

A2Z INFRA ENGINEERING LTD.

BYE-FILING

(Previously Known as A2Z Maintenance & Engineering Services Limited)

CIN NO. L74999HR2002PLC034805



REF. No.:- A2ZINFRA/SE/2017-18/10

30th May, 2017

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

Fax-022-22722039
BSE Code-533292

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor
Plot No. C/1 G Block, Bandra Kurla Complex, Bandra
(E), Mumbai-400051
Fax- 022-26598237/38
NSE Code-A2ZINFRA

Subject:- Outcome of the Adjourned Board Meeting duly held on Tuesday, May 30, 2017

Dear Sir,

As per Regulation 33 and Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2017 along with auditor report (on both standalone results as well as consolidated results) as submitted by the statutory auditor of the company, have been reviewed by the audit committee and on the recommendations of the committee the board of director have approved the same, along with the declaration for standalone & Consolidated Financial Results.

Further we are enclosing herewith Statement of Audited Standalone Financial Results for the quarter and year ended March, 2017 and Audited Consolidated Financial Results for the year ended March, 2017 duly signed and certified along with the Auditor's Report as provided by the Statutory Auditors of the Company.

Further declaration pursuant to the unmodified opinion are attached as Annexure - A.

The said outcome and results have been uploaded on the website of Stock Exchange i.e. <http://www.bseindia.com/> & <https://www.nseindia.com/> and on the website of the Company at www.a2zgroup.co.in.

You are requested to take the above information on record.

Thanking you,

Yours truly

FOR A2Z INFRA ENGINEERING LTD.

(Atul Kumar Agarwal)
Company Secretary
FCS-6453

Add: - Plot No. B-38, Institutional area,
Sector-32, Gurgaon-Haryana

Regd Office : 0-116, First Floor, Shopping Mall, Arjun Marg, DLF City, Phase - 1, Gurgaon-122002, Haryana (INDIA)

Corporate Office : Plot No. B-38, Sector 32, Institutional Area, Gurgaon - 122001, Haryana (INDIA), Tel : 0124-4517600, Fax: 0124-4380014

Website: www.a2zgroup.co.in, E-mail : info@a2zemail.com

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Fax- 022-26598237/38
NSE Code-A2ZINFRA

Dear Sir,

Sub. : Declaration with respect to the Audit Report with unmodified opinion to the audited standalone and consolidated financial results for the year ended March 31, 2017.

In reference to the captioned subject and references quoted above and pursuant to SEBI circular issued by Securities and Exchange Board of India bearing reference no. CIR/CFD/CNID/56/2016 dated May 27, 2016, we hereby declare that with respect to audited standalone and consolidated financial results for year ended March 31, 2017 which are approved and adopted by the Board of Directors in their adjourned meeting duly held on May 30, 2017, the Statutory Auditors have not expressed any modified opinion(s) in the audit report.

The above declaration is provided as required under proviso to Regulation 33(3)(d) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide notification dated May 25, 2016.

You are requested to take the above information on record.

Thanking you,

Yours truly

FOR A2Z INFRA ENGINEERING LTD.


(Atul Kumar Agarwal)
Company Secretary
FCS-6453

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A2Z INFRA ENGINEERING LIMITED
Statement of Audited Financial Results for the quarter and year ended March 31, 2017

