	ESOP 2014 Plan	ESOP 2013 & 2014 (Regrant I) Plan	ESOP 2018-I Plan	ESOP 2018-II Plan	ESOP 2013 & 2014 (Regrant II) Plan	ESOP 2018 (Regrant I) Plan	ESOP 2013 & 2014 (Regrant III) Plan	ESOP 2018 (Regrant II) Plan
Grant date	July 3, 2014	July 6, 2015	August 17, 2017	October 24, 2018	April 8, 2019	January 3, 2022	January 3, 2022	February 14, 2023	February 14, 2023
Vesting period ends	July 2, 2017	July 5, 2018	August 16, 2020	October 23, 2021	April 7, 2021	January 2, 2025	January 2, 2025	February 13, 2025	February 13, 2025
Share price at date of grant	INR 14.52	INR 10.48	INR 39.40	INR 10.40	INR 18.75	INR 9.95	INR 9.95	INR 8.45	INR 8.45
Volatility	67.05%	65.50%	50.14%	61.62%	58.73%	58.74%	58.74%	50.14%	50.14%
Option life	8 years	8 years	8 years	8 years	7 years	8 years	8 years	7 years	7 years
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free investment rate	8.64%	8.19%	6.74%	7.38%	6.67%	5.20%	5.20%	6.96%	6.96%
Fair value at grant date	INR 14.52	INR 11.15	INR 24.81	INR 6.09	INR 12.81	INR 5.11	INR 5.11	INR 3.67	INR 3.67
Exercise price at date of grant	INR 19.95	INR 15.50	INR 36.90	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00	INR 10.00
Exercisable from	July 3, 2017	July 6, 2018	August 17, 2020	October 24, 2021	April 8, 2021	January 3, 2025	January 3, 2025	February 14, 2025	February 14, 2025
Exercisable till	July 2, 2022	July 5, 2023	August 16, 2025	October 23, 2026	April 7, 2026	January 2, 2030	January 2, 2030	February 13, 2030	February 13, 2030
Weighted average remaining contractual life (In Years)	-	0.26	1.48	2.66	2.52	5.86	5.86	6.38	6.38
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

The following table lists the inputs to the models used for the plans as at March 31, 2022

	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	ESOP 2013 & 2014 (Regrant II) Plan	ESOP 2018 (Regrant I) Plan
Grant date	June 2, 2010	July 3, 2014	July 6, 2015	August 17, 2017	October 24, 2018	April 8, 2019	January 3, 2022	January 3, 2022
Vesting period ends	June 1, 2015	July 2, 2017	July 5, 2018	August 16, 2020	October 23, 2021	April 7, 2021	January 2, 2025	January 2, 2025
Share price at date of grant	INR 221.75	INR 14.52	INR 10.48	INR 39.40	INR 10.40	INR 18.75	INR 9.95	INR 9.95
Volatility	34.93%	67.05%	65.50%	50.14%	61.62%	58.73%	58.74%	58.74%
Option life	10 years	8 years	8 years	8 years	8 years	7 years	8 years	8 years
Dividend yield	2.25%	0%	0%	0%	0%	0%	0%	0%
Risk-free investment rate	7.45%	8.64%	8.19%	6.74%	7.38%	6.67%	5.20%	5.20%
Fair value at grant date	INR 58.23	INR 14.52	INR 11.15	INR 24.81	INR 6.09	INR 12.81	INR 5.11	INR 5.11
Exercise price at date of grant	INR 314.13	INR 19.95	INR 15.50	INR 36.90	INR 10.00	INR 10.00	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	January 3, 2025	January 3, 2025
Exercisable till	June 1, 2020	July 2, 2022	July 5, 2023	August 16, 2025	October 23, 2026	April 7, 2026	January 2, 2030	January 2, 2030
Weighted average remaining contractual life (In Years)	-	0.26	0.87	2.48	3.66	3.52	6.86	6.86
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

	For the year ended March 31, 2023	For the year ended March 31, 2022
***Note 30* : FINANCE COSTS**		
Interest expense [*] [^]	1,195.55	2,616.93
Other borrowing costs		
Bank commission and charges	133.94	170.20
Total	**1,329.49**	**2,787.13**

[*] The break up of interest expense into major heads is given below:

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
On term loans	102.67	156.47
On other bank loans	554.10	1,775.29
On loan from others	3.96	136.51
On others	534.82	548.66
Total	**1,195.55**	**2,616.93**

[^] Refer Note 50

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 31 **: DEPRECIATION AND AMORTISATION EXPENSES**		
Depreciation of property, plant and equipment (Refer Note 3)	762.50	850.84
Depreciation of right to use asset (Refer Note 3)	116.36	49.53
Amortisation of intangible assets (Refer Note 4)	4.38	4.08
Total	**883.24**	**904.45**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 32 **: OTHER EXPENSES**		
Electricity	103.10	111.82
Rent (Refer Note 54)	158.79	190.01
Rates and taxes*	1,287.86	163.09
Freight outward expenses	11.39	9.60
Insurance	11.44	37.21
Repair and maintenance		
- Building	-	2.78
- Plant & machinery	29.56	20.82
- Vehicles	55.15	51.34
- Others	12.57	4.02
Brokerage	9.10	-
Travelling expenses	431.49	337.75
Communication expenses	21.69	19.17
Printing and stationery	23.98	14.78
Legal and Professional fees	685.39	840.77
Director sitting fees	15.50	15.25
Loss on disposal of property, plant and equipment	4.74	942.15
Provision for contract revenue in excess of billing	1,328.78	162.64
Provision for bad and doubtful debts	782.51	14,719.87
Fees and subscription / inspection charges	2.97	9.38
Business promotion expenses	9.97	60.43
Watch and ward expenses	1.44	-
Warranty expense	273.49	866.66
Hiring charges	58.50	64.80
Bad debts written off	-	64.79
Provision for bad and doubtful advance	230.65	368.57
Advances written off	41.94	153.66
Donation and Corporate social reponisbility	13.00	14.85
Liquidated charges	131.46	408.51
Miscellaneous expenses	163.35	106.35
Total	**5,899.81**	**19,761.07**

* Includes INR 1,250.00 lakhs on account of goods & service tax expenses

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 33 **: TAX EXPENSE**		
Current tax expense	61.40	307.89
Tax expense/ (reversal) relating to prior years	-	6.51
Deferred tax charge (Refer Note 9)	1,926.17	(3.43)
Tax expense	**1,987.57**	**310.97**

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss before tax	(10,617.91)	(17,669.46)
Corporate tax rate as per income tax act, 1961	25.17%	25.17%
Tax on accounting profit	**(2,672.53)**	**(4,447.40)**
i) Tax effect on non deductible expenses/ non-taxable income	(728.23)	(2,288.39)
ii) Tax effect on temporary timing differences on which deferred tax not created	485.94	4,676.76
iii) Tax effect on losses of current year on which no deferred tax is created	2,249.41	2,393.51
iv) Effect of change/different tax rate	(0.99)	14.59
v) Tax effect on temporary timing differences on which deferred tax was created, now reversed during the year	2,653.97	(38.10)
Tax expense	**1,987.57**	**310.97**

Note 33.1: a) Detail of unused tax losses for which no deferred tax is recognised in balance sheet:

	As at March 31, 2023			As at March 31, 2022		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Tax losses						
Assessment Year 2014-15	-	-	-	14,053.69	3,537.99	March 31, 2023
Assessment Year 2015-16	30,893.56	7,778.21	March 31, 2024	15,585.35	3,925.13	March 31, 2024
Assessment Year 2016-17	35.97	9.35	March 31, 2025	-	-	March 31, 2025
Assessment Year 2017-18	22,628.27	5,698.30	March 31, 2026	11,419.74	2,876.61	March 31, 2026
Assessment Year 2018-19	7,228.26	1,823.70	March 31, 2027	3,739.35	944.41	March 31, 2027
Assessment Year 2019-20	43,821.72	11,030.90	March 31, 2028	21,895.20	5,511.38	March 31, 2028
Assessment Year 2020-21	12,198.46	3,074.55	March 31, 2029	6,073.02	1,530.46	March 31, 2029
Assessment Year 2021-22	4,490.91	1,130.63	March 31, 2030	2,250.83	566.66	March 31, 2030
Assessment Year 2022-23	173.11	44.97	March 31, 2031	8,614.24	2,168.78	March 31, 2031
Assessment Year 2023-24	13,373.83	3,366.66	March 31, 2032			
	1,34,844.08	**33,957.27**		**83,631.42**	**21,061.42**	

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, 2023			As at March 31, 2022		
	Base amount	Deferred tax	Expiry date (Assessment year)	Base amount	Deferred tax	Expiry date (Assessment year)
Unabsorbed depreciation	13,259.03	3,353.10	Not applicable	12,918.01	3,269.29	Not applicable
Impairment loss	26,788.49	6,742.66	Not applicable	22,413.72	5,641.53	Not applicable
Other temporary differences	21,301.47	5,361.59	Not applicable	12,216.55	3,075.97	Not applicable
Provision for grautity	81.14	21.09	Not applicable	48.53	12.62	Not applicable
	61,430.13	**15,478.44**		**47,596.81**	**11,999.41**	

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 34 : EARNINGS PER SHARE (EPS)

Both the basic and diluted earnings per share have been calculated using the Profit/(loss) attributable to equity holders of the parent as the numerator, i.e. no adjustments to profit/loss were necessary in year ended March 31, 2022 or March 31, 2023.

