

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



BY E-FILING

REF. No.:- A2ZINFRA/SE/2017-18/010

29th May, 2018

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 Board Meeting duly held on Tuesday, May 29, 2018

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, 2018 and Standalone Financial Results for the Quarter (Q4) ended March 31, 2018 along with auditor report on standalone as well as consolidated financial 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.

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-Haryan



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Annexure-A

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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, 2018.

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, 2018 which are approved and adopted by the Board of Directors in their meeting held on May 29, 2018, the Statutory Auditors have not expressed any modified opinion(s) in the audit report.

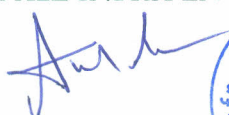
The above declaration is provided as required under proviso to Regulation 33(3)(d) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide notification dated May 25, 2016.

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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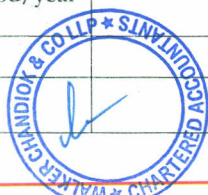
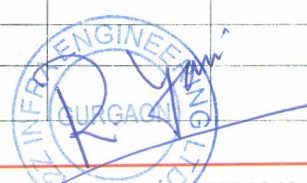
A2Z INFRA ENGINEERING LTD.

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A2Z INFRA ENGINEERING LIMITED Statement of Audited Financial Results for the quarter and year ended March 31, 2018

S. No.	Particulars	Standalone					(Amount in Rs Lacs)	
		Quarter ended			Year ended		Year Ended	
		March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		(Refer note 1)	Unaudited	(Refer note 1)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income							
	Revenue from operations	8,657.60	8,944.66	17,008.59	35,751.56	63,455.83	70,853.82	99,550.84
	Other Income	2,867.33	249.88	322.56	3,697.86	1,563.48	4,310.47	3,773.05
	Total income	11,524.93	9,194.54	17,331.15	39,449.42	65,019.31	75,164.29	103,323.89
2	Expenses							
	Cost of material consumed	7,603.16	6,650.78	13,794.72	27,804.66	47,240.91	35,817.12	56,340.53
	Purchase of Stock in Trade	5.94	559.31	780.59	2,602.17	4,996.99	2,602.17	4,996.99
	Changes in inventories of Finished goods, Stock in-trade and Work-in-progress	-	-	-	-	-	294.55	(145.68)
	Employee benefit expenses	493.97	607.95	521.42	2,219.43	1,965.05	26,501.06	25,280.45
	Finance costs	3,415.14	3,473.10	3,213.80	12,978.07	11,967.31	20,599.69	20,053.32
	Depreciation and amortisation expenses	312.30	321.87	348.41	1,284.70	1,447.52	3,264.75	4,307.91
	Other expenses	3,263.55	1,158.00	898.44	5,845.46	4,501.85	8,149.34	6,980.62
	Total expenses	15,094.06	12,771.01	19,557.38	52,734.49	72,119.63	97,228.68	117,814.14
3	Loss before exceptional items and tax	(3,569.13)	(3,576.47)	(2,226.23)	(13,285.07)	(7,100.32)	(22,064.39)	(14,490.25)
4	Exceptional items (Refer note 5)	(1,479.04)	3,752.02	(959.58)	1,828.89	(959.58)	13,557.23	(9,877.58)
5	(Loss)/Profit before tax	(5,048.17)	175.55	(3,185.81)	(11,456.18)	(8,059.90)	(8,507.16)	(24,367.83)
	Current tax	1.98	(0.01)	(9.72)	22.77	3.67	190.85	237.67
	Deferred tax charge/(credit)	(75.22)	73.28	4,796.21	(2.01)	5,855.41	1.39	5,968.30
	Current tax expenses relating to earlier years	-	-	-	-	-	45.01	(3.78)
6	(Loss)/Profit for the period/year	(4,974.93)	102.28	(7,972.30)	(11,476.94)	(13,918.98)	(8,744.41)	(30,570.02)
7	Other Comprehensive Income							
	Items that will not be reclassified to profit and loss	5.08	17.91	9.49	40.31	29.58	71.26	57.44
	Total Other Comprehensive Income for the period/year (net of tax)	5.08	17.91	9.49	40.31	29.58	71.26	57.44
8	Total Comprehensive Income for the period/year (net of tax)	(4,969.85)	120.19	(7,962.81)	(11,436.63)	(13,889.40)	(8,673.15)	(30,512.58)



