A2Z INFRA ENGINEERING LTD.

(Previously Known as A2Z Maintenance & Engineering Services Limited)

CIN NO. L74999HR2002PLC034805

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REF. No. :- A2ZINFRA/SE/2015-16/142

9th November, 2015

To,
BSE Limited
Phiroze Jeejeebhoy 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, Bandra Kurla Complex,
Bandra (E), Mumbai-400051
Fax- 022-26598237/38
NSE Code-A2ZINFRA

Sub: Outcome of the Board Meeting held on Monday, 9th November, 2015

Dear Sir,

The decisions and outcome of the Meeting of the Board of Directors of the Company duly held on Monday, 9th November, 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 (Q2) and Six month ending on September 30, 2015 along with the Limited Review Report issued by the Statutory Auditors;

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)

A2Z INFRA ENGINEERING LTD. GURGAON

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

A2Z INFRA ENGINEERING LTD.

(FORMERLY KNOWN AS A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED)

Statement of Unaudited Financial Results for the quarter and half year ended September 30, 2015

Part I

(Amount in Rs Lacs)

S. No.	Particulars	Standalone					
		Three months period ended			Six months period ended		Year ended
		September 30, 2015	June 30, 2015	September 30 2014	September 30, 2015	September 30, 2014	March 31, 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Revenue from operations**						
	(a) Net sales / income from operations	26,050.12	8,155.84	4,350.38	34,205.96	9,973.70	21,639.88
	(b) Other operating income	22.13	12.58	19.29	34.71	114.99	276.83
	Total revenue (1)	**26,072.25**	**8,168.42**	**4,369.67**	**34,240.67**	**10,088.69**	**21,916.71**
2	**Expenses**						
	(a) Cost of material consumed	15,890.96	6,112.90	2,359.20	22,003.86	4,719.14	12,599.03
	(b) Purchase of stock in trade	1,102.92	-	-	1,102.92	-	7.38
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	7.38	-	-	7.38	-	31.95
	(d) Sub contractor / erection charges	4,222.96	1,064.25	1,468.32	5,287.21	3,183.31	6,636.37
	(e) Employee benefits expense	551.36	588.14	790.64	1,139.50	1,607.70	3,220.80
	(f) Depreciation and amortisation expense	335.19	356.28	260.62	691.47	522.89	1,028.43
	(g) Other expenses	2,249.19	1,407.54	2,207.10	3,656.73	3,487.20	8,620.90
	Total expenses (2)	**24,359.96**	**9,529.11**	**7,085.88**	**33,889.07**	**13,520.24**	**32,144.86**
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	1,712.29	(1,360.69)	(2,716.21)	351.60	(3,431.55)	(10,228.15)
4	Other income	201.98	611.35	248.10	813.33	546.18	946.53
5	Profit / (Loss) before finance costs and exceptional items (3+4)	1,914.27	(749.34)	(2,468.11)	1,164.93	(2,885.37)	(9,281.62)
6	Finance costs	2,912.58	2,847.66	2,944.59	5,760.24	5,736.38	11,753.51
7	Profit / (Loss) after finance costs but before exceptional items (5-6)	(998.31)	(3,597.00)	(5,412.70)	(4,595.31)	(8,621.75)	(21,035.13)
8	Exceptional items gain	-	-	192.69	-	453.63	453.63
9	Profit / (Loss) before tax (7+8)	(998.31)	(3,597.00)	(5,220.01)	(4,595.31)	(8,168.12)	(20,581.50)
10	Tax (credit) / expense	2.54	(3.99)	(1,730.07)	(1.45)	(9,489.90)	(8,193.16)
11	**Net profit/(loss) for the period/year (9-10)**	**(1,000.85)**	**(3,593.01)**	**(3,489.94)**	**(4,593.86)**	**1,321.78**	**(12,388.34)**
12	Prior period Income / (Expense)	89.99	-	-	89.99	-	-
13	**Net profit/(loss) for the period/year (11+12)**	**(910.86)**	**(3,593.01)**	**(3,489.94)**	**(4,503.87)**	**1,321.78**	**(12,388.34)**
14	Paid-up equity share capital (Face value of the share - Rs 10/- each)	11,846.57	10,871.77	7,417.77	11,846.57	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)	(0.83)	(3.61)	(4.70)	(4.30)	1.78	(15.91)
	(b) Diluted earnings per share (Not annualised)	(0.83)	(3.61)	(4.70)	(4.30)	0.97	(15.91)

A2Z INFRA ENGINEERING LTD. GURGAON

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

A2Z INFRA ENGINEERING LTD.