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	As at March 31, 2023	As at March 31, 2022
Weighted average number of shares used in basic earnings per share	17,61,19,858	17,61,19,858
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	**17,61,19,858**	**17,61,19,858**

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

(Loss)/Profit attributable to equity holders of the company	INR in lakhs	(12,292.03)	(17,991.00)
Weighted average number of equity shares outstanding during the year	Numbers	17,61,19,858	17,61,19,858
Nominal value of equity share	INR	10.00	10.00
Basic EPS	INR	(6.98)	(10.22)
Diluted EPS	INR	(6.98)	(10.22)

Note 35 : INTEREST IN JOINT VENTURES

The Group's interest and share in joint ventures in the jointly controlled operations as at March 31, 2022 and March 31, 2021 are as follows:

S. No.	Name of Joint Venture partner	Description of Interest	Nature of Project	Ownership Interest	Country of Incorporation
1	M/s UB Engineering Limited (UBEL)	Jointly Controlled Operations	A Joint Venture Agreement effective from December 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	*
2	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	*
3	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	*
4	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	*
5	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	*
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 1x50 MVA, 132/33 KV Grid Sub-Station at Battal, Manwal, District Udhampur (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 November 15, 2007. The principal activity of the Venture is to bid for tender and enter into contract with Power Development Department, J & K for Turnkey Package for Survey, Engineering, Design, Fabrication of Lattice Type Structures Galvanisation Supply of Structures, Laying of foundation, Protection Works, Erection of Towers, laying & stringing of ACSR PANTHER Conductor, Testing and Commissioning of Transmission lines from Badampora – Bandipora and from Lassipora – Sopian.	See Note 35(a).1 below	*

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

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 35(a).1: As per joint venture agreements, the scope and value of work of each partner has been clearly defined and accepted by the clients. The Company's share in assets, liabilities, income and expenses are duly accounted for in the accounts of the Company in accordance with such division of work and therefore does not require separate disclosure. However, joint venture partners are jointly and severally liable to clients for any claims in these projects.

Note 36 : DISCLOSURE OF RELATED PARTIES /RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"

A Name of the related parties and nature of the related party relationship:

1 Associate Companies

a) Greeneffect Waste Management Limited
b) A2Z Waste Management (Nainital) Private Limited
c) A2Z Waste Management (Jaipur) Limited

2 Subsidiaries of Greeneffect Waste Management Limited

a) A2Z Waste Management (Merrut) Limited
b) A2Z Waste Management (Moradabad) Limited
c) A2Z Waste Management (Varanasi) Limited
d) A2Z Waste Management (Badaun) Limited
e) A2Z Waste Management (Balia) Limited
f) A2Z Waste Management (Fatehpur) Limited
g) A2Z Waste Management (Jaunpur) Limited
h) A2Z Waste Management (Mirzapur) Limited
i) A2Z Waste Management (Ranchi) Limited
j) A2Z Waste Management (Sambhal) Limited
k) A2Z Waste Management (Dhanbad) Private Limited
l) A2Z Waste Management (Jaipur) Limited
m) A2Z Waste Management (Ahmedabad) Limited
n) Earth Enviornment Management Services Private Limited
o) Shree Balaji Pottery Private Limited
p) Shree Hari Om Utensils Private Limited

3 Joint Venture (unincorporated)

a) M/s UB Engineering Limited
b) M/s Southern Petrochemical Industries Corporation Limited (SPIC - SMO)

4 Key Management Personnel ('KMP')

a) Mr. Amit Mittal (Managing Director) (also appointed as Chief Executive Officer w.e.f. November 15, 2021)
b) Mr. Surender Kumar Tuteja (Non- executive independent director)
c) Ms. Atima Khanna (Non-executive independent director)
d) Mrs. Dipali Mittal (Non-Executive Director)
e) Mr. Arun Gaur (Non-Executive Director) (w.e.f. Novemeber 16, 2021)
f) Mr. Manoj Tiwari (Non-Executive Director) (w.e.f. July 20, 2022)
g) Mr. Rajesh Jain (Chief Executive Officer and Whole time director) (till November 15, 2021)
h) Mr. Ashok Kumar Saini (Non-Executive Director) (till July 20, 2022)
i) Mr. Atul Kumar Agarwal (Company Secretary)
j) Mr. Rajiv Chaturvedi (Chief Financial Officer) (till March 31, 2022)
k) Mr. Lalit Kumar (Chief Financial Officer) (w.e.f. May 18, 2022)

5 Relative of Key Management Personnel

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

6 Entity in which Director/Relative of the Director is Director

a) Fibzy Infrasolutions Private Limited (till November 15, 2021)

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

(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, 2023				For the year ended March 31, 2022			
	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 (Jaunpur) Limited	-	-	-	-	-	29.50	-	-
Interest income								
- Greeneffect Waste Management Limited	-	4.14	-	-	-	871.24	-	-
- Shree Hari Om Utensils Private Limited	-	-	-	-	-	0.02	-	-
- Shree Balaji Pottery Private Limited	-	-	-	-	-	0.02	-	-
- A2Z Waste Management (Varanasi) Limited	-	-	-	-	-	0.66	-	-
Interest expense								
- Greeneffect Waste Management Limited	-	-	-	-	-	106.95	-	-
- A2Z Waste Management (Merrut) Limited	-	-	-	-	-	8.31	-	-
- A2Z Waste Management (Ranchi) Limited	-	3.96	-	-	-	4.13	-	-
- A2Z Waste Management (Nainital) Private Limited	-	-	-	-	-	2.19	-	-
- A2Z Waste Management (Jaunpur) Limited	-	-	-	-	-	14.94	-	-
Rent expense / equipment hiring charges								
- Dipali Mittal	-	-	-	10.90	-	-	-	10.80
- Sudha Mittal	-	-	-	5.28	-	-	-	5.28
Purchase of Goods or Services								
- Fibzy Infrasolutions Private Limited	-	-	-	-	-	-	54.25	-
Share based payment expense								
- Rajesh Jain	-	-	-	(67.83)	-	-	-	7.61
- Ashok Kumar Saini	-	-	-	(80.27)	-	-	-	2.29
- Atul Kumar Agarwal	-	-	-	3.00	-	-	-	2.29
Provision created for investments								
- Greeneffect Waste Management Limited	9,058.00	-	-	-	5,222.24	-	-	-
Short term borrowings taken								
- A2Z Waste Management (Jaunpur) Limited	-	-	-	-	-	44.03	-	-
Short term borrowings refunded								
- A2Z Waste Management (Merrut) Limited	-	-	-	-	-	486.50	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

(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, 2023				For the year ended March 31, 2022			
	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
Loan and advances refunded								
Greeneffect Waste Management Limited	-	-	-	-	-	351.47	-	-
Provision created/(reversed) for doubtful debts expense								
- UB Engineering Limited	-	-	-	112.22	-	-	-	
- SPIC-SMO	-	-	-	44.58	-	-	-	
Remuneration								
- Dipali Mittal	-	-	-	57.27	-	-	-	35.23
- Rajesh Jain	-	-	-	-	-	-	-	32.00
- Ashok Kumar Saini	-	-	-	0.25	-	-	-	1.00
- Amit Mittal	-	-	-	77.14	-	-	-	50.12
- Surender Kumar Tuteja	-	-	-	3.50	-	-	-	4.75
- Atul Kumar Agarwal	-	-	-	45.12	-	-	-	36.25
- Rajiv Chaturvedi	-	-	-	-	-	-	-	17.35
- Manoj Tiwari	-	-	-	14.79	-	-	-	-
- Atima Khanna	-	-	-	5.85	-	-	-	6.20
- Lalit Kumar	-	-	-	26.66	-	-	-	-
- Chaitali Sharma	-	-	-	0.80	-	-	-	-
- Arun Gaur	-	-	-	3.50	-	-	-	1.00