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S. No.	Particulars	Standalone					(Amount in Rs Lacs)	
		Quarter ended			Year ended		Year Ended	
		March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		(Refer note 1)	Unaudited	(Refer note 1)	(Audited)	(Audited)	(Audited)	(Audited)
9	(Loss)/Profit for the period/year attributable to:							
	Equity holders of the Company	(4,974.93)	102.28	(7,972.30)	(11,476.94)	(13,918.98)	(11,060.39)	(26,552.83)
	Non-controlling interests	-	-	-	-	-	2,315.98	(4,017.19)
10	Other comprehensive income is attributable to:							
	Equity holders of the Company	5.08	17.91	9.49	40.31	29.58	53.97	29.97
	Non-controlling interests	-	-	-	-	-	17.29	27.47
11	Total comprehensive income is attributable to:							
	Equity holders of the Company	(4,969.85)	120.19	(7,962.81)	(11,436.63)	(13,889.40)	(11,006.42)	(26,522.86)
	Non-controlling interests	-	-	-	-	-	2,333.27	(3,989.72)
12	Paid-up equity share capital (Face value of the share - Rs 10/- each)	17,611.99	14,554.55	14,494.95	17,611.99	14,494.95	17,611.99	14,494.95
13	Earnings per equity share :							
	(a) Basic	(3.09)	0.07	(5.97)	(7.68)	(10.75)	(7.41)	(20.50)
	(b) Diluted	(3.09)	0.07	(5.97)	(7.68)	(10.75)	(7.41)	(20.50)

Notes:

- 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 29, 2018. The statutory auditors have carried out audit of these financial results for the quarter and year ended March 31, 2018.

The figures for the quarters ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures in respect of the full financial years ended March 31, 2018 and March 31, 2017 respectively and the unaudited published year to date figures up to December 31, 2017 and December 31, 2016 respectively, being the end of the third quarter of the financial years which were subject to a limited review.

Basic and Diluted Earning Per Share is not annualised for the quarters ended March 31, 2018, December 31, 2017 and March 31, 2017.

- The auditors in their audit report have drawn attention to the following matters:
 - The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Build, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2018, 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.



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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, vide its order dated March 23, 2017, 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 provision of Rs. 3,500.00 lacs (previous year Rs. 6,839.46 lacs) in carrying value of these assets during the year ended March 31, 2018. Accordingly, management believes that the estimates of the useful lives are reasonable and no further material adjustments to the carrying value of these plants are necessary.

Out of the aforementioned impairment provision amounting to Rs 3,500.00 lacs (previous year Rs 6,839.46 lacs), Rs. 2,850.00 lacs (previous year Rs 5,881.21 lacs) pertains to, two power plants, which were yet to be capitalised and Rs. 650.00 lacs (previous year Rs 958.25 lacs) is for power plant which has already been capitalised. This has been recognised in the statement of profit and loss under the head exceptional item during the year ended March 31, 2018. The recoverable amount of Rs. 27,706.12 lacs as at March 31, 2018 (Rs. 32,091.86 lacs as at March 31, 2017) of all three cogeneration power plants is based on value in use and determined at the level of the Cash Generating Unit (CGU). The CGU consisted of assets relating to the power plant, and the cash flows of the CGU are discounted at a rate of 16.28% (previous year 13.80%) on a post-tax basis.

- b. Contract revenue in excess of billing amounting Rs. 8,381.36 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 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 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. 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 current year, the Company has received penalty order for the Assessment year 2008-09 from CIT and for Assessment year 2011-12 and 2013-14 from Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of Rs 798.63 lacs against which the Commissioner of Income Tax (CIT) (Appeals) had not granted relief to the Company. The Company has filed appeals with ITAT for the Assessment Year 2008-09 and with CIT(A) for the Assessment Year 2011-12 and 2013-14 challenging the penalty orders.

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/CIT(A) and does not foresee any material liability. Pending the final decision on the matter, no adjustment has been made in the financial statements.

- d. In financial year 2016-17, 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 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 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.
- e. The Company, as at March 31, 2018, has non-current investments amounting to Rs 20,151.90 lacs, other current financial assets (net of impairment) amounting to Rs. 410.73 lacs and current financial assets-loan amounting to Rs. 592.85 lacs in its subsidiary A2Z Green Waste Management Limited which has 100% holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited) together with

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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, 2018 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of A2Z Green Waste Management Group. Therefore, the management believes that the realisable amount of these 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.

