A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805

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REF. No.: - A2ZINFRA/SE/2020-21/058

BY E-FILING

13th February, 2021

To,

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

Fax-022-22722039

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

Subject: Outcome of Board Meeting duly held on Saturday, February 13, 2021

Dear Sir/Madam,

This is to inform you that the members of the Board of Directors of A2Z Infra Engineering Limited, at its meeting duly held today, i.e. February 13, 2021, on the recommendations of the Audit Committee, has reviewed and approved the Unaudited Standalone & Consolidated Financial Results for the Quarter (Q3) ended December 31, 2020 along with the limited review reports issued by the Statutory Auditors.

A copy of the Statement of Unaudited Standalone and Consolidated Financial Results along with the Limited Review Report for the Quarter ended December 31, 2020, approved by the Board pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are attached as ***Annexure – A***. A copy thereof has also been sent for publication as per the requirements.

The said outcome and results have been uploaded on the website of the Stock Exchanges and on the website of the Company at www.a2zgroup.co.in.

This is for your information & records purpose.

Thanking you,
Yours truly,

FOR A2Z INFRA ENGINEERING LTD.

A2Z Infra Engineering Limited Gurgaon

(Atul Kumar Agarwal)
Company Secretary
FCS-6453

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805

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A2Z INFRA ENGINEERING LIMITED

Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2020

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**						
	Revenue from operations	2,980.74	5,083.83	5,799.74	10,344.78	31,538.25	38,522.64
	Other income	306.93	414.04	373.68	1,029.40	1,645.47	1,928.60
	Total income	**3,287.67**	**5,497.87**	**6,173.42**	**11,374.18**	**33,183.72**	**40,451.24**
2	**Expenses**						
	Cost of material consumed	2,633.52	4,595.67	5,114.44	8,829.99	28,474.26	34,006.32
	Employee benefit expenses	127.42	97.43	405.21	400.86	1,407.51	1,750.24
	Finance costs	1,282.29	1,222.55	1,270.37	3,795.22	3,355.15	4,874.14
	Depreciation and amortization expenses	113.60	116.02	246.67	346.31	747.25	1,001.14
	Other expenses	1,968.90	866.48	393.06	3,251.61	2,191.36	6,667.60
	Total expenses	**6,125.73**	**6,898.15**	**7,429.75**	**16,623.99**	**36,175.53**	**48,299.44**
3	**(Loss) before exceptional items and tax**	**(2,838.06)**	**(1,400.28)**	**(1,256.33)**	**(5,249.81)**	**(2,991.81)**	**(7,848.20)**
4	Exceptional items –(loss)/gain (Refer note 5)	-	-	(218.75)	-	6,750.66	(17,630.90)
5	**(Loss)/profit before tax**	**(2,838.06)**	**(1,400.28)**	**(1,475.08)**	**(5,249.81)**	**3,758.85**	**(25,479.10)**
	Current tax	1.93	9.72	5.43	11.77	32.20	3.60
	Deferred tax	(0.14)	-	-	14.85	1,755.69	3,606.00
6	**(Loss)/profit for the period/year**	**(2,839.85)**	**(1,410.00)**	**(1,480.51)**	**(5,276.43)**	**1,970.96**	**(29,088.70)**
7	Other comprehensive income						
	Items that will not be reclassified to profit	13.27	61.29	5.16	103.02	21.76	31.07
8	**Total Other Comprehensive income for the period/year**	**13.27**	**61.29**	**5.16**	**103.02**	**21.76**	**31.07**
9	**Total Comprehensive income for the period/year**	**(2,826.58)**	**(1,348.71)**	**(1,475.35)**	**(5,173.41)**	**1,992.72**	**(29,057.63)**
10	Paid-up equity share capital (Face value of	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99
11	Other equity						18,383.11
12	(Loss)/Earnings per equity share:						
	(a) Basic	(1.61)	(0.80)	(0.84)	(3.00)	1.12	(16.52)
	(b) Diluted	(1.61)	(0.80)	(0.84)	(3.00)	1.12	(16.52)

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Notes:

1) The above standalone financial results for the quarter ended on December 31, 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting held on February 13, 2021 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory auditor have issued a disclaimer of conclusion in respect of the matters described in note 3, 6, 7 and note 8 in standalone financial results for the quarter and nine months ended December 31, 2020.

Basic and Diluted Earnings Per Share is not annualized for the quarters ended December 31, 2020, September 30, 2020 and December 31, 2019 and nine months ended December 31, 2020 and December 31, 2019.

The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India.

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 Build, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at December 31, 2020, such plants have a power generation capacity of 15 MW each.

The Company has entered into arbitration proceedings with the sugar mills for the extension of the concession period. Further, the Company has filed a writ petition in the Hon'ble High court of Punjab and Haryana for approval for conversion of power plants to waste to energy (RDF) based power plants and relocation of such power plants adjacent to RDF based facilities. During the previous year, certain disputes arose with sugar mills in respect of cogeneration power plants accordingly the management of the Company decided to shift these power plants to other locations for which writ petition has already been filed. Accordingly, the management carried out an impairment assessment and has recorded an impairment of Rs. 29,536.28 lakhs in carrying value of these assets as at December 31, 2020. The management believes that the recoverable amount of these power plants are reasonable and no further material adjustments to the carrying value of these plants are necessary.

Out of the aforementioned impairment as at December 31, 2020 Rs. 22,413.72 lakhs pertain to, two power plants, which were yet to be capitalised and Rs. 7,122.56 lakhs are for power plant which has already been capitalised.

The recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregates to Rs. 2,338.01 lakhs and Rs. 4,374.29 lakhs respectively as at December 31, 2020. The recoverable amount of all three cogeneration power plants is based on asset approach and determined at the level of the Cash Generating Unit (CGU).

b. 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 lakhs. During the year ended March 31, 2015 the Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Company. The Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters, where the CIT(A) has not accepted the Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Company.

Further, during the year ended March 31, 2018, the Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of Rs. 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Company.