S. No.	Particulars	Standalone					(Amount in Rs Lacs)	
		Quarter Ended			Year Ended		Consolidated	
		March 31, 2017			March 31, 2017		March 31, 2017	
		(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)	(Audited)	(Audited)
1	Revenue							
	Revenue from operations	17,008.59	11,238.49	35,061.43	63,455.83	96,138.78	99,550.84	134,875.78
	Other Income	322.56	250.72	1,973.04	1,563.48	3,337.82	3,773.05	3,509.88
	Total income	17,331.15	11,489.21	37,034.47	65,019.31	99,476.60	103,323.89	138,385.66
2	Expenses							
	Cost of material consumed	13,794.72	7,377.24	27,833.51	47,240.91	77,754.10	56,340.53	87,420.68
	Purchase of Stock in Trade	780.59	1,002.68	535.80	4,996.99	2,512.63	4,996.99	2,512.63
	Changes in inventories of Finished goods, Stock -in- trade and Work- in- progress	-	-	-	-	7.38	(145.68)	38.58
	Employee benefit expenses	521.42	499.82	530.26	1,965.05	2,346.24	25,280.45	25,982.30
	Finance costs	3,213.80	2,942.48	3,111.35	11,967.31	11,743.21	20,053.32	19,843.17
	Depreciation and amortisation expenses	348.41	364.75	666.62	1,447.52	1,657.35	4,307.91	4,578.38
	Other expenses	898.44	1,261.98	3,699.86	4,501.85	7,384.00	6,980.62	10,627.93
	Total expenses	19,557.38	13,448.95	36,377.40	72,119.63	103,404.91	117,814.14	151,003.67
3	Profit / (loss) before exceptional items and tax	(2,226.23)	(1,959.74)	657.07	(7,100.32)	(3,928.31)	(14,490.25)	(12,618.01)
4	Exceptional items – Loss (Refer note 8)	(959.58)	-	-	(959.58)	-	(9,877.58)	-
5	Profit / (loss) before tax	(3,185.81)	(1,959.74)	657.07	(8,059.90)	(3,928.31)	(24,367.83)	(12,618.01)
	Current tax	(9.72)	12.55	21.33	3.67	38.06	237.67	794.54
	Deferred tax charge	4,796.21	434.20	55.31	5,855.41	54.53	5,968.30	108.91
	Current tax expenses relating to earlier years	-	-	-	-	-	(3.78)	(343.06)
6	Profit/(loss) for the year/period	(7,972.30)	(2,406.49)	580.43	(13,918.98)	(4,020.90)	(30,570.02)	(13,178.40)
7	Other Comprehensive Income							
	i) Items that will not be reclassified to profit and loss	9.49	13.97	6.47	29.58	(16.64)	57.44	111.11
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	(30.58)
	Total Other Comprehensive Income for the year/period	9.49	13.97	6.47	29.58	(16.64)	57.44	80.53
8	Total Comprehensive Income for the year/period	(7,962.81)	(2,392.52)	586.90	(13,889.40)	(4,037.54)	(30,512.58)	(13,097.87)
9	Paid-up equity share capital (Face value of the share - Rs 10/- each)	14,494.95	13,101.23	12,689.40	14,494.95	12,689.40	14,494.95	12,689.40
10	(Loss)/earnings per equity share (for continuing operation) :							
	(a) Basic	(5.97)	(1.85)	0.46	(10.75)	(3.53)	(23.60)	(11.56)
	(b) Diluted	(5.97)	(1.85)	0.41	(10.75)	(3.53)	(23.60)	(11.56)

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Notes:

- 1) The above standalone and consolidated financial results have been reviewed by the Audit Committee and on their recommendation have been approved by the Board of Directors at its meeting held on May 30, 2017. The statutory auditors have audited the above standalone and consolidated financial results for the year ended March 31, 2017.

The figures for the quarters ended March 31, 2017 and March 31, 2016 are the balancing figures between audited figures in respect of the full financial years ended March 31, 2017 and March 31, 2016 respectively and the unaudited published year to date figures up to December 31, 2016 and December 31, 2015 respectively, being the end of the third quarter of the financial years which were subject to a limited review.

- 2) The auditors in their report have drawn attention to the following matters:

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

The management had filed a writ petition with the High Court of Punjab and Haryana for the extension of the concession period wherein the Hon'ble Court has directed the sugar mills to consider the request made by the Company for the extension within a period of 3 months. Additionally, the Company has also initiated arbitration proceedings with the sugar mills for the extension. Based on the assessment and advice from an independent legal counsel on the availability of concession period, excluding the available renewal period by exercising the option for renewal/ extension of the concession period, the management, is confident, that there exists reasonable certainty that arrangement shall be extended for a term of 5 years. Management carried out an impairment assessment and has recorded an impairment charge of Rs. 6,839.46 lacs in carrying value of these assets. Accordingly management believes that the estimates of the useful lives are reasonable and no further material adjustments to the carrying value of these plants are necessary.