- 3) 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) 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	(Amount in Rs Laacs)						
	Standalone					Consolidated	
	Quarter Ended			Year Ended		Year Ended	
	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Refer note 1)	Unaudited	(Refer note 1)	(Audited)	(Audited)	(Audited)	(Audited)
1. Segment Revenue							
(a) Segment – ES	8,319.58	7,848.61	15,703.92	31,376.34	56,706.93	32,998.73	59,857.29
(b) Segment – FMS	-	-	-	-	-	26,947.97	26,935.61
(c) Segment – MSW	-	-	-	-	-	5,592.39	4,681.08
(d) Segment – PGP	-	-	56.29	-	154.39	-	154.39
(e) Segment – Others	338.02	1,096.05	1,248.38	4,375.22	6,594.51	5,646.56	9,444.28
Total	8,657.60	8,944.66	17,008.59	35,751.56	63,455.83	71,185.65	101,072.65
Less: Inter segment revenue	-	-	-	-	-	331.82	1,521.81
Revenue from operations	8,657.60	8,944.66	17,008.59	35,751.56	63,455.83	70,853.83	99,550.84
2. Segment results [Profit / (Loss) before tax and interest from each segment]							
(a) Segment – ES	(350.15)	(42.95)	1,199.84	(780.19)	4,666.73	(754.14)	6,369.43
(b) Segment – FMS	-	-	-	-	-	977.27	438.23
(c) Segment – MSW	-	-	-	-	-	(1,434.48)	(2,055.57)
(d) Segment – PGP	(306.27)	(249.59)	(268.22)	(1,072.77)	(1,081.47)	(1,073.99)	(1,089.24)
(e) Segment – Others	(11.79)	(79.14)	(124.01)	233.74	386.42	284.46	1,640.71
Total	(668.21)	(371.68)	807.61	(1,619.22)	3,971.68	(2,000.88)	5,303.56
Less: Inter segment results	-	-	-	-	-	-	817.87
Net segment results	(668.21)	(371.68)	807.61	(1,619.22)	3,971.68	(2,000.88)	4,485.69
Add: Interest income	514.23	268.32	178.97	1,312.23	895.31	536.16	1,077.38

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(Amount in Rs Lacs)

Particulars	Standalone					Consolidated	
	Quarter Ended			Year Ended		Year Ended	
	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Refer note 1)	Unaudited	(Refer note 1)	(Audited)	(Audited)	(Audited)	(Audited)
Less:							
(i) Interest expense	3,282.58	3,293.68	3,034.51	12,394.63	11,370.76	20,599.69	20,053.32
(ii) Other unallocable expenditure net off unallocable income	132.57	179.42	178.30	583.44	596.55	-	-
Profit/(Loss) before exceptional item and tax	(3,569.13)	(3,576.47)	(2,226.23)	(13,285.06)	(7,100.32)	(22,064.41)	(14,490.25)
Exceptional Gain/(Loss)							
(a) Segment – ES	(5,620.55)	-	(3,038.12)	(5,620.55)	(3,038.12)	(5,620.55)	(3,038.12)
(b) Segment – PGP	(3,500.00)	-	(6,839.46)	(3,500.00)	(6,839.46)	(3,500.00)	(6,839.46)
(c) Segment – MSW	-	-	-	-	-	(8,032.67)	-
(d) Unallocable items	7,641.51	3,752.02	8,918.00	10,949.44	8,918.00	30,710.45	-
Profit/(Loss) after exceptional item and before tax	(5,048.17)	175.55	(3,185.81)	(11,456.17)	(8,059.90)	(8,507.18)	(24,367.83)
3. Segment assets							
(a) Segment – ES	159,276.50	164,086.89	172,966.76	159,276.50	172,966.76	163,407.69	179,116.52
(b) Segment – FMS	-	-	-	-	-	14,530.05	12,494.27
(c) Segment – MSW	-	-	-	-	-	51,142.03	59,368.93
(d) Segment – PGP	30,837.02	33,911.74	34,662.75	30,837.02	34,662.75	46,558.70	50,481.07
(e) Segment – Others	1,010.56	1,190.71	1,604.28	1,010.56	1,604.28	2,821.49	5,037.19
(f) Unallocated	42,684.23	41,943.64	41,881.79	42,684.23	41,881.79	15,910.82	13,901.59
Total Assets	233,808.31	241,132.98	251,115.58	233,808.31	251,115.58	294,370.78	320,399.57
4. Segment liabilities							
(a) Segment – ES	81,588.64	79,339.42	79,131.52	81,588.64	79,131.52	100,401.98	84,865.49
(b) Segment – FMS	-	-	-	-	-	10,055.60	6,368.41
(c) Segment – MSW	-	-	-	-	-	39,014.17	24,628.07
(d) Segment – PGP	203.45	198.97	599.24	203.45	599.24	517.89	903.68
(e) Segment – Others	1,593.36	1,340.98	1,480.44	1,593.36	1,480.44	2,833.21	2,207.23
(f) Unallocated	89,086.23	105,983.22	109,433.90	89,086.23	109,433.90	117,678.98	180,071.15
Total Liabilities	172,471.68	186,862.59	190,645.10	172,471.68	190,645.10	270,501.83	299,044.03



