

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805

(Previously Known as A2Z Maintenance & Engineering Services Limited)



BY E-FILING/FAX/COURIER

A2ZINFRA/2015-16/066

14th August, 2015

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

Sub: Outcome of The Board Meeting held on Friday, 14th August, 2015

Dear Sir,

The decisions and outcome of the Meeting of the Board of Directors of the Company duly held on Friday, 14th August, 2015 are as follows:-

1. The Financial Results have been reviewed by the Audit Committee and on the recommendations of the Committee; the Board of Directors have approved the Standalone Unaudited Financial Results for the Quarter (Q1) ending on June 30, 2015 along with the Limited Review Report issued by the Statutory Auditors;
2. The 14th Annual General Meeting of the Shareholders of the Company will be held on Saturday, the 26th September, 2015 at Gurgaon; and
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 2015 (Saturday) to September 26, 2015 (Saturday) (both days inclusive) for the purpose of ensuing Annual General Meeting (AGM).

You are requested to take the above information on record.

Thanking you.

Yours truly,

For A2Z INFRA ENGINEERING LTD.
(Formerly known as A2Z Maintenance & Engineering Services Limited)


Atul Kumar Agarwal
Company Secretary cum Compliance Officer
FCS-6453
Add: - Plot No. B-38, Sector-32
Gurgaon-122001, 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

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A2Z INFRA ENGINEERING LTD

(FORMERLY KNOWN AS A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED)

Statement of Unaudited Financial Results for the quarter ended June 30, 2015

Part I

(Amount in Rs Lacs)

S. No.	Particulars	Standalone			
		Three months period ended			Year ended
		June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
		(Unaudited)	(Refer note 5)	(Unaudited)	(Audited)
1	Revenue from operations				
	(a) Net sales / income from operations	8,155.84	6,316.14	5,623.32	21,639.88
	(b) Other operating income	12.58	89.62	95.70	276.83
	Total revenue (1)	8,168.42	6,405.76	5,719.02	21,916.71
2	Expenses				
	(a) Cost of material consumed	6,112.90	5,247.83	2,359.95	12,599.03
	(b) Purchase of stock in trade	-	7.38	-	7.38
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	31.95	-	31.95
	(d) Sub contractor / erection charges	1,064.25	2,160.46	1,714.99	6,636.37
	(e) Employee benefits expense	588.14	774.11	817.05	3,220.80
	(f) Depreciation and amortisation expense	356.28	330.07	262.27	1,028.43
	(g) Other expenses	1,407.54	3,123.26	1,280.10	8,620.90
	Total expenses (2)	9,529.11	11,675.06	6,434.36	32,144.86
3	Loss from operations before other income, finance costs and exceptional items (1-2)	(1,360.69)	(5,269.30)	(715.34)	(10,228.15)
4	Other income	611.35	221.25	298.09	946.53
5	Loss before finance costs and exceptional items (3+4)	(749.34)	(5,048.05)	(417.25)	(9,281.62)
6	Finance costs	2,847.66	3,142.90	2,791.79	11,753.51
7	Loss after finance costs but before exceptional items (5-6)	(3,597.00)	(8,190.95)	(3,209.04)	(21,035.13)
8	Exceptional items gain	-	-	260.94	453.63
9	Loss before tax (7+8)	(3,597.00)	(8,190.95)	(2,948.10)	(20,581.50)
10	Tax (credit) / expense	(3.99)	2,763.25	(7,759.81)	(8,193.16)
11	Net profit/(loss) for the period/year (9-10)	(3,593.01)	(10,954.20)	4,811.71	(12,388.34)
12	Prior period item	-	-	-	-
13	Net profit/(loss) for the period/year (11-12)	(3,593.01)	(10,954.20)	4,811.71	(12,388.34)
14	Paid-up equity share capital (Face value of the share - Rs 10/- each)	10,871.77	8,651.77	7,417.77	8,651.77
15	Reserve excluding revaluation reserves	-	-	-	71,023.79
16	Earnings Per Share				
	(a) Basic earnings per share (Not annualised)	(3.61)	(12.66)	6.49	(15.91)
	(b) Diluted earnings per share (Not annualised)	(3.61)	(12.66)	4.80	(15.91)



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Select financial information for the quarter ended June 30, 2015

Part II

S. No.	Particulars	Standalone			
		Three months period ended			Year ended
		June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
		(Unaudited)	(Refer note 5)	(Unaudited)	(Audited)
A	Particulars of shareholding				
1	Public Shareholding				
	- Number of shares	41,203,054	41,203,054	41,203,054	41,203,054
	- Percentage of shareholding	37.90%	47.63%	55.54%	47.63%
2	Promoters and promoter group shareholding				
	a) Pledged / encumbered				
	- Number of shares	42,138,301	42,138,301	14,936,000	42,138,301
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group).	62.41%	92.99%	45.30%	92.99%
	- Percentage of shares (as a % of the total share capital of the Company)	38.76%	48.70%	20.14%	48.70%
	b) Non-encumbered				
	- Number of shares	25,376,339	3,176,339	18,038,640	3,176,339
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	37.59%	7.01%	54.70%	7.01%
	- Percentage of shares (as a % of the total share capital of the Company)	23.34%	3.67%	24.32%	3.67%

	Particulars	Three months period ended June 30, 2015
B	Investor Complaints	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil



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Notes:

1. The above 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 August 14, 2015. The statutory auditors of the Company have reviewed the above standalone financial results for the quarter ended June 30, 2015.
2. The auditors in their review 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 June 30, 2015 such plants have a power generation capacity of 15 MW each. The assessment has been done on the basis of assumptions of useful life of assets, discounted cash flows with significant underlying assumptions, achievement of certain operating capacity and the ability of new technology to perform on a consistent basis.