- b. Unbilled revenue amounting Rs. 12,759.95 lacs, pertains to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussions with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to recover the amounts owing to completion of certain administrative and contractual matters, the current provision being carried in the books is adequate and no further material adjustments are considered necessary in respect of above balances.

- c. The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the Assessment Orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of Rs. 1,992.17 Lacs. The Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority has granted partial relief to the Company. The Company and the income tax authorities have further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the Orders for these assessment years.

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

- d. The Company, as at March 31, 2017, has non-current investments amounting to Rs 19,408.80 lacs and other current financial assets (net of provision) amounting to Rs.399.95 lacs in its subsidiary A2Z Green Waste Management Limited which has 100% holding in various SPVs under its fold and hereinafter A2Z Green Waste Management Limited together with its subsidiaries is referred to as A2Z Green Waste Management Group. While A2Z Green Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2017 has been substantially eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net worth of A2Z Green Waste Management Group does not represent its true market value as the value of the underlying investments/assets, based on valuation report of an independent valuer, is higher. Therefore, the management believes that the realisable amount of these subsidiaries is higher than the carrying value of the non-current investments and other current financial assets due to which these are considered as good and recoverable.



SIGNED FOR
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PURPOSE ONLY



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3) Reconciliation of equity attributable to the shareholders of the company as at March 31, 2016.

(Amount in Rs Lacs)

S.No	Particulars	Standalone	Consolidated
		Year Ended March 31, 2016 (Audited)	Year Ended March 31, 2016 (Audited)
	Equity as per Indian GAAP	81,137.98	50,241.39
	Adjustments		
i	Impact of discounting on long term provision for warranty	150.29	150.29
ii	Impact of straightlining of lease incentive expense over the lease term		(1,232.25)
iv	Impact of recognising employee share based options at fair value of the option	112.03	31.07
v	Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost	622.97	-
vi	Effect of Expected credit loss	(1,852.66)	(1,852.65)
vii	Value of derivative liability relating to put option on fully convertible debentures issued by a subsidiaries company	(8,918.00)	-
	Equity as per Ind AS	71,252.61	47,337.85

4) Reconciliation of Net Loss after tax as previously reported on account of transition under previous Indian GAAP and Ind AS for the quarter and year ended March 31, 2016.

(Amount in Rs Lacs)

S.No	Particulars	Standalone		Consolidated
		Year Ended March 31, 2016 (Audited)	Quarter Ended March 2016 (Refer Note 1)	Year Ended March 31, 2016 (Audited)
	Profit/(loss) after tax as per Indian GAAP	(4,468.26)	653.14	(13,296.49)
	Adjustments			
i	Impact of discounting on long term provision for warranty	25.71	(23.06)	25.71
ii	Impact of straightlining of lease incentive expense over the lease term	-	-	(214.46)
iii	Reclassification of net actuarial gain on employee defined benefit obligations to other comprehensive Income	16.64	(6.47)	(111.11)
iv	Impact of recognising employee share based options at fair value of the option	(192.87)	(38.04)	(253.15)
v	Impact of financial assets and liabilities, accounted for at fair value at inception, and subsequently at amortised cost	588.58	130.41	0.22
vi	Effect of Expected credit loss	701.07	495.45	701.07
vii	Value of derivative liability relating to put option on fully convertible debentures issued by a subsidiaries company	(631.00)	(631.00)	-
viii	Reversal of prior period item	(60.77)	-	(60.77)
ix	Deferred tax impact on above items	-	-	30.58
	Profit/(loss) after tax as per Ind AS	(4,020.90)	580.43	(13,178.40)
x	Other Comprehensive Income (net of tax)	(16.64)	6.47	80.53
	Total Comprehensive Income after tax as per Ind AS	(4,037.54)	586.90	(13,097.87)



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- 5) The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108). The Group is operating into following segments – (i) Engineering Service (ES), (ii) Facility Management Services (FMS) (iii) Municipal Solid Waste Management (MSW) (iv) Power generation projects (PGP) (v) Others which primarily includes trading of goods trading of goods, manufacturing of electrical equipment and operation and maintenance services, etc.