(Previously Known as A2Z Maintenance & Engineering Services Limited)

CIN NO. L74999HR2002PLC034805

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Select financial information for the quarter and half year ended September 30, 2015

Part II

S. No.	Particulars	Standalone					
		Three months period ended			Six months period ended		Year ended
		September 30, 2015	June 30, 2015	September 30 2014	September 30, 2015	September 30, 2014	March 31, 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A	**Particulars of shareholding**						
1	Public Shareholding						
	- Number of shares	50,951,054	41,203,054	41,203,054	50,951,054	41,203,054	41,203,054
	- Percentage of shareholding	43.01%	37.90%	55.54%	43.01%	55.54%	47.63%
2	Promoters and promoter group shareholding						
	a) Pledged / encumbered						
	- Number of shares	64,338,301	42,138,301	14,936,000	64,338,301	14,936,000	42,138,301
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group).	95.30%	62.41%	45.30%	95.30%	45.30%	92.99%
	- Percentage of shares (as a % of the total share capital of the Company)	54.31%	38.76%	20.14%	54.31%	20.14%	48.70%
	b) Non-encumbered						
	- Number of shares	3,176,339	25,376,339	18,038,640	3,176,339	18,038,640	3,176,339
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	4.70%	37.59%	54.70%	4.70%	54.70%	7.01%
	- Percentage of shares (as a % of the total share capital of the Company)	2.68%	23.34%	24.32%	2.68%	24.32%	3.67%

	Particulars	Six months period ended September 30, 2015
B	**Investor Complaints/ Request**	
	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 November 9, 2015. The statutory auditors of the Company have reviewed the above standalone financial results for the quarter ended September 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 September 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. The management has filed an application with the sugar mills for the extension of the concession period and accordingly, 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.18,529.19 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, 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 the 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 has 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 results.

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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			Six months period ended		Year ended
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Segment – ES	24,672.54	7,823.25	4,156.68	32,495.79	9,643.46	20,929.97
(b) Segment – PGP	18.49	76.23	-	94.72	-	-
(c) Segment – Others	1,381.22	268.94	212.99	1,650.16	445.23	986.74
Total	26,072.25	8,168.42	4,369.67	34,240.67	10,088.69	21,916.71
Less: Inter segment revenue	-	-	-	-	-	-
Net sales / income from operations	**26,072.25**	**8,168.42**	**4,369.67**	**34,240.67**	**10,088.69**	**21,916.71**
2. Segment results [Profit / (Loss) before tax and interest from each segment]						
(a) Segment – ES	1,688.11	(1,376.11)	(2,559.63)	312.00	(3,073.00)	(9,439.64)
(b) Segment – PGP	8.95	(30.22)	-	(21.27)	(16.77)	(376.92)
(c) Segment – Others	(444.30)	546.42	(45.23)	102.12	(55.21)	(101.67)
Total	1,252.76	(859.91)	(2,604.86)	392.85	(3,144.98)	(9,918.23)
Less: Inter segment results	-	-	-	-	-	-
Net segment results	1,252.76	(859.91)	(2,604.86)	392.85	(3,144.98)	(9,918.23)
Add: Prior Period Income	89.99	-	-	89.99	-	-
Add: Interest income	65.51	76.58	134.85	142.09	257.62	403.20
Less:						
(i) Interest expense	2,906.08	2,703.10	2,724.78	5,609.18	5,293.01	10,853.27
(ii) Other unallocable expenditure net off unallocable income	(589.50)	110.57	25.22	(478.93)	(12.25)	213.20
Total profit / (loss) before tax	**(908.32)**	**(3,597.00)**	**(5,220.01)**	**(4,505.32)**	**(8,168.12)**	**(20,581.50)**
3. Capital employed						
(Segment assets – Segment liabilities)						
(a) Segment – ES	86,216.88	84,493.98	94,872.08	86,216.88	94,872.08	84,481.33
(b) Segment – PGP	42,693.03	43,126.87	43,114.96	42,693.03	43,114.96	43,300.70
(c) Segment – Others	859.01	303.40	1,045.07	859.01	1,045.07	1,719.00
(d) Unallocated	(50,042.29)	(49,621.70)	(43,426.44)	(50,042.29)	(43,426.44)	(47,605.47)
Total	**79,726.63**	**78,302.55**	**95,605.67**	**79,726.63**	**95,605.67**	**81,895.56**

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A2Z INFRA ENGINEERING LTD.