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4) Statement of Assets and Liabilities

(Amount in Rs Lacs)

Particulars	Standalone		Consolidated	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	(Audited)	(Audited)	(Audited)	(Audited)
Assets				
Non-current assets				
Property, plant and equipment	14,397.09	16,311.51	27,818.79	29,185.54
Capital work-in-progress	18,056.80	20,877.12	30,879.67	38,387.57
Goodwill	-	-	4,291.98	4,977.90
Intangible assets	13.33	43.77	19.73	67.26
Intangible assets under development	-	-	73.42	73.42
Financial assets				
Investments	29,067.65	29,802.85	-	1.00
Loans	270.08	271.76	635.89	608.51
Other financial assets	2,409.51	2,057.18	2,954.27	2,644.92
Deferred tax assets (net)	6,320.11	6,318.17	7,147.02	7,104.29
Non-current tax assets (net)	2,682.38	2,279.40	5,911.38	4,916.62
Other non-current assets	1,495.80	1,461.05	6,518.49	7,884.39
	74,712.75	79,422.81	86,250.64	95,851.42
Current assets				
Inventories	349.14	765.66	1,798.08	2,064.93
Financial assets				
Trade receivables	117,216.35	120,029.73	130,916.48	133,305.51
Cash and cash equivalents	1,097.71	5,152.78	1,908.19	6,186.52
Other bank balances	0.82	0.82	1,016.30	1,316.75
Loans	4,653.44	4,440.28	609.50	1,266.77
Other financial assets	25,314.11	29,624.15	36,035.39	39,054.53
Other current assets	10,463.96	11,679.35	11,517.13	12,141.32
Assets held for sale (Refer note 7)	-	-	24,319.02	29,211.82
	159,095.53	171,692.77	208,120.09	224,548.15
Total Assets	233,808.28	251,115.58	294,370.73	320,399.57
Equity and liabilities				
Equity				
Equity share capital	17,611.99	14,494.95	17,611.99	14,494.95
Other equity	43,724.64	45,975.54	19,583.46	21,373.13
Equity attributable to equity holders of the Company	61,336.63	60,470.49	37,195.45	35,868.08
Non controlling interest	-	-	(13,326.53)	(14,512.53)
	61,336.63	60,470.49	23,868.92	21,355.55
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	15,098.21	25,103.30	36,702.77	46,485.39



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

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



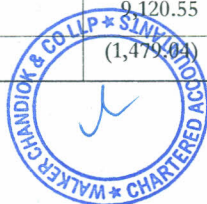
(Amount in Rs Lacs)

Particulars	Standalone		Consolidated	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	(Audited)	(Audited)	(Audited)	(Audited)
Other financial liabilities	1,000.00	-	1,000.00	-
Provisions	298.22	314.25	399.21	362.92
Deferred tax liabilities (Net)	-	-	8.48	-
Other non-current liabilities	-	-	12,703.08	12,773.87
	16,396.43	25,417.56	50,813.54	59,622.19
Current liabilities				
Financial Liabilities				
Borrowings	45,034.04	56,524.55	64,096.94	75,459.08
Trade payables	57,735.69	65,920.55	74,009.87	76,036.06
Other financial liabilities	33,343.89	31,415.66	54,556.15	71,160.48
Other current liabilities	19,861.11	11,213.17	26,042.17	15,751.18
Provisions	100.51	153.60	977.40	1,015.05
Current tax liabilities (Net)	-	-	5.77	-
	156,075.24	165,227.53	219,688.30	239,421.85
Total Equity and Liabilities	233,808.30	251,115.58	294,370.76	320,399.59

51 Following exceptional items (net) have been recorded :

(Amount in Rs Lacs)