Particulars	Standalone					Consolidated	
	Quarter Ended			Year Ended		Year Ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)	(Audited)	(Audited)
1. Segment Revenue							
(a) Segment – ES	15,703.92	9,641.78	34,296.79	56,706.93	92,482.81	59,857.29	97,561.84
(b) Segment – FMS	-	-	-	-	-	26,935.61	29,565.67
(c) Segment – MSW	-	-	-	-	-	4,681.08	4,758.64
(d) Segment – PGP	56.29	-	0.14	154.39	94.85	154.39	94.85
(e) Segment – Others	1,248.38	1,596.71	764.50	6,594.51	3,561.12	9,444.28	3,409.37
Total	17,008.59	11,238.49	35,061.43	63,455.83	96,138.78	101,072.65	135,390.37
Less: Inter segment revenue	-	-	-	-	-	1,521.81	514.59
Revenue from operations	17,008.59	11,238.49	35,061.43	63,455.83	96,138.78	99,550.84	134,875.78
2. Segment results [Profit / (Loss) before tax and interest from each segment]							
(a) Segment – ES	1,199.84	645.95	2,851.47	4,666.73	5,957.47	6,369.43	8,126.20
(b) Segment – FMS	-	-	-	-	-	438.23	1,824.69
(c) Segment – MSW	-	-	-	-	-	(2,055.57)	(2,692.76)
(d) Segment – PGP	(268.22)	(257.03)	(603.70)	(1,081.47)	(1,080.84)	(1,089.24)	(1,084.63)
(e) Segment – Others	(124.01)	355.22	228.52	386.42	370.27	1,640.71	(1,604.63)
Total	807.61	744.14	2,476.29	3,971.68	5,246.90	5,303.56	4,568.87
Less: Inter segment results	-	-	-	-	-	817.87	(1,113.65)
Net segment results	807.61	744.14	2,476.29	3,971.68	5,246.90	4,485.69	5,682.52
Add: Prior Period Income	-	-	-	-	-	-	-
Add: Interest income	178.97	239.61	1,423.72	895.31	2,064.61	1,077.38	1,521.90
Less:							
(i) Interest expense	3,034.51	2,780.06	2,746.69	11,370.76	11,039.08	20,053.32	19,843.17
(ii) Other unallocable expenditure net off unallocable income	178.30	163.43	496.25	596.55	200.74	-	(20.74)
Profit / (loss) before exceptional item and tax	(2,226.23)	(1,959.74)	657.07	(7,100.32)	(3,928.31)	(14,490.25)	(12,618.01)
Exceptional items							
(a) Segment – ES	3,038.12	-	-	3,038.12	-	3,038.12	-
(b) Segment – PGP	6,839.46	-	-	6,839.46	-	6,839.46	-
(c) Unallocable items	(8,918.00)	-	-	(8,918.00)	-	-	-
Profit / (loss) after exceptional item and before tax	(3,185.81)	(1,959.74)	657.07	(8,059.90)	(3,928.31)	(24,367.83)	(12,618.01)
3. Segment assets							
(a) Segment – ES	172,966.76	170,018.34	167,894.38	172,966.76	167,894.38	179,116.52	172,615.47
(b) Segment – FMS	-	-	-	-	-	12,494.27	12,404.93
(c) Segment – MSW	-	-	-	-	-	59,368.93	61,306.28
(d) Segment – PGP	34,662.75	41,890.29	43,192.66	34,662.75	43,192.66	50,481.07	58,398.06
(e) Segment – Others	1,604.28	1,354.19	2,431.88	1,604.28	2,431.88	5,037.19	6,125.65
(f) Unallocated	41,881.79	46,007.03	48,895.72	41,881.79	48,895.72	13,901.59	20,767.58
Total Assets	251,115.58	259,269.85	262,414.64	251,115.58	262,414.64	320,399.57	331,617.97

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(Amount in Rs Lacs)