During the year ended March 31, 2019, the Company received orders from CIT (Appeals) quashing the penalty orders aggregating Rs. 477.71 lakhs out of the aforementioned and upholding the rest. The Company has filed appeals with the ITAT challenging the penalty orders for these assessment years in respect of the matters where the CIT(A) has not accepted the Company's contention.

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

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c. During the financial year ended March 31, 2017, the Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities ('the Authority') regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Company received response to its application wherein the Authority opined that entire project is covered within the ambit of the service tax. Accordingly, the Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.

3) The Company, as at December 31, 2020, has non-current investments (net of impairment) amounting to Rs. 21,696.16 lakhs, other current financial assets (net of impairment) amounting to Rs. 728.37 lakhs and current financial assets-loan amounting to Rs. 429.11 lakhs in its associate company Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at December 31, 2020 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments (net of impairment), other current financial assets (net of impairment) and current financial assets-loans due to which these are considered as good and recoverable.

4) The Company has reported segment information as per Indian Accounting Standard 108 'Operating Segments' (Ind AS 108). The Company is operating into following segments – (i) Engineering Service (ES), (ii) Power generation projects ('PGP') and (iii) Others which primarily includes 'trading of goods and operation and maintenance services etc.

Unaudited standalone segment wise revenue, results, assets and liabilities for the quarter and nine months ended December 31, 2020

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Segment – ES	2,961.63	5,064.38	5,708.51	10,306.22	31,002.19	37,871.39
(b) Segment – PGP	-	-	90.49	-	119.07	241.00
(c) Segment – Others	19.11	19.45	0.74	38.56	416.99	410.25
Total	**2,980.74**	**5,083.83**	**5,799.74**	**10,344.78**	**31,538.25**	**38,522.64**
Less: Inter segment revenue	-	-	-	-	-	-
Revenue from operations	**2,980.74**	**5,083.83**	**5,799.74**	**10,344.78**	**31,538.25**	**38,522.64**
2. Segment results [(Loss) before tax and interest from each segment]						
(a) Segment – ES	(1,703.22)	(492.99)	67.90	(2,040.28)	446.93	(2,813.48)
(b) Segment – PGP	(171.19)	(120.43)	(340.90)	(452.95)	(983.73)	(1,358.52)
(c) Segment – Others	15.30	11.86	(13.20)	24.59	29.66	18.79
Total	**(1,859.11)**	**(601.56)**	**(286.20)**	**(2,468.64)**	**(507.14)**	**(4,153.21)**

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(Amount in Rs. Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020 (Unaudited)	September 30, 2020 (Unaudited)	December 31, 2019 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)	March 31, 2020 (Audited)
Less: Inter segment results	-	-	-	-	-	-
Net segment results	(1,859.11)	(601.56)	(286.20)	(2,468.64)	(507.14)	(4,153.21)
Add: Interest income	302.12	422.29	300.26	1,009.97	870.48	1,176.24
Less:						
(i) Interest expense	1,250.58	1,168.48	1,148.33	3,617.28	3,001.93	4,404.76
(ii) Other unallocable expenditure net of unallocable income	30.49	52.53	122.06	173.86	353.22	466.47
(Loss) before exceptional item and tax	(2,838.06)	(1,400.28)	(1,256.33)	(5,249.81)	(2,991.81)	(7,848.20)
Exceptional (loss)/gain						
(a) Segment – ES	-	-	-	-	-	(7,394.93)
(b) Segment – PGP	-	-	-	-	-	(14,996.81)
(c) Unallocable items	-	-	(218.75)	-	6,750.66	4,760.84
(Loss)/Profit after exceptional item and before tax	(2,838.06)	(1,400.28)	(1,475.08)	(5,249.81)	3,758.85	(25,479.10)
Less : Tax expenses						
(i) Current tax	1.93	9.72	5.43	11.77	32.20	3.60
(ii) Deferred tax (net)	(0.14)	-	-	14.85	1,755.69	3,606.00
(Loss) /Profit for the period	(2,839.85)	(1,410.00)	(1,480.51)	(5,276.43)	1,970.96	(29,088.70)
3. Segment assets						
(a) Segment – ES	110,420.35	111,962.42	131,217.44	110,420.35	131,217.44	112,674.74
(b) Segment – PGP	7,914.81	8,111.90	23,205.47	7,914.81	23,205.47	8,242.25
(c) Segment – Others	3,761.00	3,694.22	3,614.36	3,761.00	3,614.36	3,694.22
(d) Unallocated	37,194.21	36,554.12	40,634.70	37,194.21	40,634.70	37,656.75
Total Assets	159,290.37	160,322.66	198,671.97	159,290.37	198,671.97	162,267.96
4. Segment liabilities						
(a) Segment – ES	80,466.55	78,434.15	89,910.23	80,466.55	89,910.23	80,986.49
(b) Segment – PGP	94.28	183.68	150.76	94.28	150.76	183.68
(c) Segment – Others	6,011.13	6,554.36	7,647.31	6,011.13	7,647.31	6,554.36
(d) Unallocated	41,783.82	41,437.09	33,965.87	41,783.82	33,965.87	38,548.33
Total Liabilities	128,355.78	126,609.28	131,674.17	128,355.78	131,674.17	126,272.86

A2Z Infra Engineering Limited
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5) Following exceptional items (net) have been recorded:

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Nine months period ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
One time settlement (OTS) with banks and financial institutions	-	-	-	-	8,639.32	8,639.32
Liabilities written back	-	-	-	-	-	2,404.09
Exceptional gain (A)	-	-	-	-	8,639.32	11,043.41
Impact of fair valuation of derivative liability on subsequent remeasurement	-	-	218.75	-	1,888.66	2,224.09
Contract revenue in excess of billing written o	-	-	-	-	-	1,326.90
Capital assets impaired/written off	-	-	-	-	-	14,996.81
Investment provision/written off	-	-	-	-	-	1,654.39
Trade receivable written off	-	-	-	-	-	8,472.12
Exceptional loss (B)	-	-	218.75	-	1,888.66	28,674.31
Net Exceptional (loss)/gain(A-B)	-	-	(218.75)	-	6,750.66	(17,630.90)

6) The loan accounts of the Company have been classified as non- performing assets by certain banks and they have not charged interest on the said accounts and also the Company has not charged interest on borrowings from certain banks/ asset reconstruction company which had entered into Settlement agreement(s), therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to Rs. 858.40 lakhs, Rs. 2,334.42 lakhs and Rs. 4,920.87 lakhs for the quarter ended December 31, 2020, nine months ended December 31, 2020 and as at December 31, 2020 respectively (Rs. 790.01 lakhs, Rs. 452.88 lakhs, Rs. 936.68 lakhs and Rs. 1,809.46 lakhs for the quarter ended September 30, 2020, December 31, 2019, nine months ended December 31, 2019 and year ended March 31, 2020 , respectively). The Company is already in discussion with the said banks and asset reconstruction company for settlement of their dues.