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2023				Balance outstanding as at March 31, 2022			
	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP	Joint Ventures	Associate companies	Enterprise in control of Relatives of KMP	KMP / Relative of KMP
Investment in equity shares								
- Greeneffect Waste Management Limited	-	969.40	-	-	-	969.40	-	-
- A2Z Waste Management (Jaipur) Limited	-	1.00	-	-	-	1.00	-	-
- A2Z Waste Management (Nainital) Private Limited	-	2.40	-	-	-	2.40	-	-
Provision on investment in equity shares								
- Greeneffect Waste Management Limited	-	(929.01)	-	-	-	(929.01)	-	-
- A2Z Waste Management (Jaipur) Limited	-	(1.00)	-	-	-	(1.00)	-	-
- A2Z Waste Management (Nainital) Private Limited	-	(2.40)	-	-	-	(2.40)	-	-
Investment in preference shares/debentures (debt Portion)								
- Greeneffect Waste Management Limited	-	9,057.81	-	-	-	9,053.67	-	-
Provision on investment in preferencce shares / debentures (Debt portion)								
- Greeneffect Waste Management Limited	-	(5,222.24)	-	-	-	(5,222.24)	-	-
Investment in preference shares/debentures (equity Portion)								
- Greeneffect Waste Management Limited	-	14,658.65	-	-	-	14,658.65	-	-
Provision on Investment in preference shares/ debentures (equity Portion)								
- Greeneffect Waste Management Limited	-	(9,058.00)	-	-	-	-	-	-
Investment in shares(ESOP scheme)								
- Greeneffect Waste Management Limited	-	10.45	-	-	-	10.45	-	-
- A2Z Waste Management (Merrut) Limited	-	19.19	-	-	-	19.19	-	-
- A2Z Waste Management (Balia) Limited	-	12.11	-	-	-	12.11	-	-
Non-current borrowing(debt portion of preference shares)								
- Greeneffect Waste Management Limited	-	10.59	-	-	-	10.59	-	-
- A2Z Waste Management (Ranchi) Limited	-	45.01	-	-	-	41.04	-	-
Other equity (equity portion of preference shares)								
- Greeneffect Waste Management Limited	-	465.54	-	-	-	465.54	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2023				Balance outstanding as at March 31, 2022			
	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
Current borrowings								
- Greeneffect Waste Management Limited	-	759.05	-	-	-	759.05	-	-
- A2Z Waste Management (Jaunpur) Limited	-	122.73	-	-	-	122.73	-	-
- A2Z Waste Management (Nainital) Private Limited	-	11.80	-	-	-	11.80	-	-
- A2Z Waste Management (Ranchi) Limited	-	3.68	-	-	-	3.68	-	-
Interest payable(other financial liabilities)								
- A2Z Waste Management (Merrut) Limited	-	20.52	-	-	-	20.52	-	-
- Greeneffect Waste Management Limited	-	827.67	-	-	-	827.66	-	-
- A2Z Waste Management (Balia) Limited	-	0.04	-	-	-	0.04	-	-
- A2Z Waste Management (Ranchi) Limited	-	2.68	-	-	-	2.68	-	-
- A2Z Waste Management (Moradabad) Limited	-	0.15	-	-	-	0.15	-	-
- A2Z Waste Management (Nainital) Private Limited	-	8.49	-	-	-	8.49	-	-
- Mestric Consultants Private Limited	-	0.02	-	-	-	0.02	-	
- A2Z Waste Management (Jaunpur) Limited	-	15.65	-	-	-	15.65	-	-
Interest receivable (loans)								
- Greeneffect Waste Management Limited	-	301.36	-	-	-	3,777.01	-	-
- Shree Balaji Pottery Private Limited	-	0.13	-	-	-	0.13	-	-
- Shree Hari Om Utensils Private Limited	-	0.13	-	-	-	0.13	-	-
- A2Z Waste Management (Moradabad) Limited	-	6.64	-	-	-	6.64	-	-
- A2Z Waste Management (Varanasi) Limited	-	5.77	-	-	-	5.77	-	-
- A2Z Waste Management (Ranchi) Limited	-	0.48	-	-	-	0.48	-	-
Trade receivable / other recoverable								
- UB Engineering Limited	240.22	-	-	-	240.22	-	-	-
- SPIC-SMO	47.94	-	-	-	47.94	-	-	-
- A2Z Waste Management (Varanasi) Limited	-	15.74	-	-	-	15.73	-	-
- Greeneffect Waste Management Limited	-	396.16	-	-	-	398.65	-	-
- A2Z Waste Management (Balia) Limited	-	9.02	-	-	-	9.02	-	-
- A2Z Waste Management (Mirzapur) Limited	-	4.33	-	-	-	4.33	-	-
- A2Z Waste Management (Fatehpur) Limited	-	2.12	-	-	-	2.12	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2023				Balance outstanding as at March 31, 2022			
	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
Current borrowings								
- A2Z Waste Management (Badaun) Limited	-	1.57	-	-	-	1.57	-	-
- A2Z Waste Management (Sambhal) Limited	-	2.00	-	-	-	2.00	-	-
- A2Z Waste Management (Dhanbad) Private Limited	-	0.82	-	-	-	0.82	-	-
- A2Z Waste Management (Moradabad) Limited	-	0.74	-	-	-	0.74	-	-
- A2Z Waste Management (Jaunpur) Limited	-	3.72	-	-	-	(6.74)	-	-
Other recoverable								
- Greeneffect Waste Management Limited	-	3,975.35	-	-	-	3,506.18	-	-
Provision for doubtful debts								
- UB Engineering Limited	140.22	-	-	-	240.22	-	-	-
- SPIC-SMO	47.94	-	-	-	47.94	-	-	-
- Greeneffect Waste Management Limited	-	877.12	-	-	-	877.12	-	-
Remuneration/ sitting fees payable								
- Dipali Mittal	-	-	-	10.90	-	-	-	0.75
- Rajesh Jain	-	-	-	-	-	-	-	12.07
- Ashok Kumar Saini	-	-	-	1.26	-	-	-	1.74
- Amit Mittal	-	-	-	20.36	-	-	-	11.90
- Surender Kumar Tuteja	-	-	-	-	-	-	-	0.90
- Ashok Kumar	-	-	-	3.65	-	-	-	3.65
- Manoj Tiwari	-	-	-	9.36	-	-	-	-
- Atul Kumar Agarwal	-	-	-	5.29	-	-	-	7.12
- Rajiv Chaturvedi	-	-	-	-	-	-	-	3.35
- Lalit Kumar	-	-	-	1.54	-	-	-	-
- Arun Gaur	-	-	-	0.90	-	-	-	-
- Atima Khanna	-	-	-	1.60	-	-	-	1.03
Short term loans and advances								
- A2Z Waste Management (Varanasi) Limited	-	77.48	-	-	-	77.48	-	-
- Greeneffect Waste Management Limited	-	3,957.75	-	-	-	3,957.76	-	-
- A2Z Waste Management (Dhanbad) Private Limited	-	230.56	-	-	-	230.56	-	-

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

C. Balance outstanding at the end of the year

	Balance outstanding as at March 31, 2023				Balance outstanding as at March 31, 2022			
	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 (Ranchi) Limited	-	350.00	-	-	-	350.00	-	-
- A2Z Waste Management (Merrut) Limited	-	8.92	-	-	-	8.92	-	-
- Shree Balaji Pottery Private Limited	-	0.13	-	-	-	0.13	-	-
- Shree Hari Om Utensils Private Limited	-	0.89	-	-	-	0.89	-	-
- A2Z Waste Management (Jaunpur) Limited	-	-	-	-	-	0.49	-	-
Trade payable/imprest payable								
- Dipali Mittal	-	-	-	4.95	-	-	-	1.62
- Sudha Mittal	-	-	-	2.38	-	-	-	2.77
- Greeneffect Waste Management Limited	-	127.06	-	-	-	211.58	-	-
- Atul Kumar Aggarwal	-	-	-	(0.45)	-	-	-	1.00
- Rajiv Chaturvedi	-	-	-	-	-	-	-	0.20
- A2Z Waste Management (Jaunpur) Limited	-	158.27	-	-	-	-	-	-
Other financial liablility								
- Greeneffect Waste Management Limited	-	686.37	-	-	-	613.34	-	-
- A2Z Waste Management (Merrut) Limited	-	59.33	-	-	-	59.33	-	-
- A2Z Waste Management (Nainital) Private Limited	-	5.00	-	-	-	5.00	-	-
- A2Z Waste Management(Jaunpur) Limited	-	123.74	-	-	-	-	-	-
Guarantees given on behalf of associates								
- Greeneffect Waste Management Limited	-	15,715.00	-	-	-	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, 2023
(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, 2023	For the year ended March 31, 2022
Short term employee benefits	103.17	137.79
Share-based payment transactions	3.26	12.19
Sitting fees	15.50	15.25
Total compensation paid/payable to key management personnel	**121.93**	**165.23**

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, 2023		
	FVPL	FVOCI	Amortised cost
Financial assets			
Investment in Preference shares and debentures	-	-	3,835.57
Trade receivables	-	-	32,491.42
Loans	-	-	1,546.35
Cash and cash equivalents	-	-	1,064.09
Other bank balances	-	-	141.98
Other financial assets	-	-	28,570.84
Total	**-**	**-**	**67,650.25**
Financial liabilities			
Borrowings	-	-	31,309.41
Lease liability	-	-	34.11
Trade payables	-	-	36,187.49
Other financial liabilities	-	-	8,612.19
Total	**-**	**-**	**76,143.20**