Particulars	Standalone					Consolidated	
	Quarter Ended			Year Ended		Year Ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)	(Audited)	(Audited)
4. Segment liabilities							
(a) Segment – ES	79,131.52	95,595.59	79,216.89	79,131.52	79,216.89	84,865.49	92,364.53
(b) Segment – FMS	-	-	-	-	-	6,368.41	5,899.59
(c) Segment – MSW	-	-	-	-	-	24,628.07	24,479.33
(d) Segment – PGP	599.24	608.51	957.81	599.24	957.81	903.68	2,059.33
(e) Segment – Others	1,480.44	3,015.35	738.77	1,480.44	738.77	2,207.23	1,317.55
(f) Unallocated	109,433.90	98,963.55	110,248.54	109,433.90	110,248.54	180,071.15	158,159.79
Total Liabilities	190,645.09	198,183.00	191,162.01	190,645.09	191,162.01	299,044.02	284,280.12

6) Statement of Assets and Liabilities

(Amount in Rs Lacs)

Particulars	Standalone		Consolidated	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	(Audited)	(Audited)	(Audited)	(Audited)
Assets				
Non-current assets				
Property, plant and equipment	16,311.51	18,612.45	29,185.54	43,272.75
Capital work-in-progress	20,877.12	26,613.09	38,387.57	60,265.97
Goodwill	-	-	4,977.90	4,978.80
Intangible assets	43.77	85.96	67.26	130.07
Intangible assets under development	-	-	73.42	73.42
Financial assets				
Investments	29,802.85	29,654.06	-	-
Loans	271.76	174.68	608.51	509.71
Other financial assets	2,057.18	1,668.95	2,644.92	2,134.40
Investment in equity accounted investees	-	-	1.00	1.00
Deferred tax assets (net)	6,318.17	12,173.58	7,104.29	13,072.59
Non-current tax assets (net)	2,279.40	1,831.31	4,916.62	4,844.65
Other non-current assets	1,461.05	1,516.64	7,884.39	7,184.19
	79,422.81	92,330.72	95,851.42	136,467.55
Current assets				
Inventories	765.66	1,812.27	2,064.93	6,314.71
Financial assets				
Investments	-	231.28	-	231.28
Trade receivables	120,029.73	101,157.13	133,305.51	114,429.56
Cash and cash equivalents	5,152.78	796.91	6,186.52	1,124.43
Other bank balances	0.82	0.82	1,316.75	982.29
Loans	4,440.28	6,065.64	1,266.77	1,207.53
Other financial assets	29,624.15	50,840.57	39,054.53	60,534.49
Other current assets	11,679.35	9,179.28	12,141.32	10,326.13
Assets held for sale (Refer note 10)	-	-	29,211.82	-
	171,692.77	170,083.90	224,548.15	195,150.42
Total Assets	251,115.58	262,414.62	320,399.57	331,617.97

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Particulars	Standalone		Consolidated	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	(Audited)	(Audited)	(Audited)	(Audited)
Equity and liabilities				
Equity				
Equity share capital	14,494.95	12,689.40	14,494.95	12,689.40
Other equity	45,975.54	57,672.71	21,373.13	35,513.14
Share application money	-	890.50	-	890.50
Non controlling interest	-	-	(14,512.53)	(1,755.19)
	60,470.49	71,252.61	21,355.55	47,337.85
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	25,103.30	30,222.71	46,485.39	56,324.37
Provisions	314.25	177.11	362.92	196.01
Other non-current liabilities	-	-	12,773.87	12,563.95
	25,417.56	30,399.82	59,622.17	69,084.34
Current liabilities				
Financial Liabilities				
Borrowings	56,524.55	52,677.14	75,459.08	70,085.80
Trade payables	65,920.55	67,641.13	76,036.06	77,363.06
Other financial liabilities	31,415.66	31,674.08	71,160.48	54,789.53
Other current liabilities	11,213.17	8,471.63	15,751.18	11,979.14
Provisions	153.60	298.21	1,015.05	978.25
	165,227.53	160,762.19	239,421.85	215,195.78
Total Equity and Liabilities	251,115.58	262,414.62	320,399.57	331,617.97

- 7) Results for the quarter and year ended March 31, 2017 are in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs (the Ministry), which are applicable to the Company for the accounting period beginning on or after April 1, 2016. Consequently, result for the corresponding quarter and year ended March 31, 2016 have been restated as per the requirements of the said notification, to comply with Ind AS to make them comparable.

The financial results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013.