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4. Statement of Asset and Liabilities as at September 30, 2015

(Amount in Rs Lacs)

Particulars	Standalone	
	As at September 30, 2015	As at March 31, 2015
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Shareholders' fund		
Share capital	11,846.57	8,651.77
Reserves and surplus	66,542.78	71,023.79
Money Received against Share Warrants	1,337.28	-
Share application money pending allotment	-	2,220.00
Non current liabilities		
Long-term borrowings	30,721.49	31,937.64
Long-term provisions	465.35	445.84
Current liabilities		
Short-term borrowings	51,411.75	50,129.39
Trade payables	40,423.38	20,896.53
Other current liabilities	28,226.25	25,187.67
Short-term provisions	144.73	97.51
Total	**231,119.58**	**210,590.14**
ASSETS		
Non current assets		
Fixed assets	46,393.50	47,430.80
Non current investment	29,429.99	29,430.00
Deferred tax asset	12,229.72	12,228.11
Long-term loans and advances	3,273.99	3,227.07
Other non-current assets	1,397.25	1,995.73
Current assets		
Current investments	231.28	231.28
Inventories	1,387.61	1,163.86
Trade receivables	80,106.74	66,610.79
Cash and cash equivalents	1,650.48	246.24
Short-term loans and advances	14,332.18	13,611.31
Other current assets	40,686.84	34,414.95
Total	**231,119.58**	**210,590.14**

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5. During the quarter, the following changes in capital structure of the Company have taken place:

   (a) Allotment of 24,695,780 warrants convertible into equal number of equity shares of Rs. 10 each (exercisable in one or more tranches) at the option of the holder thereof at any time within 18 (eighteen) months after the allotment at an issue price of Rs. 21.66 each on preferential basis to persons other than the Promoters and Promoter group. In this regard, the Company has received Rs. 1337.27 lacs, being 25% of the subscription amount as per the SEBI (ICDR) Regulations, 2009 out of which Rs. 1,219.60 lacs have been used for working capital requirements and the unutilised funds as on September 30, 2015 amounting Rs 117.67 lacs are lying in the bank account of the Company. The said warrants would be converted into equal number of equity shares on the exercise of the conversion rights by the allottees at the time of payment of remaining 75% subscription amount.

   (b) Allotment of 8,100,000 equity shares on preferential basis to one of the banks as per SEBI (ICDR) Regulations, 2009 as amended from time to time, on the conversion of Funded Interest Term Loan (FITL) as per the Master Restructuring Agreement with the banks under the Corporate Debt Restructuring Scheme in terms of approval granted by the shareholders of the Company by the way of postal ballot. Since the trading approval is awaited from the respective stock exchanges, the allotted shares are pending to be credited into the demat account of the allotttees.

   (c) Allotment of 16,48,000 equity shares of face value of Rs. 10 each to the eligible employees of the Company who have exercised their stock options under the A2Z Employee Stock Option Plan 2013. These shares are pari-passu with the existing equity shares of the Company, in all respects.

6. The above financial results are on standalone basis.

7. The figures of previous periods/year have been regrouped or recast wherever necessary to make them comparable with those of the current period/year.

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

A2Z INFRA ENGINEERING LTD. GURGAON

Amit Mittal
Managing Director
DIN: 00058944

Place: Gurgaon
Date: November 9, 2015

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WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
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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 September 30, 2015 and the year to date results for the period April 1, 2015 to September 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 the accounting principles generally accepted in India, including accounting standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other recognised accounting practices 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.

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

4. We draw attention to :

   (a) Note 2(a) to the Statement which describes the uncertainty related to the estimates and assumptions used by management with respect to its assessment of impairment of the cogeneration power plants which includes the extension of the concession period for an additional term as per the conditions stipulated in the concessionaire agreement entered with sugar mills.

   (b) Note 2(b) to the Statement which indicates the uncertainty related to the outcome of the discussions/ negotiations with the customers with respect to unbilled receivables, recognized in the earlier years, relating to certain contracts which are still in progress aggregating to Rs. 18,529.19 lacs. Pending the final outcome of these matters, which is presently unascertainable, no adjustments have been recorded in the accompanying Statement.

   (c) Note 2(c) to the statement which describes the uncertainty related 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 recorded in the accompanying Statement.

   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. 755.18 lacs and Rs. 1,185.05 lacs and net loss after tax of Rs. 89.82 lacs and Rs. 207.55 lacs for the quarter ended September 30, 2015 and the year to date results for the period April 1, 2015 to September 30, 2015 respectively. 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

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

Gurgaon
November 9, 2015