Particulars	Standalone					Consolidated	
	Quarter Ended			Year Ended		Year Ended	
	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Refer Note 1)	Unaudited	(Refer Note 1)	(Audited)	(Audited)	(Audited)	(Audited)
One Time Settlement with banks of borrowing and financial institutions (Refer Note 5(a))	7,641.51	3,752.02	-	11,393.52	-	31,485.40	-
Reversal of derivatives liability relating to put option on fully convertible debenture issued by a subsidiary.	-	-	8,918.00	-	8,918.00	-	-
Exceptional Gain (A)	7,641.51	3,752.02	8,918.00	11,393.52	8,918.00	31,485.40	-
Bank Guarantee encashed written off	-	-	3,038.12	-	3,038.12	-	3,038.12
Contract revenue in excess of billing written off	5,620.55	-	-	5,620.55	-	5,620.55	-
Capital assets impaired/written off	3,500.00	-	6,839.46	3,500.00	6,839.46	11,532.67	6,839.46
Loss on sale of Investment (Refer Note 5(b))	-	-	-	444.08	-	774.95	-
Exceptional Loss (B)	9,120.55	-	9,877.58	9,564.63	9,877.58	17,928.17	9,877.58
Net Exceptional Gain/(Loss)	(1,479.04)	3,752.02	(959.58)	1,828.89	(959.58)	13,557.23	(9,877.58)



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- a. During the quarters ended December 31, 2017 and March 31, 2018, the Company has entered into One Time Settlement Agreements ("OTS Agreements") with certain lenders ("the Lenders") wherein they have agreed to the settlement of the outstanding principal and accrued interest of the Company and its step down subsidiaries. Pursuant to the aforementioned OTS Agreements, the Company has issued 30,276,384 equity shares to the Lenders at the rate of Rs 39.80 during the quarter as preferential allotment. Additionally, the Company has paid Rs 19.75 lacs during the period to the Lenders and shall further pay Rs 58.75 lacs. The resultant impact of the transaction has been recognised as an exceptional item in these financial results.
- b. During the quarter ended June 30, 2017, loss on sale of investments pertains to the loss incurred on the sale of entire shareholding in one of the subsidiary company i.e. Star Transformers Limited during the year. Consequently, Star Transformers Limited ceased to be a subsidiary of the Company.
- 6) During the quarter ended March 31, 2018, The Company has allotted 298,000 equity shares of face value Rs. 10/- each to the eligible employees of the Company who have exercised their stock option under the A2Z Employee Stock Option Plan, 2013 (Tranche II) and A2Z Employee Stock Option Plan, 2014. These shares rank pari-passu with the existing equity shares of the Company in all respects.
- 7) The standalone and consolidated financial results have been prepared in accordance with the 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 and other recognized accounting practices to the extent applicable. The consolidated financial results represent the result of the Company, its subsidiaries (together refer to as "the Group") which have been prepared in accordance with Ind AS 110 'Consolidated Financial Statement'.

Additional notes for consolidated financial statements :-

- 8) a. In the current year, one of the subsidiary company, 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.
- During the current year, the Company has renegotiated the terms of the aforementioned agreement and basis the revised terms under discussion with the Lender, the Company now intends to transfer only the plant located at Kanpur. Accordingly, the assets pertaining to Indore plant have been reclassified from "Asset held for sale" to the respective financial statement line items as at March 31, 2018.
- b. During the year, one of the subsidiary company, A2Z Powercom Limited ("A2Z Powercom Limited") has entered into a Memorandum of Understanding (MoU) with one of the customers wherein it has agreed to short close certain contracts being executed by A2Z Powercom Limited for the customer and transfer all the assets and liabilities pertaining to the projects to the customer. Definitive agreement for the aforementioned transaction is yet to be executed.
- 9) The following subsidiary companies, A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Varanasi) Limited and A2Z Waste Management (Moradabad) Limited, step-down subsidiaries of the company, have incurred net losses during the year ended March 31, 2018 aggregating Rs. 109.01 lacs, Rs 3,910.65 lacs and Rs 621.62 lacs respectively and as of that date, have accumulated losses aggregating Rs 768.50 lacs, Rs 2,582.43 lacs and Rs 984.79 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.