The Company has adopted Ind AS from April 1, 2016 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act 2013, read with relevant rules issued thereunder. The date of transition to Ind AS is April 1, 2015. The impact of transition has been accounted for in the opening reserves and the comparative period results have been restated accordingly.

- 8) Exceptional items represent gain on reversal of derivative liability relating to put option on fully convertible debentures issued by a subsidiary company amounting Rs 8,918 lacs, charge for impairment of power generation plants in Punjab (also refer note 2(a)) amounting Rs 6,839.46 lacs and write off of bank guarantees encashed by certain customers amounting Rs 3,038.12 lacs.
- 9) During the quarter ended March 31, 2017, the Company has received remaining 75% of the proceeds for the issue of 13,937,206 equity shares. Accordingly, pursuant to the requisite approvals and board meeting held on March 16, 2017, the Company has issued equity shares against equivalent number of warrants at an issue price of Rs 21.66 each on a preferential basis to persons other than the Promoters and Promoter group.



SIGNED FOR



Regd Office : 0-116 First Floor, Shopping Mall, Arjun Marg, DLF City, Phase - 1, Gurgaon-122002, Haryana (INDIA)

Corporate Office : Plot No. B-38, Sector 32, Institutional Area, Gurgaon - 122001, Haryana (INDIA), Tel : 0124-4517600, Fax: 0124-4380014

Website: www.a2zgroup.co.in, E-mail : info@a2zemail.com

A2Z INFRA ENGINEERING LTD.

(Previously Known as A2Z Maintenance & Engineering Services Limited)

CIN NO. L74999HR2002PLC034805



Additional Notes for Consolidated Financial Statements :-

- 10) In the current year, one of the subsidiaries, namely A2Z Green Waste Management Limited has entered into a framework agreement with one of the lenders ("the Lender") for settlement of its various debt obligations. The terms of settlement would include transfer of two waste management projects located at Kanpur and Indore to the Lender and is subject to execution of definitive agreements and necessary approvals from its stakeholders. The assets and liabilities to be transferred to the buyer shall be identified on the execution of the "Business Transfer Agreement" with the Lender. Pending execution of such agreement and in line with the provisions of Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" the management has identified specific assets related to both the projects and disclosed them as "Assets held for sale" in the consolidated financial results.
- 11) The following subsidiary companies, A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Varanasi) Limited, A2Z Waste Management (Aligarh) Limited, A2Z Waste Management (Fatehpur) Limited, A2Z Waste Management (Moradabad) Limited and A2Z Waste Management (Ranchi) Limited have incurred net loss for the year ended March 31, 2017 of Rs 116.81 lacs, Rs 1,062.25 lacs, Rs 426.85 lacs, Rs 135.74 lacs, Rs 631.06 lacs and Rs 50.61 lacs respectively and as at 31 March 2017 their accumulated losses amounted to Rs 664.48 lacs, Rs 1,919.46 lacs, Rs 980.03 lacs, Rs 428.43 lacs, Rs 2,098.68 lacs, and Rs 790.78 lacs respectively resulting in complete erosion of their net worth and are presently facing liquidity problems on account of non-realization of trade receivables. Management is in the process of exploring various options to revive their business and has initiated arbitration proceedings against the respective municipal authorities for realization of the outstanding receivables. Based on independent legal advice, the management believes that amount recoverable from such arbitration proceedings shall be in excess of the aforementioned accumulated losses and shall result in the requisite cash inflow which shall resolve the liquidity issues being presently faced by the Company and support the management plan of revival of business. Hence, the financial statements of the aforementioned subsidiaries have been prepared on the assumption of going concern and no adjustment is necessary to be made in the consolidated financial results.