Based on the assessment and advice from an independent legal counsel on the availability of concession period, including renewal period, for thirty years, and the intent of the management for exercising the option for renewal/extension of the concession period, the management believes there exists reasonable certainty that arrangement shall be extended for another term of fifteen years. Accordingly, the management believes that the estimates of the useful lives are reasonable and no impairment exists in the carrying value of power generation plants.
 - b) Unbilled revenue amounting Rs 19,122.86 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 bill and recover the amounts owing to completion of certain administrative and contractual matters, no adjustments are required in respect of these unbilled receivables.
 - 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 year ended March 31, 2015, the Company received the Assessment Orders for the assessment years 2007-08 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT). The Company had filed Appeals with Commissioner of Income Tax (CIT) (Appeals) challenging the Orders for last five 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 CIT Appeals and does not foresee any material liability. Pending the final decision on the matter, no adjustment has been made in the financial statements.



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3. The primary reporting of the Company is on the basis of business segments. Segments have been identified and reported based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. The Company is operating into following segments – (i) Engineering Service (ES), (ii) Power generation projects ('PGP') (iii) Others which primarily includes trading of goods and operation and maintenance services, etc.

(Amount in Rs Lacs)

Particulars	Standalone			
	Three months period ended			Year ended
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
	(Unaudited)	(Refer note 5)	(Unaudited)	(Audited)
1. Segment revenue				
(a) Segment – ES	7,823.25	6,097.38	5,486.78	20,929.97
(b) Segment – PGP	76.23	-	-	-
(c) Segment – Others	268.94	308.38	232.24	986.74
Total	8,168.42	6,405.76	5,719.02	21,916.71
Less: Inter segment revenue	-	-	-	-
Net sales / income from operations	8,168.42	6,405.76	5,719.02	21,916.71
2. Segment results [Profit / (Loss) before tax and interest from each segment]				
(a) Segment – ES	(1,376.11)	(5,066.14)	(513.37)	(9,439.64)
(b) Segment – PGP	(30.22)	(288.22)	(16.77)	(376.92)
(c) Segment – Others	546.42	43.58	(9.98)	(101.67)
Total	(859.91)	(5,310.78)	(540.12)	(9,918.23)
Less: Inter segment results	-	-	-	-
Net segment results	(859.91)	(5,310.78)	(540.12)	(9,918.23)
Add: Interest income	76.58	31.32	122.77	403.20
Less:				
(i) Interest expense	2,703.10	2,896.61	2,568.24	10,853.27
(ii) Other unallocable expenditure net off unallocable income	110.57	14.88	(37.49)	213.20
Total loss before tax	(3,597.00)	(8,190.95)	(2,948.10)	(20,581.50)
3. Capital employed				
(Segment assets – Segment liabilities)				
(a) Segment – ES	84,493.98	84,481.33	97,423.77	84,481.33
(b) Segment – PGP	43,126.87	43,300.70	43,070.30	43,300.70
(c) Segment – Others	303.40	1,719.00	1,039.88	1,719.00
(d) Unallocated	(49,621.70)	(47,605.47)	(42,438.35)	(47,605.47)
Total	78,302.55	81,895.56	99,095.60	81,895.56



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4. The above financial results are on standalone basis.
5. The figures for the quarters ended March 31, 2015 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2015 and the unaudited published year to date figures up to December 31, 2014, being the end of the third quarter of the previous financial year which was subject to a limited review.
6. The figures of previous periods/year have been regrouped or recast wherever necessary to make them comparable with those of the current period/year.



Place: Gurgaon
Date: August 14, 2015

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




Amit Mittal
Managing Director
DIN: 00058944

Walker ChandioK & Co LLP

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(Formerly Walker, ChandioK & Co)
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Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

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Review Report

To the Board of Directors of A2Z Infra Engineering Limited (formerly known as A2Z Maintenance & Engineering Services Limited)

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of A2Z Infra Engineering Limited (formerly known as A2Z Maintenance & Engineering Services Limited) ("the Company") for the quarter ended June 30, 2015, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to
 - (a) Note 2(a) to the financial results which describes the uncertainty relating to the assumptions used by management with respect to the impairment assessment of the cogeneration power plants and the extension of the concession period for an additional term as per the conditions stipulated in the agreement.



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- (b) Note 2(b) to the financial results with respect to unbilled receivables relating to certain contracts which are still in progress aggregating to Rs. 19,122.86 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 financial results.
- (c) Note 2(c) to the 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 against which management has filed Appeals with Commissioner of Income Tax (CIT) (Appeals). Pending the final outcome of these matters, which is presently unascertainable, no adjustments have been made in the financial results.

Our report is not qualified in respect of above matters.

5. We did not review the interim financial results of certain branches, included in the Statement, whose interim financial results reflect total revenues of Rs. 429.87 lacs and net loss after tax of Rs. 117.73 lacs for the quarter ended June 30, 2015. These financial results have been reviewed by the branch auditors whose report has been furnished to us and our report in respect thereof is based solely on their reports. Our report is not qualified in respect of this matter.

Walker Chandiok & Co LLP
For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No: 001076N/N500013

Neeraj
per **Neeraj Sharma**
Partner
Membership No. 502103



Gurgaon
August 14, 2015