**SIGNED FOR
IDENTIFICATION
PURPOSES**

Place: Gurugram
Date: May 29, 2018



For and on behalf of A2Z Infra Engineering Limited

Rajesh Jain

Whole Time Director & CEO
DIN: 070105027

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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 2018, being submitted by the Company pursuant to the requirements 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 2018 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 2018 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 2018 and our review of standalone financial results for the nine months period ended 31 December 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, 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 2018.
4. We draw attention to:
- (i) Note 2(a) to the accompanying standalone financial results, which describe the significant estimates and assumptions, including extension of the concession period, used by the management for determining recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 9,679.00 lacs and Rs. 18,027.12 lacs respectively as at 31 March 2018, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, Impairment of Assets. Basis this valuation the management believes that no adjustment is required to the carrying value of the aforesaid cogeneration power plants.
 - (ii) Note 2(b) to the accompanying standalone financial results, with respect to unbilled revenue relating to certain contracts which are still in progress aggregating to Rs. 8,381.36 lacs, recognised in the earlier years. Based on ongoing discussions/ negotiations with the customers, management believes that these amounts are completely billable.
 - (iii) Note 2(c) to the accompanying standalone financial results, 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.
 - (iv) Note 2(d) to the accompanying standalone financial results, which describes the uncertainty relating to utilisation of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/ vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Company will be able to avail the input tax credit for aforementioned matter.
 - (v) Note 2(e) to the accompanying standalone financial results regarding the Company's non-current investment in its subsidiary company, and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such subsidiary company as on that date aggregating Rs. 20,151.90 lacs, Rs. 410.73 lacs and Rs. 592.85 lacs, respectively. The consolidated net worth of the aforesaid subsidiary company as at 31 March 2018 has been fully eroded and has been incurring losses. Based on the future business plans and projections of the subsidiary company at consolidated level, which have been developed by the management using certain assumptions and estimates, as described in the aforementioned note, management believes that the realizable amount is higher than the carrying amount of such non-current investment, other current financial assets (net of impairment) and current financial assets - loan and hence fully recoverable.

Our opinion is not modified in respect of above matters.



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5. 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. 7,609.44 lacs and net profit after tax (after eliminating intra-group eliminations) of Rs. 84.54 lacs for the year ended 31 March 2018 and total assets of Rs. 5,415.20 lacs as at 31 March 2018, 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. 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 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

29 May 2018

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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 2018, 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 2018 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 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 Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2018.
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 and branches, the consolidated financial results:

- (i) include the financial results for the year ended 31 March 2018, of the following entities:

A2Z Green Waste Management Limited, A2Z Infraservices Limited, A2Z Powercom Limited, A2Z Powertech Limited, Selligence Technologies Services Private Limited, Mansi Bijlee & Rice Mills Limited, Star Transformers Limited (till 20 June 2017), Magic Genie Services 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, 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, A2Z Infraservices Lanka Private 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 2018.

4. We draw attention to:

- (i) Note 2(a) to the accompanying consolidated financial results, which describes the significant estimates and assumptions, including extension of the concession period, used by the management for determining recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 9,679.00 lacs and Rs. 18,027.12 lacs respectively as at 31 March 2018, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, Impairment of Assets. Basis this valuation the management believes that no adjustment is required to the carrying value of the aforesaid cogeneration power plants.
- (ii) Note 2(b) to the accompanying consolidated financial results, with respect to unbilled revenue relating to certain contracts which are still in progress aggregating to Rs. 8,381.36 lacs, recognised in the earlier years. Based on ongoing discussions/ negotiations with the customers, management believes that these amounts are completely billable.
- (iii) Note 2(c) to the accompanying consolidated financial results, 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.



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- (iv) Note 2(d) to the accompanying consolidated financial results, which describes the uncertainty relating to utilisation of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/ vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Company will be able to avail the input tax credit for aforementioned matter.
- (v) Note 9 to the accompanying consolidated financial results, which describes that A2Z Waste Management (Jaipur) Limited, A2Z Waste Management (Varanasi) Limited and A2Z Waste Management (Moradabad) Limited, step-down subsidiaries of the company, have incurred net losses during the year ended 31 March 2018 aggregating Rs109.01 lacs, Rs 3,910.65 lacs and Rs 621.62 lacs respectively and as of that date, has accumulated losses aggregating Rs 768.50 lacs, Rs 2,582.43lacs and Rs 984.79 lacs respectively which has resulted in complete erosion of their respective net-worth. Managements of the respective step-down subsidiaries are evaluating various options to revive operations of these companies, as further detailed in note 9, basis which management is of the view that going concern basis of accounting is appropriate.

Our opinion is not modified in respect of above matters.

5. We did not audit the financial statements of 33 subsidiaries and three branches, whose financial statements reflect total assets of Rs. 145,722.20 lacs and net assets of (Rs.10,144.07) lacs as at 31 March 2018, and total revenues of Rs. 43,014.44 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.

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
29 May 2018