	As at March 31, 2022		
	FVPL	FVOCI	Amortised cost
Financial assets			
Investment in Preference shares and debentures	-	-	3,831.43
Trade receivables	-	-	51,156.13
Loans	-	-	8,430.84
Cash and cash equivalents	-	-	911.69
Other bank balances	-	-	137.71
Other financial assets	-	-	29,369.69
Total	**-**	**-**	**93,837.49**
Financial liabilities			
Borrowings	-	-	38,510.06
Lease liability	-	-	889.11
Trade payables	-	-	52,869.54
Other financial liabilities	-	-	7,484.75
Total	**-**	**-**	**99,753.46**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

(ii) Risk management

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

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

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

A. Credit risk

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

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

The Group's receivables comprises of trade receivables. During the periods presented, the group made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired, as given below:

	As at March 31, 2023	As at March 31, 2022
Not more than 30 days	3,228.39	3,562.15
More than 30 days but not more than 60 days	1,055.79	1,340.76
More than 60 days but not more than 90 days	1,040.49	1,231.37
More than 90 days	46,877.15	65,802.93
	52,201.82	**71,937.21**
Less: Provision for impairment	(19,710.40)	(20,781.08)
	32,491.42	**51,156.13**

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good. The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables. Further, specific provision is made for any individual debtors which are considered to be doubtful and non-recoverable in part or in full. The reconciliation of expected credit losses on trade receivables is given below.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	**20,781.08**	**7,424.67**
Changes in provision		
Additional provision	782.51	14,719.87
Reversal of provision	(1,853.19)	(1,363.46)
Balance as at the end of the year	**19,710.40**	**20,781.08**

The credit risk for other financial assets is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings. However, specific provision is made in case a particular receivable is considered to be non-recoverable.

B. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings (including estimated future interest)	30,970.93	378.88	-	1,100.00	**32,449.81**
Lease liability	17.28	13.32	8.00	-	**38.60**
Trade payables	36,187.49	-	-	-	**36,187.49**
Other financial liabilities	8,612.19	-	-	-	**8,612.19**
Total	**75,787.89**	**392.20**	**8.00**	**1,100.00**	**77,288.09**

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings (including estimated future interest)	38,001.19	271.79	336.00	1,100.00	39,708.98
Lease liability	148.55	137.40	136.74	954.65	1,377.34
Trade payables	52,869.54	-	-	-	52,869.54
Other financial liabilities	7,484.75	-	-	-	7,484.75
Total	**98,504.03**	**409.19**	**472.74**	**2,054.65**	**1,01,440.61**

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, 2023, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits all pay fixed interest rates.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Interest rate risk exposure

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

	As at March 31, 2023	As at March 31, 2022
Variable rate borrowing	25,802.04	31,288.89
Fixed rate borrowing	5,507.37	7,221.17
Total	**31,309.41**	**38,510.06**

Sensitivity

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

	As at March 31, 2023	As at March 31, 2022
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	(193.08)	(234.13)
Interest rates – decrease by 100 basis points (100 bps)	193.08	234.13

* Holding all other variables constant

(b) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar (USD), Ugandan Shillings, Nepal Rupee and Tanzania Shillings. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

Unhedged foreign currency exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

	As at March 31, 2023			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Trade receivables	USD	2.60	82.15	213.47
Cash and cash equivalents	USD	0.06	82.15	5.34
	Uganda Shillings	9.28	0.02	0.20
	NPR	0.90	0.62	0.56
	Tanzania Shillings	3,860.27	0.04	136.37
Other financial assets	USD	-	82.15	-
Trade payables	USD	0.02	82.15	2.02
	Uganda Shillings	581.80	0.02	12.43

	As at March 31, 2022			
	Currency	Amount in foreign currency	Exchange rate	Amount in INR
Trade receivables	USD	41.25	75.51	3,021.05
Cash and cash equivalents	USD	0.11	75.51	8.56
	Uganda Shillings	9.99	0.02	0.21
	NPR	0.90	0.61	0.55
	Tanzania Shillings	1,967.40	0.03	63.88
Other financial assets	USD	0.02	75.51	1.24
Trade payables	USD	0.04	75.51	3.26
	Uganda Shillings	454.20	0.02	9.60

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Sensitivity*

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	As at March 31, 2023	As at March 31, 2022
USD sensitivity		
INR /USD- increase by 6.82% (for previous year - 6.82%)	11.06	11.12
INR/USD- decrease by 6.82%(for previous year - 6.82%)	(11.06)	(11.12)
UGX sensitivity		
INR/UGX- increase by 6.05% (for previous year - 6.05%)	(0.55)	(0.43)
INR/UGX- decrease by 6.05% (for previous year - 6.05%)	0.55	0.43
NPR sensitivity		
INR/NPR increase by 12.26% (for previous year - 12.26%)	0.05	0.05
INR/NPR- decrease by 12.26% (for previous year - 12.26%)	(0.05)	(0.05)
TZS sensitivity		
INR/TZS- increase by 6.41% (for previous year - 6.41%)	6.54	3.06
INR/TZS- decrease by 6.41% (for previous year - 6.41%)	(6.54)	(3.06)

* Holding all other variables constant

Note 38 : FINANCIAL RATIOS

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reason for variance
Current ratio	Current assets	Current liabilities	0.79	0.81	-2.78%	No Major Variance
Debt-equity ratio	Total debt	Shareholder's equity	8.23	2.42	240.04%	Due to loss in current year majorly on account of provision for investments and impairment of CWIP.
Debt service coverage ratio	Earnings available for debt service*	Debt Service**	(2.23)	(1.97)	13.41%	No Major Variance
Return on equity ratio	Net profit after taxes	Average shareholder's equity	-127.85%	-74.31%	72.04%	Due to loss in current year majorly on account of provision for investments and impairment of CWIP.
Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	29.33	33.01	-11.13%	No Major Variance
Trade receivables turnover ratio	Sales	Average Trade Receivables	0.84	0.50	67.22%	Due to realisation of Trade receivables in the current year
Trade payables turnover ratio	Purchases	Average Trade Payables	0.30	0.33	-9.34%	No Major Variance
Net capital turnover ratio	Sales	Working Capital	(1.86)	(1.59)	17.20%	No Major Variance
Net profit ratio	Net profit after tax	Sales	(0.36)	(0.51)	-29.11%	Due to loss in current year majorly on account of provision for investments and impairment of CWIP.
Return on capital employed	Earnings before interest and Taxes	Capital employed****	-0.27	-0.28	-1.80%	No Major Variance
Return on Investment (%)	Current value of investment - Cost of investment	Cost of investment	100.00%	100.00%	0.00%	No Major Variance

* Earning for Debt Service = Net Profit after taxes*** + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

** Debt service = Interest & Lease Payments + Principal Repayments

*** "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

**** Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

Note 39 : CAPITAL MANAGEMENT POLICIES AND PROCEDURES

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group' s capital management objectives are:

• to ensure the Group's ability to continue as a going concern

• to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, 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, 2023	As at March 31, 2022
Borrowings	31,309.41	38,510.06
Less: cash and cash equivalents	(1,064.09)	(911.69)
Net debt	**30,245.32**	**37,598.37**
Equity	3,805.01	15,914.08
Capital and net debt	**34,050.33**	**53,512.45**
Gearing ratio	**88.83%**	**70.26%**

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, 2022 and March 31, 2023.

Note 40 : DISCLOSURE PURSUANT TO IND AS-105 "NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS"

1) The group doesn't have assets recognised as held for sale as at March 31, 2023 and March 31, 2022.
2) During the previous year, the Holding Company has sold two floors at Medanta Medicity premises located at Sector 38, NH-8, Gurugram for a consideration of INR 1600.00 lakhs.
3) During the previous year, the Holding company has sold its stake in Chavan Rishi International Limited whose Land and Building was classified Asset held for sale in previous year.