7) The Company had entered into Settlement agreement(s) ('Agreements') with certain banks/assets reconstruction company ('the Lenders') during the years/period ended March 31, 2018, March 31, 2019 and June 30, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred installments. As at December 31, 2020, the Company has delayed payments in respect of the certain deferred installments amounting Rs. 14,310.13 lakhs which were due and payable pursuant to these Agreements. So far the lenders have not given any written notice on event of default as per the agreements and the management is in discussions with the Lenders to condone the aforementioned delays.

Further, certain Lenders have filed an application with Debt Recovery Tribunal and other judicial authorities for recovery of its dues as they existed prior to the settlement agreement entered with it in earlier period. However, basis the agreed terms/discussions, management believes that no additional liability shall devolve on the Company in addition to the carrying value of such liability as at December 31, 2020. The Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these standalone financial results.

Pursuant to the above discussions with the lenders, management is confident that no material impact will devolve on the Company in respect of aforementioned delays.

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8) The Company has incurred a loss for the period of Rs. 5,276.43 lakhs for the nine months ended December 31, 2020 and accumulated losses amounting Rs. 77,688.34 lakhs as at December 31, 2020 and is presently facing acute liquidity problems on account of delayed realization of trade receivables coupled with delays in commencement of commercial production at its biomass-based power generation plants. Also, one of the bank and four other parties have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 650.00 lakhs and Rs. 756.96 lakhs respectively. The matters have not been admitted yet with the NCLT and the management is in discussion with the said lender and parties for amicably settling the matters. Further, during the previous year, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Company amounting to Rs. 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. The Company has also delayed in repayments due to certain lenders as further detailed in note 6 and 7. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders (as described in note 7), including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, a new facility from a lender and expected start of commercial production of the biomass-based power generation plants, no adjustments are required in the standalone financial result and accordingly, these have been prepared on a going concern basis.

9) As a result of the nationwide lockdown imposed by the Government of India due to outbreak of COVID-19 pandemic, the business operations of the Company were temporarily disrupted for most part of the previous quarter. Since then, the operations have been gradually resuming in line with the Government of India directives issued in this regard. The management has considered the possible effects that may result from the pandemic on the liquidity position, recoverability/carrying value of its trade receivables, business and other advances and investments as at December 31, 2020. The impact of COVID-19 on the Company's standalone financial results in future may differ from that estimated as at the date of approval of these standalone financial results.

10) During the current quarter, 'A2Z Waste Management (Ludhiana) Limited' a step subsidiary company has acquired Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited) which was earlier subsidiary company of A2Z Infra Engineering Limited. A2Z Waste Management (Ludhiana) Limited has acquired 1,400,000 equity shares of Rishikesh Waste Management Limited (Formerly known as A2Z Powertech Limited) for a consideration of Rs. 3.50 lakhs.

12) Previous period figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period's classification.

For and behalf of A2Z Infra Engineering Limited

A2Z Infra Engineering Limited Gurugram

Rajesh Jain
Whole Time Director and Chief Executive Officer
DIN: 07015027

Place: Gurugram
Date: February 13, 2021

Walker Chandiok & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram – 122 002
India

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of A2Z Infra Engineering Limited

1. We were engaged to review the accompanying statement of standalone unaudited financial results ('the Statement') of A2Z Infra Engineering Limited ('the Company') for the quarter ended 31 December 2020 and year to date results for the period 01 April 2020 to 31 December 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.

2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.

3. We have taken into account the requirements of 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, however, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement.

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

Basis for Disclaimer of Conclusion

4. a) As stated in note 8 to the accompanying Statement, the Company has incurred a net loss after tax of Rs. 2,839.85 lakhs and Rs. 5,276.43 lakhs during the quarter and nine months ended 31 December 2020 respectively and as of that date, the Company's accumulated losses amount to Rs. 77,688.34 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 10,314.70 lakhs. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in note 7 and 8. The Company has also delayed in repayment of borrowings and payment of dues payable to other lenders including delays with respect to dues payable under one-time settlement agreements, as further detailed in note 7. As confirmed by the management, the Company has been in discussions with the lenders regarding restructuring of these borrowings, the resolution for which is yet to be finalised. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Company is in discussions is uncertain in the absence of any confirmations from such customers and potential impact of COVID-19. Such events and conditions, together with the business disruption caused by COVID-19 pandemic and the possible impact of the associated uncertainties on management's assumptions, as further described in note 9, and other matters as set forth in the note 8, cast significant doubt on the Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the management's assessment with respect to restructuring of borrowings and availability of funds, we are unable to comment on the ability of the Company to continue as a going concern. Our review reports on the standalone financial results for the quarter ended 30 September 2020 and audit report for the year ended 31 March 2020 also included a disclaimer of conclusion/opinion in respect of this matter.

   b) As stated in note 6 and 7 to the accompanying Statement, the Company has borrowings from certain banks which have been classified as non-performing assets ('NPA borrowings') and those from certain other banks/ asset reconstruction company (together referred to as 'the Lenders'). The Company had entered into settlement agreements ('Settlement Agreements') with some of these Lenders for the aforesaid loans. As described in the said note, the Company has delayed payments in respect of the instalments due to these Lenders pursuant to the relevant loan agreements and Settlement Agreements. In respect of the aforementioned NPA borrowings and delayed payments under the Settlement Agreements, the Company has not recognised interest for the quarter and nine months ended 31 December 2020 aggregating to Rs. 858.40 lakhs and Rs. 2,334.42 lakhs respectively (accumulated interest as at 31 December 2020 being Rs. 4,920.87 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.

   Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying Statement. Our conclusion on the standalone financial results for the quarter and nine months ended 31 December 2019 was qualified and our review reports on the standalone financial results for the quarter ended 30 September 2020 and audit report for the year ended 31 March 2020 also included a disclaimer of conclusion/opinion in respect of this matter.

   c) As stated in note 3 to the accompanying statement, the Company's non-current investment (net of impairment) in its associate company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 December 2020, aggregate to Rs. 21,696.16 lakhs, Rs. 728.37 lakhs and Rs. 429.11 lakhs, respectively. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints due to which it may not be able to meet the projections as per the approved business plans. Based upon the valuation report of an independent valuer, arbitration awarded in favor of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying Statement. Our review reports on the standalone financial results for the quarter ended 30 September 2020 and audit report for the year ended 31 March 2020 also included a disclaimer of conclusion/opinion in respect of this matter.

Disclaimer of Conclusion

5. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether anything has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we do not express our conclusion on the Statement.

Emphasis of Matters

6. We draw attention to:

i) Note 2(a) to the accompanying Statement, which describes the significant estimates and assumptions 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. 2,338.01 lakhs and Rs. 4,374.29 lakhs respectively as at 31 December 2020, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, "Impairment of Assets". Basis such valuation, the management believes that no further adjustment is required to the carrying value of the aforesaid cogeneration power plants.

ii) Note 2(b) to the accompanying Statement, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.

iii) Note 2(c) to the accompanying Statement, 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.

Other Matters

7. We did not review the interim financial information of three branches included in the Statement, where such interim financial information reflects total revenues of Rs. 671.02 lakhs and Rs. 3,246.93 lakhs, total net loss after tax of Rs. 3.49 lakhs and Rs. 63.14 lakhs and total comprehensive loss of Rs. 3.49 lakhs and Rs. 63.14 lakhs for the quarter and nine months ended 31 December 2020 respectively, as considered in the Statement. Such interim financial information of the aforesaid branches has been reviewed by their respective branch auditors, whose reports have been furnished to us by the management.

Further, all such branches are located outside India whose interim financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by branch auditors under the generally accepted review standards specified in Annexure 1 to the Statement, as applicable in their respective countries. The Company's management has converted the financial information of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. This report, in so far as it relates to the balances and affairs of these branches, is based solely on the review report of such branch auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.

8. The Statement includes the interim financial information of one branch, which has not been reviewed or audited, and whose interim financial information reflects total revenues of Rs. Nil and Rs. Nil, total net loss after tax of Rs. Nil and Rs. 245.45 lakhs, total comprehensive loss of Rs. Nil and Rs. 245.45 lakhs for the quarter and nine months ended 31 December 2020 respectively, as considered in the Statement. This report, in so far as it relates to the balances and affairs of this branch, is based solely on such unreviewed/ unaudited financial information, as certified and provided by the management. According to the information and explanations given to us by the management, this interim financial information is not material to the Company.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Manish Agrawal
Partner
Membership No. 507000

UDIN: 21507000AAAAAY3090

Place: Gurugram
Date: 13 February 2021

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

Annexure 1

S.No	Name	Country of Operations	Name of auditing standard
1	A2Z Infra Engineering Limited (Tanzania Branch)	Tanzania	International Standards on Review Engagements (ISRE) 2410
2	A2Z Infra Engineering Limited (Nepal Branch)	Nepal	International Standards on Review Engagements (ISRE) 2410
3	A2Z Infra Engineering Limited (Uganda Branch)	Uganda	International Standards on Review Engagements (ISRE) 2410

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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A2Z INFRA ENGINEERING LIMITED

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2020

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**						
	Revenue from operations	8,339.86	12,028.43	14,321.03	27,608.81	56,280.80	69,984.30
	Other income	494.72	525.59	798.64	1,510.80	2,279.55	2,819.83
	Total income	**8,834.58**	**12,554.02**	**15,119.67**	**29,119.61**	**58,560.35**	**72,804.13**
2	**Expenses**						
	Cost of material consumed	3,537.91	6,619.02	8,268.02	13,087.01	34,984.99	42,705.99
	Changes in inventories of Finished goods, Stock -in- trade and Work- in- progress	(84.64)	-	(99.66)	(84.64)	(129.76)	(162.65)
	Employee benefit expenses	3,272.51	4,141.84	4,983.10	10,637.38	17,531.60	21,592.94
	Finance costs	1,501.52	1,654.23	1,581.08	4,756.05	4,227.22	6,034.47
	Depreciation and amortization expenses	216.19	215.13	352.73	647.21	1,014.99	1,370.47
	Other expenses	2,453.40	1,196.66	791.09	4,406.29	3,389.79	8,746.35
	Total expenses	**10,896.89**	**13,826.88**	**15,876.36**	**33,449.30**	**61,018.83**	**80,287.57**
3	**(Loss) before exceptional items, share of net (loss)/profit of investments accounted for using equity method and tax**	**(2,062.31)**	**(1,272.86)**	**(756.69)**	**(4,329.69)**	**(2,458.48)**	**(7,483.44)**
	Share of net gain/ (loss) of investments accounted for using equity method (also refer note 10)	703.42	(311.91)	(320.27)	95.49	146.16	(135.27)
4	**(Loss) before exceptional items and tax**	**(1,358.89)**	**(1,584.77)**	**(1,076.96)**	**(4,234.20)**	**(2,312.32)**	**(7,618.71)**
	Exceptional items –(loss)/gain (Refer note 5)	-	-	(218.75)	-	6,111.18	(16,108.68)
5	**(Loss)/profit before tax**	**(1,358.89)**	**(1,584.77)**	**(1,295.71)**	**(4,234.20)**	**3,798.86**	**(23,727.39)**
	Current tax	22.39	102.89	154.02	171.51	410.94	347.12
	Deferred tax (net)	103.94	(10.82)	(34.13)	171.29	1,909.25	3,739.87
6	**(Loss)/profit for the period/year**	**(1,485.22)**	**(1,676.84)**	**(1,415.60)**	**(4,577.00)**	**1,478.67**	**(27,814.38)**
	Other comprehensive income						
	Items that will not be reclassified to profit and loss	13.27	61.29	5.16	103.02	21.76	150.99
7	**Total Other Comprehensive income for the period/year (net of tax)**	**13.27**	**61.29**	**5.16**	**103.02**	**21.76**	**150.99**
8	**Total Comprehensive income for the period/year**	**(1,471.95)**	**(1,615.55)**	**(1,410.44)**	**(4,473.98)**	**1,500.43**	**(27,663.39)**
9	**(Loss)/ Profit for the period/year attributable to:**						
	Equity holders of the Company	(1,512.89)	(1,666.38)	(1,485.11)	(4,579.80)	1,522.23	(27,695.95)
	Non-controlling interests	27.67	(9.71)	69.51	2.80	(43.56)	(118.43)
10	**Other comprehensive income is attributable to:**						
	Equity holders of the Company	13.27	61.29	5.16	103.02	21.76	145.05
	Non-controlling interests	-	-	-	-	-	5.94
11	**Total comprehensive income is attributable to:**						
	Equity holders of the Company	(1,499.62)	(1,605.09)	(1,479.95)	(4,476.78)	1,543.99	(27,550.90)
	Non-controlling interests	27.67	(9.71)	69.51	2.80	(43.56)	(112.49)
12	**Paid-up equity share capital (Face value of the share - Rs 10/- each)**	**17,611.99**	**17,611.99**	**17,611.99**	**17,611.99**	**17,611.99**	**17,611.99**
	Other equity						**23,666.51**
13	**(Loss)/Earnings per equity share:**						
	(a) Basic	**(0.86)**	**(0.94)**	**(0.85)**	**(2.60)**	**0.86**	**(15.73)**
	(b) Diluted	**(0.86)**	**(0.94)**	**(0.85)**	**(2.60)**	**0.86**	**(15.73)**