For and on behalf of A2Z Infra Engineering Ltd
(Formerly known As A2Z Maintenance & Engineering Services Limited)

Place: Gurugram
Date: May 30, 2017




Amit Mittal
Managing Director
DIN: 00058944



SIGNED FOR
IDENTIFICATION
PURPOSE ONLY

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Independent Auditor's Report on Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of A2Z Infra Engineering Limited

1. We have audited the standalone financial results of A2Z Infra Engineering Limited ('the Company') for the year ended 31 March 2017, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 1 to the standalone financial results regarding the figures for the quarter ended 31 March 2017 as reported in these standalone financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2017 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2017 and our review of standalone financial results for the nine months period ended 31 December 2016.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



3. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
 - (ii) give a true and fair view of the standalone net loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2017.
4. We draw attention to:
- (i) Note 2(a) to the accompanying standalone financial results, which describes the uncertainty relating to the estimates and assumptions, including extension of the concession period, used by the management with respect to the impairment assessment of the cogeneration power plants classified under property, plant and equipment and capital work-in-progress.
 - (ii) Note 2(b) to the standalone financial results with respect to unbilled receivables relating to certain projects which are still in progress aggregating to Rs. 12,759.95 lacs, recognized in the earlier years. Management, based on ongoing discussions/ negotiations with the customers believes that these amounts are completely billable and accordingly, no adjustments have been made in the standalone financial results.
 - (iii) Note 2(c) to the standalone financial results, which describes the uncertainty relating to the outcome of litigation pertaining to income tax matters pursuant to assessment orders received by the Company for the Assessment years 2009-10 to 2013-14 which are pending with Income Tax Appellate Tribunal (ITAT). Pending the final outcome of these matters, which is presently unascertainable, no further adjustments have been made in the standalone financial results.
 - (iv) Note 2(d) to the standalone financial results, regarding the Company's non-current investments in its subsidiary company, and its other current financial assets (net of provision) which include amounts due from such subsidiary companies aggregating Rs 19,408.80 lacs and Rs 399.95 lacs, respectively. The consolidated net worth of the aforesaid subsidiary company as at 31 March 2017 has been fully eroded; however, based on the future business plans and projections of the subsidiary company, which have been developed using certain management assumptions and estimates, as described in the aforesaid note, management believes that the realizable amount is higher than the carrying value of the investments, non-current loans, other non-current financial assets and other financial assets due to which these are considered as good and recoverable. Accordingly, no provisions against the aforesaid amounts have been recognised in the standalone financial results.

Our opinion is not modified in respect of above matters.



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5. The Company had prepared separate standalone financial results for the year ended 31 March 2016, based on the standalone financial statements for the year ended 31 March 2016 in accordance with Accounting Standards ('AS') prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and standalone financial results for the nine months period ended 31 December 2015 prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015, and other accounting principles generally accepted in India, on which we issued auditor's report dated 28 May 2016. These standalone financial results for the year ended 31 March 2016 have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.
6. We did not audit the separate financial statements of three branches located outside India, included in the standalone financial results, whose financial statements reflect total revenues (after eliminating intra-group transactions) of Rs. 3,365.23 lacs and net loss after tax (after eliminating intra-group eliminations) of Rs. 201.78 lacs for the year ended 31 March 2017 and total assets of Rs. 5,445.99 lacs as at 31 March 2017, as considered in these standalone financial results. These financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These separate financial statements/information have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.
- Our opinion in so far it relates to the amounts and disclosure in respect of these branches is solely based on report of the other auditors and the conversion adjustment prepared by the management of the Company, which have been audited/reviewed by us. Our opinion is not modified in respect of this matter.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Neeraj Sharma

per Neeraj Sharma

Partner

Membership No. 502103



Gurugram
30 May 2017

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Independent Auditor's Report on Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of A2Z Infra Engineering Limited

1. We have audited the consolidated financial results of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2017, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March 2017 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act'), which are the responsibility of the Holding Company's management. Our responsibility is express an opinion on this consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2017.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



3. 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 other auditors on separate financial results and on other financial information of the subsidiaries, the consolidated financial results:

- (i) include the financial results for the year ended 31 March 2017, of the following entities:

List of subsidiaries:

A2Z Green Waste Management Limited (formerly known as A2Z Infrastructure Limited), A2Z Infraservices Limited, A2Z Powercom Limited, A2Z Powertech Limited, Selligence Technologies Services Private Limited, Mansi Bijlee & Rice Mills Limited, Star Transformers Limited, Magic Genie Services Limited (formerly A2Z Water Solutions Limited), Chavan Rishi International Limited, A2Z Waste Management (Nainital) Private Limited, A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person), A2Z Waste Management (Aligarh) Limited, A2Z Waste Management (Moradabad) Limited, A2Z Waste Management (Merrut) Limited, A2Z Waste Management (Varanasi) Limited, A2Z Waste Management (Mirzapur) Limited, A2Z Waste Management (Badaun) Limited, A2Z Waste Management (Balai) Limited, A2Z Waste Management (Fatehpur) Limited, A2Z Waste Management (Jaunpur) Limited, Ecogreen Envirotech Solutions Limited (Formerly known as A2Z Waste Management (Loni) Limited), A2Z Waste Management (Sambhal) Limited, A2Z Waste Management (Ranchi) Limited, A2Z Waste Management (Dhanbad) Private Limited, A2Z Waste Management (Ludhiana) Limited, A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Ahmedabad) Limited, Shree Balaji Pottery Private Limited, Shree Hari Om Utensils Private Limited, A2Z Mayo SNT Waste Management (Nanded) Private Limited, Earth Environment Management Services Private Limited, Magic Genie Smartech Solutions Limited.

- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
- (iii) give a true and fair view of the consolidated net loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2017.

4. We draw attention to:

- (i) Note 2(a) to the accompanying consolidated financial results, which describes the uncertainty relating to the estimates and assumptions, including extension of the concession period, used by the management with respect to the impairment assessment of the cogeneration power plants classified under property, plant and equipment and capital work-in-progress.
- (ii) Note 2(b) to the consolidated financial results, with respect to unbilled receivables relating to certain projects which are still in progress aggregating to Rs. 12,759.95 lacs, recognized in the earlier years. Management, based on ongoing discussions/ negotiations with the customers believes that these amounts are completely billable and accordingly, no adjustments have been made in the consolidated financial results.



- (iii) Note 2(c) to the consolidated financial results, which describes the uncertainty relating to the outcome of litigation pertaining to income tax matters pursuant to assessment orders received by the Company for the Assessment years 2009-10 to 2013-14 which are pending with Income Tax Appellate Tribunal (ITAT). Pending the final outcome of these matters, which is presently unascertainable, no further adjustments have been made in the consolidated financial results.
- (iv) Note 11 to the consolidated financial results, which describe that the following subsidiary Companies, A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Varanasi) Limited, A2Z Waste Management (Aligarh) Limited, A2Z Waste Management (Fatehpur) Limited, A2Z Waste Management (Moradabad) Limited and A2Z Waste Management (Ranchi) Limited have incurred net losses for the year ended 31 March 2017 of Rs 116.81 lacs, Rs 1,062.25 lacs, Rs 426.85 lacs, Rs 135.74 lacs, Rs 631.06 lacs and Rs 50.61 lacs respectively and as at 31 March 2017 their accumulated losses amounted to Rs 664.48 lacs, Rs 1,919.46 lacs, Rs 980.03 lacs, Rs 428.43 lacs, Rs 2,098.68 lacs, and Rs 790.78 lacs respectively resulting in complete erosion of their respective net worth. Management is evaluating various options to revive these companies, which are further detailed in note 11. The current financial and operational positions of these subsidiary companies indicate the existence of a material uncertainty that may cast doubt on these companies to continue as a going concern.

Our opinion is not modified in respect of above matters.

5. We did not audit the financial statements of thirty two subsidiaries and three branches, whose financial statements reflect total assets of Rs 157,940.80 lacs and net assets of Rs (7,376.61) lacs as at 31 March 2017, and total revenues of Rs 44,879.92 lacs for the year ended on that date, as considered in the consolidated financial results. 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 results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and branches, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries and branches, are based solely on the reports of such other auditors.

Further, three branches are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the financial information of such branches located outside India, is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.



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Our opinion is not modified in respect of this matter.

6. The Holding Company had prepared separate consolidated financial results for the year ended 31 March 2016, based on the consolidated financial statements for the year ended 31 March 2016 in accordance with Accounting Standards ('AS') prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, on which we issued report dated 28 May 2016. These consolidated financial results for year ended 31 March 2016 have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Neeraj
per **Neeraj Sharma**

Partner

Membership No. 502103



Gurugram
30 May 2017