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')

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

(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, 2023						
	Engineering Services	**Facility Management Services**	**Municipal solid waste management**	**Power generation projects**	**Others**	**Elimination**	**Total**
Revenue							
Segment revenue	6,940.80	19,765.25	8,220.26	-	17.85	-	**34,944.16**
Other income	3,056.68	-	149.76	-	-	-	**3,206.44**
Intersegment revenue	-	(1,902.49)	-	-	-	(1,902.49)	**-**
Total segment revenue	**9,997.48**	**17,862.76**	**8,370.02**	**-**	**17.85**	**(1,902.49)**	**38,150.60**
Cost							
Segment cost	(10,276.99)	(14,901.41)	(8,333.91)	(270.73)	(0.48)	1,902.49	**(35,686.01)**
Total segment cost	**(10,276.99)**	**(14,901.41)**	**(8,333.91)**	**(270.73)**	**(0.48)**	**1,902.49**	**(35,686.01)**
Segment operating (loss)/ profit	**(279.51)**	**2,961.35**	**36.11**	**(270.73)**	**17.37**	**-**	**2,464.59**
Total reportable segment operating (loss)							**2,464.59**
Interest income							54.96
Interest expense							(1,195.55)
Share of loss of associates and bank charges							262.22
Exceptional Item (Refer Note 43)							(12,204.13)
Loss before tax							**(10,617.91)**
Tax expense							
Current tax							61.40
Deferred tax (net)							1,926.17
Loss after tax							**(12,605.48)**
Reclassification of net actuarial gain on employee defined benefit obligations							96.16
Total comprehensive income for the year (comprising loss and other comprehensive income)							**(12,509.32)**

	As at March 31, 2023						
	Engineering Services	**Facility Management Services**	**Municipal solid waste management**	**Power generation projects**	**Others**	**Elimination**	**Total**
Assets							
Segment assets	56,055.55	10,274.88	15,273.11	994.20	5,505.15	15,191.99	**72,910.90**
Unallocable corporate assets	-	-	-	-	-	-	**26,162.18**
Total assets	**56,055.55**	**10,274.88**	**15,273.11**	**994.20**	**5,505.15**	**15,191.99**	**99,073.08**
Liabilities							
Segment liabilities	36,708.16	9,452.36	12,024.60	137.91	7,800.74	9,706.02	**56,417.75**
Unallocable corporate liabilities	-	-	-	-	-	-	**39,782.02**
Total liabilities	**36,708.16**	**9,452.36**	**12,024.60**	**137.91**	**7,800.74**	**9,706.02**	**96,199.77**
Capital expenditure	542.92	41.97	85.52	-	-	-	**670.41**
Depreciation	492.84	159.53	103.16	-	127.71	-	**883.24**
Other non-cash expenditure							**2,866.10**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2022						
	Engineering Services	Facility Management Services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Revenue							
Segment revenue	13,531.44	11,987.32	9,724.10	-	89.64	-	**35,332.50**
Other income	591.03	334.53	50.32	0.11	338.19	-	**1,314.18**
Intersegment revenue	-	3,049.19	-	-	-	3,049.19	**-**
Total segment revenue	**14,122.47**	**15,371.04**	**9,774.42**	**0.11**	**427.83**	**3,049.19**	**36,646.68**
Cost							
Segment cost	(29,647.26)	(15,137.04)	(9,164.41)	(268.12)	(360.93)	(3,487.80)	**(51,089.96)**
Total segment cost	**(29,647.26)**	**(15,137.04)**	**(9,164.41)**	**(268.12)**	**(360.93)**	**(3,487.80)**	**(51,089.96)**
Segment operating profit/(loss)	**(15,524.79)**	**234.00**	**610.01**	**(268.01)**	**66.90**	**(438.61)**	**(14,443.28)**
Total reportable segment operating proft							**(14,443.28)**
Interest income							446.48
Interest expense							(2,616.93)
Share of loss of associates							(1,582.79)
Exceptional Item (Refer Note 43)							527.06
Profit before tax							**(17,669.46)**
Tax expense							
Current tax							314.40
Deferred tax							(3.43)
Profit after tax							**(17,980.43)**
Reclassification of net actuarial gain on employee defined benefit obligations							113.29
Total comprehensive income for the year (comprising loss and other comprehensive income)							**(17,867.14)**

	As at March 31, 2022						
	Engineering Services	Facility Management Services	Municipal solid waste management	Power generation projects	Others	Elimination	Total
Assets							
Segment assets	77,811.48	13,532.96	16,014.49	7,596.81	4,064.92	20,087.77	**98,932.89**
Unallocable corporate assets	-	-	-	-	-	-	**43,788.58**
Total assets	**77,811.48**	**13,532.96**	**16,014.49**	**7,596.81**	**4,064.92**	**20,087.77**	**1,42,721.47**
Liabilities							
Segment liabilities	61,117.26	12,931.82	12,858.72	138.19	8,139.24	14,207.98	**80,977.25**
Unallocable corporate liabilities	-	-	-	-	-	-	**46,468.96**
Total liabilities	**61,117.26**	**12,931.82**	**12,858.72**	**138.19**	**8,139.24**	**14,207.98**	**1,27,446.21**
Capital expenditure	139.72	15.07	167.87	-	-	-	**322.66**
Depreciation	413.75	196.48	94.43	-	199.79	-	**904.45**
Other non-cash expenditure	-	-	-	-	-	-	**16,440.95**

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 consolidated financial statements for the year ended March 31, 2023
(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 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 11,940.18 lakhs (March 31, 2022 INR 14,299.03 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, 2023	As at March 31, 2022
Corporate guarantees given to banks on account of facilities granted by said banks to associates	19,295.00	28,605.00
Litigations under workmen compensation act (Refer Note 42.1)	4.53	35.46
Litigations with contractors and others (Refer Note 42.1)	102.75	158.46
Sales tax demand under dispute (Refer Note 42.1)	8,852.03	8,892.33
GST demand under dispute (net of amount paid under protest)	2,793.28	-
Income Tax demand under dispute (Refer Note 42.2)	2,428.20	2,848.92
	33,475.78	**40,540.17**

Note 42.1 : Based on discussions with the solicitors / favourable decisions in similar cases/legal opinions taken by the Holding Company, the management believes that the Holding Company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

Note 42.2 : The Income tax authorities conducted a search and survey at certain premises of the Holding Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Holding Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability. During the year ended March 31, 2015 the Holding Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Holding Company. The Holding Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters, where the CIT(A) has not accepted the Holding Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Holding Company.

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

During the year ended March 31, 2019, the Holding Company has received orders from CIT (Appeals) squashing the penalty orders aggregating INR 477.71 lakhs out of the aforementioned and upholding the rest. During the current year, the Holding Company has received order from ITAT quashing the penalty order and quantum order is still pending at ITAT level.

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

b) Commitments outstanding:

		As at March 31, 2023	As at March 31, 2022
(i)	Estimated amount of contracts to be executed and not provided for:		
	Other Commitments	17,958.00	23,626.38
		17,958.00	**23,626.38**

(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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 43 : EXCEPTIONAL ITEMS

	For the year ended March 31, 2023	For the year ended March 31, 2022
One time settlement with banks and financial institutions (Refer Note 43.1)	2,775.44	8,550.30
Liabilities written back	9,598.99	5,239.20
Exception gain (A)	**12,374.43**	**13,789.50**
Unbilled provision/write off	2,500.24	-
Capital assets impaired/written off (Refer note- 3.1)	6,128.77	-
Trade receivable written off	-	7,674.82
Loans and advances provision	6,891.55	-
Loss on disposal of subsidiary (Refer Note 44)	-	365.38
Investment provision/written off	9,058.00	5,222.24
Exceptional loss (B)	**24,578.56**	**13,262.44**
Net exceptional (loss)/gain	**(12,204.13)**	**527.06**

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

Note 44 : DISPOSAL OF SUBSIDIARY

(i) Disposal of subsidiary in 2021-22

During previous year, the Company disposed of its 100% shareholding in one of its subsidiary company i.e. Chavanrishi International Limited

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 February 8, 2022
(a) Carrying amount of subsidiary's assets and liabilities disposed	
Assets	
Non-current assets	
Investment property	441.05
Other financial assets	1.50
Non-current tax assets (net)	10.37
Total non-current assets	**452.92**
Current assets	
Financial assets	2.36
Total current assets	**2.36**
Total assets	**455.28**
Non-current liabilities	
Other financial liabilities	66.06
Total non-current liabilities	**66.06**
Borrowings	134.00
Trade payables	2.41
Other current liabilities	0.44
Total current liabilities	**136.85**
Total liabilities	**202.91**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

		As at February 8, 2022
(b)	**Computation of loss of disposal of subsidiary**	
	Group stake in subsidiary on the date of disposal	**252.37**
	Consideration received in cash	(600.00)
	Gain on disposal	**347.63**
	Goodwill written off	(713.01)
	Net loss on disposal (Refer Note 43)	**(365.38)**
(c)	**Net cash inflow on disposal of subsidiary**	
	Consideration received in cash	600.00
	Net cash inflow	**600.00**

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, 2022 and March 31, 2022:

Segment	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Revenue as per Ind AS 115	Total	Revenue as per Ind AS 115	Total
Sale/rendering of services				
Revenue from engineering services	6,940.80	6,940.80	13,531.44	13,531.44
Revenue from facility management services	19,765.24	19,765.24	12,188.70	12,188.70
Revenue from collection and transportation of municipal solid waste	8,184.26	8,184.26	9,053.62	9,053.62
Revenue from power generation projects	-	-	12.33	12.33
Revenue from professional services	-	-	7.74	7.74
Revenue from sale of products	36.01	36.01	469.11	469.11
Other operating revenues:				
Sale of traded goods and scrap sale	17.85	17.85	69.56	69.56
Total	**34,944.16**	**34,944.16**	**35,332.50**	**35,332.50**