A2Z Infra Engineering Limited
Gurugram

Notes:

1) The above consolidated financial results for the quarter ended on December 31, 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting held on February 13, 2021 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory auditor have issued a disclaimer of conclusion in respect of the matters described in note 3, 6, 7 and note 8 in consolidated financial results for the quarter and nine months ended December 31, 2020.

Basic and diluted earnings per share is not annualized for the quarters ended December 31, 2020, September 30, 2020 and December 31, 2019 and nine months ended December 31, 2020 and December 31, 2019.

The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India.

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

a) The management has performed an 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 December 31, 2020, such plants have a power generation capacity of 15 MW each.

The Holding Company has entered into arbitration proceedings with the sugar mills for the extension of the concession period. Further, the Holding Company has filed a writ petition in the Hon'ble High court of Punjab and Haryana for approval for conversion of power plants to waste to energy (RDF) based power plants and relocation of such power plants adjacent to RDF based facilities. During the previous year, certain disputes arose with sugar mills in respect of cogeneration power plants accordingly the management of the Holding Company decided to shift these power plants to other locations for which writ petition has already been filed. Accordingly, the management carried out an impairment assessment and has recorded an impairment of Rs. 29,536.28 lakhs in carrying value of these assets as at December 31, 2020. The management believes that the recoverable amount of these power plants are reasonable and no further material adjustments to the carrying value of these plants are necessary.

Out of the aforementioned impairment as at December 31, 2020 Rs. 22,413.72 lakhs pertain to, two power plants, which were yet to be capitalised and Rs. 7,122.56 lakhs are for power plant which has already been capitalised.

The recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregates to Rs. 2,338.01 lakhs and Rs. 4,374.29 lakhs respectively as at December 31, 2020. The recoverable amount of all three cogeneration power plants is based on asset approach and determined at the level of the Cash Generating Unit (CGU).

b) The Income tax authorities conducted a search and survey at certain premises of the Holding Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Holding Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of Rs. 1,992.17 lakhs. During the year ended March 31, 2015 the Holding Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Holding Company. The Holding Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters, where the CIT(A) has not accepted the Holding Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Holding Company.

Further, during the year ended March 31, 2018, the Holding Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of Rs. 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Holding Company.

During the year ended March 31, 2019, the Holding Company has received orders from CIT (Appeals) quashing the penalty orders aggregating Rs. 477.71 lakhs out of the aforementioned and upholding the rest. The Holding Company has filed appeals with the ITAT challenging the penalty orders for these assessment years in respect of the matters where the CIT(A) has not accepted the Holding Company's contention.

A2Z Infra Engineering Limited
Gurugram

Based on their assessment and upon consideration of advice from the independent legal counsel, the management believes that the Holding Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending the final decision on the matter, no further adjustment has been made in the consolidated financial results.

c) During the financial year ended March 31, 2017, the Holding Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities ('the Authority') regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Holding Company received response to its application wherein the Authority opined that entire project is covered within the ambit of the service tax. Accordingly, the Holding Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Holding Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Holding Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.

3) The Holding Company, as at December 31, 2020, has non-current investments (net of impairment) amounting to Rs. 21,696.16 lakhs, other current financial assets (net of impairment) amounting to Rs. 728.37 lakhs and current financial assets-loan amounting to Rs. 429.11 lakh in its associate company Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at December 31, 2020 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments (net of impairment), other current financial assets (net of impairment) and current financial assets-loans due to which these are considered as good and recoverable.

4) 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 ('MSW') (iv) Power generation projects ('PGP') and (v) Others which primarily includes `trading of goods and operation and maintenance services etc.