(b) Out of the total revenue recognised under IND AS-115 during the year, INR 34,890.30 lakhs (Previous year : INR 34,781.50 lakhs) is recognised over a period of time and INR 53.86 lakhs (Previous year : INR 551.10 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance as at April 1	**20,781.08**	**7,424.67**	**759.31**	**602.27**
Changes in allowance for expected credit loss:				
Provision/(reversal) of allowance for expected credit loss	782.51	14,719.87	1,328.78	162.64
Write off as bad debts	(1,853.19)	(1,363.46)	(2,045.10)	(5.60)
Closing balance as at March 31	**19,710.40**	**20,781.08**	**42.99**	**759.31**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

(d) Contract balances:

(i) Movement in contract balances during the year:

Particulars	As at March 31, 2023				As at March 31, 2022			
	Trade Receivable*	Contract assets*	Contract liabilities	Net contract balances	Trade Receivable*	Contract assets*	Contract liabilities	Net contract balances
Opening balance as at April 1	51,156.13	13,265.30	4,000.20	9,265.10	90,274.18	13,058.90	3,878.38	9,180.52
Closing balance as at March 31	32,491.42	11,900.54	1,174.63	10,725.91	51,156.13	13,265.30	4,000.20	9,265.10
Net increase/(decrease)	**(18,664.71)**	**(1,364.76)**	**(2,825.57)**	**1,460.81**	**(39,118.05)**	**206.40**	**121.82**	**84.58**

*(Refer Note- 43)

(ii) Revenue recognised during the year from opening balance of contract liabilities amounts to INR 1,834.76 Lakhs (March 31, 2022: INR 1,225.22).

(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, 2022: Nil).

(e) Cost to obtain the contract :

(i) Amount of amortisation recognised in Profit and Loss during the year 2022-23: INR Nil (March 31, 2022: INR Nil).

(ii) Amount recognised as assets as at March 31, 2023: INR Nil (March 31, 2022: INR Nil).

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

Particulars	March 31, 2023	March 31, 2022
Opening contracted price of orders as at April 1*	**2,48,159.04**	**2,40,623.70**
Add:		
Fresh orders/change orders received (net)	55,028.73	14,766.46
Less:		
Orders completed during the year	28,077.96	7,231.11
Closing contracted price of orders as at March 31*	**2,75,109.81**	**2,48,159.04**
Total Revenue recognised during the year:	34,944.14	35,332.50
Less: Revenue out of orders completed during the year	13,573.42	10,991.41
Revenue out of orders under execution at the end of the year (I)	21,370.73	24,341.09
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	1,91,023.17	1,78,795.92
Balance revenue to be recognised in future viz. Order book (III)	62,715.91	45,022.04
Closing contracted price of orders as at March 31* (I+II+III)	**2,75,109.81**	**2,48,159.04**

*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, 2023			As at March 31, 2022		
		Expected conversion in revenue			Expected conversion in revenue	
	Total	Upto 1 Year	More than 1 year	Total	Upto 1 Year	More than 1 year
Transaction price allocated to remaining performance obligation	62,715.91	41,718.90	20,997.01	45,022.04	39,323.88	5,698.16

(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, 2023

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

Note 46 : GROUP INFORMATION

Consolidated financial statements as at March 31, 2023 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, 2023	Proportion of equity Interest as at March 31, 2023	Proportion of equity Interest as at March 31, 2022
I	**Subsidiary companies**						
1	A2Z Infraservices Limited	Combined facilities support activities	81100	India	Audited	93.83%	93.83%
2	A2Z Powercom Limited	Engineering Services	42202	India	Audited	100.00%	100.00%
3	Mansi Bijlee & Rice Mills Limited	Electric Power Generation, transmission and distribution	35106	India	Audited	100.00%	100.00%
4	Magic Genie Services Limited	Facility Management Services Provider	36000	India	Audited	75.00%	75.00%
5	Blackrock Waste Processing Private Limited (w.e.f. 03.11.2021)	Waste management processing facility	38110/38210	India	Audited	60.00%	60.00%
6	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Water Waste Management	38110/38210	India	Audited	60.00%	60.00%
II	**Step down subsidiaries**						
	Subsidiaries of A2Z Infraservices Limited						
1	Ecogreen Envirotech Solutions Limited	Waste management processing facility	38110/38210	India	Audited	79.47%	79.47%
2	A2Z Infraservices (Lanka) Private Limited (till 24.04.2022) *	Combined facilities support activities	Incorporated	Srilanka	Audited	0.00%	47.85%
3	A2Z Waste Management (Ludhiana) Limited	Waste management processing facility	38110/38210	India	Audited	65.68%	65.68%
4	A2Z Waste Management (Aligarh) Limited	Waste management processing facility	38110/38210	India	Audited	75.06%	75.06%
5	Magic Genie Smartech Solutions Limited	Installation of Sanitation Equipment	43221	India	Audited	65.68%	65.68%
6	Rishikeh Waste Management Limited (Formerly known as A2Z Powertech Limited)	Manufacture, Fabricate, develop, and assemble electronic equipments of all description	26109	India	Audited	65.68%	65.68%
7	Vsapients Techno Services Private Limited (w.e.f. 21.02.2023)**	Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions	62091/62099	India	Audited	93.83%	0.00%
8	Vswach Enviroment (Aligarh) Private Limited (w.e.f. 03.11.2021)***	collection, segregation, transportation, trading, processing, composting, recycling, treatment and disposal of all types of waste	38110/38210	India	Audited	93.83%	0.00%
III	**Associate Companies**						
1	Greeneffect Waste Management Limited (Formerly known as 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%
3	A2Z Waste Management (Jaipur) Limited	India	38110/38210	India	Audited	20.00%	20.00%

***** During the current year, on April 24, 2022, A2Z Infraservices Limited has transferred its entire shareholding in A2Z Infraservices (Lanka) Private Limited.

****** During the current year, A2Z Infraservices Limited has incorporated a subsidiary with name Vsapients Techno Services Private Limited on February 21, 2023 and hold 100% shareholding in the Company.

******* During the current year, A2Z Infraservices Limited has incorporated a subsidiary with name Vswach Enviroment (Aligarh) Private Limited on December 9, 2022 and hold 100% shareholding in the Company.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(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, 2023:

	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	% of Consolidated profit /(Loss)	Amount	% of Consolidated profit /(Loss)	Amount	% of Consolidated profit /(Loss)	Amount
Parent:								
A2Z Infra Engineering Limited	57.66	1,656.62	72.62	(9,154.14)	(7.50)	(7.21)	73.24	(9,161.35)
Subsidiaries:								
Indian:								
1 A2Z Infraservices Limited	177.87	5,110.42	28.58	(3,602.75)	16.08	15.46	28.68	(3,587.29)
2 A2Z Powercom Limited	5.37	154.25	0.08	(9.53)	-	-	0.08	(9.53)
3 Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)	(6.98)	(200.54)	0.09	(10.91)	0.76	0.73	0.08	(10.18)
4 Mansi Bijlee & Rice Mills Limited	33.26	955.76	(0.07)	8.99	-	-	(0.07)	8.99
5 Magic Genie Services Limited	(0.26)	(7.41)	0.00	(0.63)	-	-	0.01	(0.63)
6 Vswach Enviroment (Aligarh) Private Limited	(0.01)	(0.20)	0.00	(0.20)	-	-	0.00	(0.20)
7 A2Z Waste Management (Aligarh) Limited	(6.34)	(182.25)	0.36	(45.16)	0.14	0.13	0.36	(45.03)
8 A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	(32.34)	(929.21)	0.00	(0.34)	-	-	0.00	(0.34)
9 Ecogreen Envirotech Solutions Limited	75.33	2,164.60	0.35	(44.07)	79.43	76.38	(0.26)	32.31
10 A2Z Waste Management (Ludhiana) Limited	(9.58)	(275.21)	1.45	(183.27)	0.12	0.12	1.46	(183.15)
11 Magic Genie Smartech Solutions Limited	(1.46)	(41.89)	0.09	(11.03)	10.96	10.54	0.00	(0.49)
12 Blackrock Waste Processing Private Limited	(0.01)	(0.38)	0.00	(0.20)	-	-	0.00	(0.20)
13 Vsapients Techno Services Private Limited	(0.01)	(0.15)	0.00	(0.15)	-	-	0.00	(0.15)
Associates:								
1 Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Group)#	-	-	(3.14)	396.16	-	-	(3.17)	396.16
Foriegn:								
1 A2Z Infraservices (Lanka) Private Limited*	-	-	-	-	-	-	-	-
Total non-controlling interest in all subsidiaries	**(32.43)**	**(931.70)**	**2.49**	**(313.45)**	**21.39**	**20.57**	**2.34**	**(292.88)**
Total eliminations and other consolidation adjustments	**(160.07)**	**(4,599.40)**	**(2.90)**	**365.20**	**(21.39)**	**(20.56)**	**(2.76)**	**344.64**
Total	**100.00**	**2,873.31**	**100.00**	**(12,605.48)**	**100.00**	**96.16**	**100.00**	**(12,509.32)**

* During the year under review, on April 24, 2022, A2Z Infraservices Limited has transferred its entire shareholding in A2Z Infraservices (Lanka) Private Limited.
# Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group.

(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, 2022:

	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	70.12	10,710.60	95.79	(17,223.73)	(6.86)	(7.77)	96.44	(17,231.50)
Subsidiaries:								
Indian:								
1 A2Z Infraservices Limited	57.11	8,725.26	(2.49)	447.25	80.83	91.57	(3.02)	538.82
2 A2Z Powercom Limited	1.07	163.79	(0.16)	28.41	-	-	(0.16)	28.41
3 Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)	(1.23)	(187.45)	(0.03)	5.70	0.09	0.10	(0.03)	5.80
4 Mansi Bijlee & Rice Mills Limited	6.20	946.52	(0.02)	2.86	-	-	(0.02)	2.86

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(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
5 Magic Genie Services Limited	(0.04)	(6.78)	(1.24)	223.38	-	-	(1.25)	223.38
6 Chavan Rishi International Limited	-	-	(0.20)	35.84	-	-	(0.20)	35.84
7 A2Z Waste Management (Aligarh) Limited	(0.90)	(137.36)	1.63	(293.12)	5.90	6.68	1.60	(286.44)
8 A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	(6.41)	(979.32)	0.35	(63.06)	-	-	0.35	(63.06)
9 Ecogreen Envirotech Solutions Limited	13.42	2,050.55	(3.12)	561.53	15.49	17.55	(3.24)	579.08
10 A2Z Waste Management (Ludhiana) Limited	(0.60)	(92.33)	1.38	(248.67)	3.82	4.33	1.37	(244.34)
11 Magic Genie Smartech Solutions Limited	(0.27)	(41.57)	0.10	(18.75)	0.72	0.82	0.10	(17.93)
12 Blackrock Waste Processing Private Limited	-	(0.18)	0.00	(0.18)	-	-	0.00	(0.18)
Associates:								
1 Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Group)#	-	-	7.86	(1,412.59)	-	-	7.91	(1,412.59)
Foriegn:								
1 A2Z Infraservices (Lanka) Private Limited* (till 24.04.2022)	-	-	-	-	-	-	-	-
Total non-controlling interest in all subsidiaries	**(4.18)**	**(638.82)**	**(0.06)**	**10.57**	**11.23**	**12.72**	**(0.13)**	**23.29**
Total eliminations and other consolidation adjustments	**(34.29)**	**(5,237.65)**	**0.20**	**(35.87)**	**(11.22)**	**(12.71)**	**0.27**	**(48.58)**
Total	**100.00**	**15,275.26**	**100.00**	**(17,980.43)**	**100.00**	**113.29**	**100.00**	**(17,867.14)**

* During the year under review, on April 24, 2022, A2Z Infraservices Limited has transferred its entire shareholding in A2Z Infraservices (Lanka) Private Limited.

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

Note 48 : DISCLOSURE OF SUBSIDIARY HAVING MATERIAL NON-CONTROLLING INTEREST

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Name of subsidiary	**Ecogreen Envirotech Solutions Limited**		**A2Z Waste Management (Ludhiana) Limited**	
Principal place of business	India	India		
Proportion of ownership interest held by non-controlling interests	20.53%	20.53%	34.32%	34.32%
Proportion of voting right held by non-controlling interests	20.53%	20.53%	34.32%	34.32%

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
i) Summarised balance sheet				
Current assets	6,265.70	6,740.89	1,227.49	1,158.01
Current liabilities	4,456.95	4,872.53	3,017.46	2,896.93
Net current assets	**1,808.75**	**1,868.36**	**(1,789.96)**	**(1,738.92)**
Non-current assets	539.40	348.41	4,618.30	4,663.25
Non-current liabilities	178.53	161.21	3,098.54	3,011.66
Net non-current assets	**360.87**	**187.20**	**1,519.75**	**1,651.59**
Net assets	**2,169.61**	**2,055.56**	**(270.21)**	**(87.33)**
Accumulated non-controlling interest	**397.52**	**390.89**	**(667.29)**	**(604.43)**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
ii) Summarised statement of profit and loss				
Profit / (Loss) for the year	(44.07)	561.54	(183.27)	(248.67)
Other comprehensive income for the year	76.38	17.55	0.12	4.33
Total comprehensive income	**32.31**	**579.09**	**(183.15)**	**(244.34)**
Gain/(loss) allocated to non-controlling interest	**6.63**	**118.86**	**(62.86)**	**(83.86)**

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
iii) Summarised statement of cash flow				
Cash flow from operating activities	141.71	39.45	(28.04)	(270.52)
Cash used in investing activities	(91.97)	92.22	(0.00)	75.60
Cash flow/ (used in) from financing activities	(46.01)	(152.72)	22.66	182.92
Net (decrease)/ increase in cash and cash equivalents	**3.73**	**(21.05)**	**(5.38)**	**(12.00)**

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
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%

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
i) Summarised balance sheet				
Current assets	596.88	606.88	9,691.45	19,899.08
Current liabilities	2,177.81	2,187.66	10,442.65	15,803.76
Net current assets	**(1,580.93)**	**(1,580.78)**	**(751.20)**	**4,095.32**
Non-current assets	32.49	32.83	6,733.89	5,501.34
Non-current liabilities	-	0.14	490.68	489.80
Net non-current assets	**32.49**	**32.69**	**6,243.21**	**5,011.54**
Net assets	**(1,548.44)**	**(1,548.09)**	**5,492.01**	**9,106.86**
Accumulated non-controlling interest	**(619.39)**	**(619.26)**	**333.03**	**554.48**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
ii) Summarised statement of profit and loss				
(Loss)/ Profit for the year	(0.34)	(63.07)	(3,602.76)	447.26
Other comprehensive income for the year	-	-	15.46	91.57
Total comprehensive income	**(0.34)**	**(63.07)**	**(3,587.30)**	**538.83**
Gain/(loss) allocated to non-controlling Interest	**(0.14)**	**(25.22)**	**(221.44)**	**33.26**

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
iii) Summarised statement of cash flow				
Cash flow from operating activities	(0.00)	6.10	2,225.31	1,066.24
Cash used in investing activities	0.00	-	(234.72)	188.28
Cash (used in)/flow from financing activities	(10.00)	(22.12)	(2,072.26)	(1,512.58)
Net (decrease)/ increase in cash and cash equivalents	**(10.00)**	**(16.02)**	**(81.67)**	**(258.06)**

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Name of subsidiary	**Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited)**		**Magic Genie Services Limited**	
Principal place of business	India	India	India	India
Proportion of ownership interest held by non-controlling interests	34.32%	34.32%	25.00%	25.00%
Proportion of voting right held by non-controlling interests	34.32%	34.32%	25.00%	25.00%

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
i) Summarised balance sheet				
Current assets	200.20	198.35	1.98	2.31
Current liabilities	254.59	239.80	1.40	1.10
Net current assets	**(54.39)**	**(41.45)**	**0.58**	**1.21**
Non-current assets	4.45	4.58	-	-
Non-current liabilities	10.59	10.59	-	-
Net non-current assets	**(6.14)**	**(6.01)**	**-**	**-**
Net assets	**(60.53)**	**(47.46)**	**0.58**	**1.21**
Accumulated non-controlling interest	**(224.84)**	**(221.35)**	**(6.33)**	**(6.17)**

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
ii) Summarised statement of profit and loss				
(Loss)/ Profit for the year	(10.90)	5.69	(0.63)	223.38
Other comprehensive income for the year	0.73	0.10	-	-
Total comprehensive income	**(10.17)**	**5.79**	**(0.63)**	**223.38**
Gain/(loss) allocated to non-controlling interest	**(3.49)**	**1.99**	**(0.16)**	**55.85**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023

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

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
iii) Summarised statement of cash flow				
Cash (used in) / flow from operating activities	2.98	60.20	(0.33)	0.14
Cash used in investing activities	0.00	0.00	-	0.34
Cash flow / (used in) from financing activities	(30.92)	(32.49)	-	-
Net (decrease)/ increase in cash and cash equivalents	**(27.94)**	**27.71**	**(0.33)**	**0.48**

Note 48.1 : All above mention figures are based on consolidated financial statement of the subsidiary company.