Unaudited group segment wise revenue, results, assets and liabilities for the quarter and nine months ended December 31, 2020

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Segment – ES	2,963.79	5,064.38	5,708.51	10,308.38	31,002.19	37,871.39
(b) Segment – FMS	3,725.66	4,298.41	5,927.96	10,773.35	18,413.54	23,109.78
(c) Segment – MSW	2,253.34	2,631.63	2,587.68	7,095.21	6,327.53	8,365.67
(d) Segment – PGP	-	-	90.49	-	119.07	241.00
(e) Segment – Others	43.99	49.01	21.39	108.79	480.68	491.26
Total	**8,986.78**	**12,043.43**	**14,336.03**	**28,285.73**	**56,343.01**	**70,079.10**
Less: Inter segment revenue	646.92	15.00	15.00	676.92	62.21	94.80
Revenue from operations	**8,339.86**	**12,028.43**	**14,321.03**	**27,608.81**	**56,280.80**	**69,984.30**

A2Z Infra Engineering Limited Gurugram

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805

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(Amount in Rs. Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
2. Segment results [(Loss) / Profit before tax and interest from each segment]						
(a) Segment – ES	(1,702.83)	(494.23)	64.18	(2,042.66)	488.01	(2,828.10)
(b) Segment – FMS	797.09	218.28	(43.53)	972.61	292.38	599.88
(c) Segment – MSW	113.82	227.80	510.90	548.81	776.58	464.95
(d) Segment – PGP	(172.25)	(121.40)	(341.35)	(455.57)	(985.08)	(1,362.50)
(e) Segment – Others	35.66	27.08	12.47	81.43	(85.61)	(75.58)
Total	**(928.51)**	**(142.27)**	**202.67**	**(895.38)**	**486.28**	**(3,201.35)**
Less: Inter segment results	75.91	29.00	-	104.91	-	-
Net segment results	**(1,004.42)**	**(171.27)**	**202.67**	**(1,000.29)**	**486.28**	**(3,201.35)**
Add: Interest income	443.63	553.59	621.71	1,426.65	1,282.45	1,752.38
Less:						
(i) Interest expense	1,459.66	1,575.40	1,438.26	4,524.27	3,821.97	5,481.76
(ii Other unallocable expenditure net of unallocable income	(661.56)	(390.74)	463.08	136.29	259.08	(687.98)
(Loss) before exceptional item and tax	**(1,358.89)**	**(1,584.02)**	**(1,076.96)**	**(4,234.20)**	**(2,312.32)**	**(7,618.71)**
Exceptional (loss)/gain						
(a) Segment – ES	-	-	-	-	-	(7,394.93)
(b) Segment – PGP	-	-	-	-	-	(14,488.51)
(c) Unallocable items	-	-	(218.75)	-	6,111.18	5,774.76
(Loss)/Profit after exceptional item and before tax	**(1,358.89)**	**(1,584.02)**	**(1,295.71)**	**(4,234.20)**	**3,798.86**	**(23,727.39)**
Less : Tax expenses						
(i) Current tax	22.39	102.89	154.02	171.51	410.94	347.12
(ii) Deferred tax (net)	103.94	(10.82)	(34.13)	171.29	1,909.25	3,739.87
(Loss) /Profit for the period / year	**(1,485.22)**	**(1,676.09)**	**(1,415.60)**	**(4,577.00)**	**1,478.67**	**(27,814.38)**
3. Segment assets						
(a) Segment – ES	1,11,247.62	1,12,444.77	1,31,343.96	1,11,247.62	1,31,343.96	1,13,097.06
(b) Segment – FMS	12,469.29	14,710.60	14,981.52	12,469.29	14,981.52	16,350.78
(c) Segment – MSW	13,664.87	13,354.38	12,942.28	13,664.87	12,942.28	13,019.41
(d) Segment – PGP	8,504.78	8,701.57	23,799.50	8,504.78	23,799.50	8,831.85
(e) Segment – Others	8,587.52	5,207.42	5,093.44	8,587.52	5,093.44	5,694.05
(f) Unallocated	37,461.88	41,544.19	44,368.34	37,461.88	44,368.34	42,377.13
Total Assets	**1,91,935.96**	**1,95,962.93**	**2,32,529.04**	**1,91,935.96**	**2,32,529.04**	**1,99,370.28**
4. Segment liabilities						
(a) Segment – ES	81,533.51	79,523.04	90,701.16	81,533.51	90,701.16	82,067.97
(b) Segment – FMS	10,503.35	13,494.15	12,951.68	10,503.35	12,951.68	14,128.86
(c) Segment – MSW	11,004.70	11,185.80	9,995.41	11,004.70	9,995.41	10,487.91
(d) Segment – PGP	101.19	204.42	172.74	101.19	172.74	203.14
(e) Segment – Others	8,414.42	7,654.42	8,671.74	8,414.42	8,671.74	7,608.64
(f) Unallocated	43,950.34	46,048.47	40,130.59	43,950.34	40,130.59	44,084.21
Total Liabilities	**1,55,507.51**	**1,58,110.30**	**1,62,623.32**	**1,55,507.51**	**1,62,623.32**	**1,58,580.73**

A2Z Infra Engineering Limited Gurugram

5) Following exceptional items (net) have been recorded:

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
One time settlement (OTS) with banks and financial institutions	-	-	-	-	8,639.32	8,639.32
Liabilities written back	-	-	-	-	-	2,404.09
Exceptional gain (A)	-	-	-	-	**8,639.32**	**11,043.41**
Impact of fair valuation of derivative liability on subsequent remeasurement	-	-	218.75	-	1,888.66	2,224.08
Contract revenue in excess of billing written off	-	-	-	-	-	1,326.90
Capital assets impaired/written off	-	-	-	-	-	14,488.51
Investment provision/written off	-	-	-	-	-	1.00
Trade receivable written off	-	-	-	-	-	8,472.12
Goodwill written off	-			-	639.48	639.48
Exceptional loss (B)	-	-	**218.75**	-	**2,528.14**	**27,152.09**
Net Exceptional (loss)/gain(A-B)	-	-	**(218.75)**	-	**6,111.18**	**(16,108.68)**

6) The loan accounts of the Holding Company have been classified as non- performing assets by certain banks and they have not charged interest on the said accounts and also the Holding Company has not charged interest on borrowings from certain banks/ asset reconstruction company which had entered into Settlement agreement(s), therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to Rs. 858.40 lakhs, Rs. 2,334.42 lakhs and Rs. 4,920.87 lakhs for the quarter ended December 31, 2020, nine months ended December 31, 2020 and as at December 31, 2020 respectively (Rs. 790.01 lakhs, Rs. 452.88 lakhs, Rs. 936.68 lakhs and Rs. 1,809.46 lakhs for the quarter ended September 30, 2020, December 31, 2019, nine months ended December 31, 2019 and year ended March 31, 2020 , respectively). The Holding Company is already in discussion with the said banks and asset reconstruction company for settlement of their dues.