Note 49 : DISCLOSURE OF SUMMARISED FINANCIAL INFORMATION OF ASSOCIATES

Summarized financial information of the associates, based on its consolidated Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	As at March 31, 2023	As at March 31, 2022
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%

	As at March 31, 2023	As at March 31, 2022
i) Summarised balance sheet		
Cash and cash equivalents	27.15	31.16
Other assets	12,862.08	13,278.06
Current assets (A)	**12,889.23**	**13,309.22**
Non-current assets (B)	**38,317.00**	**39,561.19**
Current financial liabilities (excluding trade payables and provisions)	41,561.51	45,573.15
Trade payables and provisions	8,803.18	8,677.51
Current liabilities (C)	**50,364.69**	**54,250.66**
Non-current financial liabilities (excluding provisions)	35,961.57	34,602.88
Provisions	1.90	1.79
Non-current liabilities (D)	**35,963.47**	**34,604.67**
Net assets (A+B-C-D)	**(35,121.93)**	**(35,984.92)**
Equity	2,275.00	2,275.00
Carrying amount of the investment	6,978.24	15,635.94

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
ii) Summarised statement of profit and loss		
Revenue	-	-
Other Income	3,828.44	277.28
Total revenue (A)	**3,828.44**	**277.28**
Cost of Sales	-	-
Depreciation and amortisation expenses	1,149.34	1,152.42
Employee benefit expense	35.29	41.44
Finance costs	1,687.58	2,193.32
Other expense	71.13	434.40
Total expenses (B)	**2,943.34**	**3,821.58**
Loss before tax, exceptional items and share of profit from associate(C=A-B)	**885.10**	**(3,544.30)**
Exceptional items-gain (D)	-	-
Share of profit of associate (E)	-	-
Tax expense (F)	16.50	(0.61)
Loss for the year (G = C-D-E-F)	**868.60**	**(3,543.69)**
Other comprehensive income (H)	(5.61)	(0.33)
Total comprehensive income (G+H)	**862.99**	**(3,544.02)**
Share of (loss) for the year after loss of control	396.16	(1,412.59)

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 3,374.33 lakhs and INR 4,276.44 lakhs for the year ended March 31, 2023 and as at March 31, 2023 respectively (INR 3,598.81 lakhs for the year ended March 31, 2022). The Company is already in discussion with the said banks and Asset Reconstruction Company for settlement of their dues.

Note 51 :

The Holding Company had entered into Settlement agreement(s) (‘Agreements’) with certain banks/assets reconstruction company (‘the Lenders’) during the years ended March 31, 2018, March 31, 2019 and June 30, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred instalments. As at March 31, 2023, the Holding Company has delayed payments in respect of the certain deferred instalments amounting INR 5,178.00 lakhs (March 31, 2022 : INR 5,178 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, basis the agreed terms/discussions, management believes that the no additional liability shall devolve on the Holding Company in addition to the carrying value of such liability as at March 31, 2023.

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.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

Note 52 :

The Holding Company has incurred a net loss after tax of INR 9,154.14 lakhs for the year ended March 31, 2023 (March 31, 2022 INR 17,223.73 lakhs) and has accumulated losses amounting INR 1,06,842.29 lakhs as at March 31, 2023 (March 31, 2022 INR 97,940.73 lakhs). At present, Holding Company is facing acute liquidity issues on account of delayed realization of trade receivables from the clients. Also, one of the bank has earlier filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to INR 10,046.64 lakhs and interest theron and at present the said matteris held in abeyance as the company has entered into an one time settlement with the said bank on deferred payment basis. Further, three parties have also filed applications with the National Company Law Tribunal (NCLT) for recovery of their dues amounting to INR 763.53 lakhs. The said outstandings are disputed in nature, and Company is pursuing the same before the NCLT hence at present said matters are sub-judice. Further, during the year ended March 31, 2020, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Holding Company amounting to 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 50 and 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 Holding Company may not be able to realise its assets and discharge its liabilities in the normal course of business in future. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders (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, no adjustments are required in the consolidated financial statements and accordingly, these have been prepared on a going concern basis.

Note 53 : DISCLOSURE PURSUANT TO IND AS-7 "STATEMENT OF CASH FLOWS"- CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	Non- current borrowings (Including current maturities)	Current borrowings (Refer Note 22)	Interest accrued on borrowings (Refer Note 19)	Total
Balance as at April 1, 2021	**16,565.46**	**36,057.75**	**5,349.51**	**57,972.72**
(a) Changes from financing cash flow	(3,986.09)	(1,116.27)	(1,632.58)	(6,734.94)
(b) Other changes				
(i) Interest charge to statement of profit and loss	-	-	2,616.93	2,616.93
(ii) Reclassification from other financial liabilites	2,100.00	(91.00)	-	2,009.00
(iii) Non-cash changes	4.47	-	(2,530.88)	(2,526.41)
(iv) One time settlement (Refer Note 43.1) Gain on one time settlement with banks of borrowing and financial institutions	(8,058.18)	(373.95)	(118.17)	(8,550.30)
(iv) Liabilities written back (Refer Note 43)	-	(2,592.13)	-	(2,592.13)
Balance as at March 31, 2022	**6,625.66**	**31,884.40**	**3,684.81**	**42,194.87**
(a) Changes from financing cash flow	(1,387.90)	(2,526.45)	(593.59)	(4,507.94)
(b) Other changes				
(i) Reclassification within categories	4,449.60	(4,866.40)	416.80	-
(i) Interest charge to statement of profit and loss	-	-	1,195.55	1,195.55
(ii) Reclassification from other financial liabilites	(60.48)	(37.55)	(298.77)	(396.80)
(iii) Non-cash changes	3.96	-	(91.54)	(87.58)
(iv) One time settlement (Refer Note 43.1) Gain on one time settlement with banks of borrowing and financial institutions	(2,775.44)	-	-	(2,775.44)
(iv) Liabilities written back	-	-	-	-
Closing Balance as at March 31, 2023	**6,855.41**	**24,454.00**	**4,313.26**	**35,622.67**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

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 158.79 lakhs (March 31, 2022: INR 190.01 Lakhs).

Lease payments not included in measurement of lease liability:

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

Particulars	As at March 31, 2023	As at March 31, 2022
Short-term leases	158.79	190.01
Leases of low value assets	-	-
Variable lease payments	-	-
Closing Balance	**158.79**	**190.01**

The changes in the carrying value of ROU assets for the year ended March 31, 2023 are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balances	916.29	91.40
Addition during the year	28.70	926.10
Depreciation during the year	116.36	49.53
Deletion during the year	795.05	51.68
Closing Balance	**33.58**	**916.29**

The movement in lease liabilities during the year ended March 31, 2023 is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balances	889.11	86.03
Addition during the year	28.69	881.27
Finance cost accrued during the year	87.58	18.19
Payment of lease liabilities	149.55	49.81
Deletion during the year	821.73	46.57
Closing Balance	**34.11**	**889.11**

The break-up of current and non-current lease liabilities as at March 31, 2023 is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	14.48	61.21
Non-current lease liabilities	19.63	827.90
Total	**34.11**	**889.11**

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

The details of the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	17.28	148.55
One to five years	21.32	578.02
More than five years	-	650.78
Total	**38.60**	**1,377.35**

The information about extension and termination options are as follows:

Particulars	Office premises
Number of leases	2.00
Range of remaining term (in years)	1.25-2.67
Average remaining lease term (in years)	1.96
Number of leases with extension option	Nil
Number of leases with purchase option	Nil
Number of leases with termination option	1.00

Note 55 :

The Tanzania branch of the Holding Company has a contract with Rural Energy Agency (REA) for supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Bahi, Kongwa and Chemba districts) on a Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondoa and Mpwapwa districts) on Turnkey basis for Lot 2. The Tanzania branch is expecting to complete the works by March 2024. The contract allows for a further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued and the contract will expire. This condition indicates that a material uncertainity exists, that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.

Note 56 : OTHER STATUTORY INFORMATION

(i) The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

(ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iii) During the current year, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(iv) During the current year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(vii) The Group is not declared wilful defaulter by and bank or financials institution or lender during the year.

(viii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Summary of significant accounting policies and other explanatory information to consolidated financial statements for the year ended March 31, 2023
(Unless otherwise stated, all amounts are in INR Lakhs)

(ix) The title deeds of all the immovable properties, (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Group as at the balance sheet date.

(x) The Group has not had any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(xi) Quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(xii) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Note 57 :

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

Note 58 : POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the March 31, 2023 reporting date and the date of authorisation May 19, 2023.

Note 59 : AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended March 31, 2023 (including comparatives) were approved by the board of directors on May 19, 2023.

For **MRKS and Associates**
Chartered Accountants
Firm Registration No.: 023711N

Sd/-
Saurabh Kuchhal
Partner
Membership No. 512362

Place : Gurugram
Date : May 19, 2023

For and on behalf of the Board of Directors

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

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

Sd/-
Lalit Kumar
Chief Financial Officer

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

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Pitchcraft communications

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