7) The Holding Company had entered into Settlement agreement(s) ('Agreements') with certain banks/assets reconstruction company ('the Lenders') during the years/period ended March 31, 2018, March 31, 2019 and June 30, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred installments. As at December 31, 2020, the Holding Company has delayed payments in respect of the certain deferred installments amounting Rs. 14,310.13 lakhs which were due and payable pursuant to these Agreements. So far, the lenders have not given any written notice on event of default as per the agreements and the management is in discussions with the Lenders to condone the aforementioned delays.

Further, certain lenders have filed an application with Debt Recovery Tribunal and other judicial authorities for recovery of its dues as they existed prior to the settlement agreement entered with it in earlier period. However, basis the agreed terms/discussions, management believes that the no additional liability shall devolve on the Holding Company in addition to the carrying value of such liability as at December 31, 2020.

The Holding Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these consolidated financial results.

Pursuant to the above discussions with the lenders, management is confident that no material impact will devolve on the Holding Company in respect of aforementioned delays.

A2Z Infra Engineering Limited Gurugram

8) The Holding Company has incurred a loss for the period of Rs. 5,276.43 lakhs for Nine months ended December 31, 2020 and accumulated losses amounting Rs. 77,688.34 lakhs as at December 30, 2020 and is presently facing acute liquidity problems on account of delayed realization of trade receivables coupled with delays in commencement of commercial production at its waste to energy power generation plants. Also, one of the bank and four other parties have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 650.00 lakhs and Rs. 756.96 lakhs respectively. The matters have not been admitted yet with the NCLT and the management is in discussion with the said lender and parties for amicably settling the matters. Further, during the previous year, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Holding Company amounting to Rs. 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. The Holding Company has also delayed in repayments due to certain lenders as further detailed in note 6 and 7. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Holding Company's ability to continue as a going concern due to which the Holding Company may not be able to realise its assets and discharge its liabilities in the normal course of business. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders (as described in note 7), including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Holding Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, a new facility from a lender and expected start of commercial production of the biomass-based power generation plants, no adjustments are required in the consolidated financial result and accordingly, these have been prepared on a going concern basis.

9) As a result of the nationwide lockdown imposed by the Government of India due to outbreak of COVID-19 pandemic, the business operations of the Group were temporarily disrupted for most part of the previous quarter. Since then, the operations have been gradually resuming in line with the Government of India directives issued in this regard. The management has considered the possible effects that may result from the pandemic on the liquidity position, recoverability/carrying value of its trade receivables, business and other advances and investments as at December 31, 2020. The impact of COVID-19 on the Group's consolidated financial results in future may differ from that estimated as at the date of approval of these consolidated financial results.

10) During the current quarter, Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited), an associate company of A2Z Infra Engineering Limited has entered into an one time settlement agreement with a lender, in respect to which it has recognised a one time settlement gain of Rs. 2,916.29 lakhs pertaining to excess of outstanding loan liabilities against the settlement consideration paid.

11) Previous period figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period's classification.

A2Z Infra Engineering Limited
Gurugram

For and behalf of A2Z Infra Engineering Limited

Rajesh Jain
Whole Time Director and Chief Executive Officer
DIN: 07015027

Place: Gurugram
Date: February 13, 2021

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of A2Z Infra Engineering Limited

1. We were engaged to review the accompanying statement of unaudited consolidated financial results ('the Statement') of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates (refer Annexure 1 to the Statement for the list of subsidiaries and associates included in the Statement) for the quarter ended 31 December 2020 and the consolidated year to date results for the period 01 April 2020 to 31 December 2020, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.

2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.

3. We have taken into account the requirements of 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, however, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement.

   We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

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Basis for Disclaimer of Conclusion

4. a) As stated in note 8 to the accompanying Statement, the Holding Company has incurred a net loss after tax of Rs 2,839.85 lakhs and Rs. 5,276.43 lakhs during the quarter and nine months ended 31 December 2020 respectively and as of that date, the Holding Company's accumulated losses amount to Rs. 77,688.34 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 10,314.70 lakhs. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in note 7 and 8. The Holding Company has also delayed in repayment of borrowings and payment of dues payable to other lenders including delays with respect to dues payable under one-time settlement agreements, as further detailed in note 7. As confirmed by the management, the Holding Company has been in discussions with the lenders regarding restructuring of these borrowings, the resolution for which is yet to be finalised. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Holding Company is in discussions is uncertain in the absence of any confirmations from such customers and potential impact of COVID-19. Such events and conditions, together with the business disruption caused by COVID-19 pandemic and the possible impact of the associated uncertainties on management's assumptions, as further described in note 9, and other matters as set forth in the note 8, cast significant doubt on the Holding Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the management's assessment with respect to restructuring of borrowings and availability of funds, we are unable to comment on the ability of the Holding Company to continue as a going concern. Our review reports on the consolidated financial results for the quarter ended 30 September 2020 and audit report for the year ended 31 March 2020 also included a disclaimer of conclusion/opinion in respect of this matter.

b) As stated in note 6 and 7 to the accompanying Statement, the Holding Company has borrowings from certain banks which have been classified as non-performing assets ('NPA borrowings') and those from certain other banks/ asset reconstruction company (together referred to as 'the Lenders'). The Holding Company had entered into settlement agreements ("Settlement Agreements") with some of these Lenders for the aforesaid loans. As described in the said note, the Holding Company has delayed payments in respect of the instalments due to these Lenders pursuant to the relevant loan agreements and Settlement Agreements. In respect of the aforementioned NPA borrowings and delayed payments under the Settlement Agreements, the Holding Company has not recognised interest for the quarter and nine months ended 31 December 2020 aggregating to Rs. 858.40 lakhs and Rs. 2,334.42 lakhs respectively (accumulated interest as at 31 December 2020 being Rs. 4,920.87 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.

Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying Statement. Our conclusion on the consolidated financial results for the quarter and nine months ended 31 December 2019 was qualified and our review reports on the consolidated financial results for the quarter ended 30 September 2020 and audit report for the year ended 31 March 2020 also included a disclaimer of conclusion/opinion in respect of this matter.

c) As stated in note 3 to the accompanying statement, the Holding Company's non-current investment (net of impairment) in its associate company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 December 2020, aggregate to Rs. 21,696.16 lakhs, Rs. 728.37 lakhs and Rs. 429.11 lakhs, respectively. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints due to which it may not be able to meet the projections as per the approved business plans. Based upon the valuation report of an independent valuer, arbitration awarded in favor of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying Statement. Our review reports on the consolidated financial results for the quarter ended 30 September 2020 and audit report for the year ended 31 March 2020 also included a disclaimer of conclusion/opinion in respect of this matter.

Disclaimer of Conclusion

5. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether anything has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we do not express our conclusion on the Statement.

Emphasis of Matters

6. We draw attention to:

   i. Note 2(a) to the accompanying Statement, which describes the significant estimates and assumptions 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. 2,338.01 lakhs and Rs. 4,374.29 lakhs respectively as at 31 December 2020, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, "Impairment of Assets". Basis such valuation, the management believes that no further adjustment is required to the carrying value of the aforesaid cogeneration power plants.

   ii. Note 2(b) to the accompanying Statement, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Holding Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.

   iii. Note 2(c) to the accompanying Statement, 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 Holding Company will be able to avail the input tax credit for aforementioned matter.

Other Matters

7. We did not review the interim financial information of twelve subsidiaries included in the Statement and three branches included in the unaudited interim standalone financial results of the entities included in the Group, whose financial information reflects total revenues of Rs. 6,662.07 lakhs and Rs. 21,142.89 lakhs, total net profit after tax of Rs. 715.67 lakhs and Rs. 616.32 lakhs, total comprehensive income of Rs. 715.67 lakhs and Rs. 616.32 lakhs for the quarter and nine months ended 31 December 2020 respectively, as considered in the Statement. The Statement also includes the Group's share of net

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profit after tax of Rs. 703.42 lakhs and Rs. 95.49 lakhs and total comprehensive income of Rs. 703.42 lakhs and Rs. 95.49 lakhs for the quarter and nine months ended 31 December 2020 respectively, as considered in the Statement, in respect of eighteen associates, whose interim financial information have not been reviewed by us. This interim financial information has been reviewed by other auditors and branch auditors whose review reports have been furnished to us by the management. This report, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, all such branches referred above are located outside India, whose interim financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by their respective branch auditors under the generally accepted review standards, as specified in Annexure 2 to the Statement. The Holding Company's management has converted the financial information of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We had reviewed these conversion adjustments made by the Holding Company's management. This report, in so far as it relates to the balances and affairs of these branches, is based solely on the review report of such branch auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

8. The Statement includes the interim financial information of one branch, which has not been reviewed or audited by their auditors, and whose interim financial information reflects total revenues of Rs. Nil and Rs. Nil, total net loss after tax of Rs. Nil and Rs. 245.45 lakhs, total comprehensive loss of Rs. Nil lakhs and Rs. 245.45 lakhs for the quarter and nine months ended 31 December 2020 respectively, as considered in the Statement, based on their interim financial information, which has not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. This report, in so far as it relates to the balances and affairs of this branch, is based solely on such unreviewed/ unaudited financial information, as certified and provided by the management. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Manish Agrawal
Partner
Membership No. 507000

UDIN: 21507000AAAAAZ4813

Place: Gurugram
Date: 13 February 2021

Walker Chandiok & Co LLP

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Annexure 1

List of entities included in the Statement

S. No.	Name	Relation
1	A2Z Infraservices Limited	Subsidiary
2	A2Z Powercom Limited	Subsidiary
3	Rishikesh Waste Management Limited (formerly known as A2Z Powertech Limited)	Subsidiary
4	Mansi Bijlee & Rice Mills Limited	Subsidiary
5	Magic Genie Services Limited	Subsidiary
6	Chavan Rishi International Limited	Subsidiary
7	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Subsidiary
8	A2Z Infraservices Lanka Private Limited	Subsidiary
9	Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited)	Subsidiary
10	A2Z Waste Management (Aligarh) Limited	Subsidiary with effect from 16 July 2019
11	A2Z Waste Management (Ludhiana) Limited	Subsidiary with effect from 16 July 2019
12	Magic Genie Smartech Solutions Limited	Subsidiary with effect from 16 July 2019
13	Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited)	Associate
14	A2Z Waste Management (Nainital) Private Limited	Associate
15	A2Z Waste Management (Moradabad) Limited	Associate
16	A2Z Waste Management (Meerut) Limited	Associate
17	A2Z Waste Management (Varanasi) Limited	Associate
18	A2Z Waste Management (Jaunpur) Limited	Associate
19	A2Z Waste Management (Badaun) Limited	Associate
20	A2Z Waste Management (Sambhal) Limited	Associate
21	A2Z Waste Management (Mirzapur) Limited	Associate
22	A2Z Waste Management (Balia) Limited	Associate
23	A2Z Waste Management (Fatehpur) Limited	Associate
24	A2Z Waste Management (Ranchi) Limited	Associate
25	A2Z Waste Management (Dhanbad) Private Limited	Associate
26	Shree Balaji Pottery Private Limited	Associate
27	Shree Hari Om Utensils Private Limited	Associate
28	A2Z Waste Management (Jaipur) Limited	Associate
29	A2Z Waste Management (Ahmedabad) Limited	Associate
30	Earth Environment Management Services Private Limited	Associate

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Annexure 2

S. No	Name	Country of Operations	Name of auditing standard
1	A2Z Infra Engineering Limited (Tanzania Branch)	Tanzania	International Standards on Review Engagements (ISRE) 2410
2	A2Z Infra Engineering Limited (Nepal Branch)	Nepal	International Standards on Review Engagements (ISRE) 2410
3	A2Z Infra Engineering Limited (Uganda Branch)	Uganda	International Standards on Review Engagements (ISRE) 2410

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