

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



REF. No.:- A2ZINFRA/SE/2021-22/023

BY E-FILING

August 14, 2021

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

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-022-22722039
BSE Code- 533292

Fax- 022-26598237/38
NSE Code- A2ZINFRA

Subject: Outcome of Board Meeting held on Saturday, August 14, 2021

Dear Sir/Madam,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, A2Z INFRA ENGINEERING LTD. (hereinafter referred as "Company") wish to inform you that:

1. Approval of Unaudited Standalone & Consolidated Financial Results for the Quarter (Q1) ended on June 30, 2021.

This is to inform you that the members of the Board of Directors of A2Z Infra Engineering Ltd. have at its meeting duly held today, i.e. August 14, 2021, on the recommendations of the Audit Committee, have reviewed and approved the Unaudited Standalone & Consolidated Financial Results for the Quarter (Q1) ended June 30, 2021 along with the Limited review report 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 June 30, 2021, approved by the Board pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as Annexure - A. A copy thereof has also been sent for publication as per the requirements.

2. Comments made by the board for delay in filing of financial results for Quarter (Q4) and Year ended March 31, 2021 as per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020

We had vide our letter dated June 29, 2021 informed both the Stock Exchanges that the Board Meeting for considering Audited Standalone & Consolidated Financial Results for the Quarter (Q4) and Year Ended March 31, 2021 could not be convened before due date i.e. June 30, 2021, in spite of the best efforts but due to second wave of COVID-19 pandemic, Company has not been able to get all the financial details/documents for the annual audit from its foreign branch office(s) and various site office(s) where Company's projects are going on. It is to inform that the meeting of the members of the

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Corporate Office : Plot No. B-38, Sector 32, Institutional Area, Gurugram - 122003, Haryana (INDIA), Tel : 0124-4517600, Fax: 0124-4380014

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Audit Committee and Board was held on Wednesday, July 21, 2021 and Company has submitted the results to both the Stock Exchanges. BSE vide their email dated July 29, 2021 and NSE vide their letter no. NSE/LIST-SOP/COMB/FINES/0819 dated July 29, 2021 advised us to pay the fines due as per SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 and to hold Board Meeting for disclosure of aforesaid Financial Results as soon as possible.

As required as per SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020, the aforesaid matter alongwith letters received from both the Stock Exchanges were placed before the Board of Directors in their meeting held today and the Members of the Board after due enquiry and deliberation noted that the Company has submitted the results to both the Stock Exchanges and complied with the notices received from both the Stock Exchanges and also paid the requisite penalty and delay was beyond control of the Management of the Company, and emphasized that going forward prescribed timelines should be strictly adhered to as far as practically possible.

We would like to state that our Company has always been meticulous in complying with the SEBI Regulations/Companies Act, etc. but the submission of the financial results for the Quarter (Q4) and Year ended March 31, 2021, got delayed due to second wave of COVID 19. This time also we are submitting the unaudited quarterly financial results for Quarter (Q1) within the prescribed timelines.

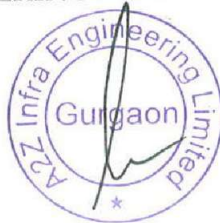
The said outcome and results have been uploaded on the website of the Stock Exchanges and on the website of the Company at www.a2zgroup.co.in.

This is for your information & records purpose.

Thanking you,
Yours truly,

FOR A2Z INFRA ENGINEERING LTD.

(Atul Kumar Agarwal)
Company Secretary
FCS-6453



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Sector-32, Gurugram-Haryana

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial 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 30 June 2021, 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, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial 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. 253.25 lakhs during the quarter ended 30 June 2021, and as of that date, the Company's accumulated losses amount to Rs. 80,964.27 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 13,218.09 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 statutory dues and dues payable to other lenders including delays with respect to dues payable under one-time settlement agreements, as further detailed in note 6 and 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 10, 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. Further, the component auditor of the Company's Tanzania Branch as detailed in Note 11 has also reported a material uncertainty related to going concern section in their review report on the financial statement of the branch for the quarter ended 30 June 2021.

Our audit report on the standalone financial results for the quarter and year ended 31 March 2021 dated 21 July 2021 and our review report for the quarter ended 30 June 2020 dated 28 September 2020 also included a disclaimer of opinion and disclaimer of conclusion, respectively, 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 the 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 ended 30 June 2021 aggregating to Rs. 986.74 lakhs (accumulated interest as at 30 June 2021 being Rs. 6,958.14 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 audit report on the standalone financial results for the quarter and year ended 31 March 2021 dated 21 July 2021 and our review report for the quarter ended 30 June 2020 dated 28 September 2020 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

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

- 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 30 June 2021, aggregate to Rs. 22,273.08 lakhs, Rs. 728.37 lakhs and Rs. 445.52 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 audit report on the standalone financial results for the quarter and year ended 31 March 2021 dated 21 July 2021 and our review report for the quarter ended 30 June 2020 dated 28 September 2020 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.
- d) As stated in the note 9 of the accompanying Statement, there have been consistent delays in filing of Goods and Services Tax ('GST') returns of the Company under various GSTINs held by the Company across various states. Further, such returns indicate certain cross-charge billings between different locations of the Company for which we have not been provided adequate supporting evidences. As further explained in the aforementioned note, there have also been delays in reporting of certain revenue transactions in the aforesaid returns filed by the Company beyond the timeline under the applicable GST laws.

In the absence of sufficient and appropriate audit evidence to substantiate the basis for the adjustments made in the GST returns and considering penalties or fines that may be levied on account of aforesaid delays, we are unable to comment on the adjustments, if any, that may be required to the accompanying Statement, including to the carrying values of GST payable included in Statutory dues payable under other current liabilities and GST recoverable included in Balances with Government authorities under other current assets. Our audit report on the standalone financial results for the quarter and year ended 31 March 2021 dated 21 July 2021 also included a disclaimer of 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.



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

Emphasis of Matters

6. We draw attention to:
- i. Note 2(a) to the accompanying Statement, which describes the uncertainties relating to the outcome of the various pending litigations in respect of three cogeneration power plants of the Company located at Punjab, for which the Company has filed petitions and appeals at various forums. The final outcome of these matters is presently unascertainable. Further, the said note also describes the significant estimates and assumptions, used by the management for determining recoverable amount of such cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 2,209.10 lakhs and Rs. 4,374.29 lakhs, respectively, as at 30 June 2021, 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/ recovery 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.
 - iv. Note 2(d) to the accompanying Statement, which describes the uncertainty relating to the outcome of arbitration proceedings between the Company and its sub-contractor filed under section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal.

Other Matters

7. We did not review the interim financial statement of three branches included in the Statement, where such interim financial information reflects total revenues of Rs. 36.69 lakhs, total net loss after tax of Rs. 4.00 lakhs and total comprehensive loss of Rs. 4.00 lakhs for the quarter ended on 30 June 2021 as considered in the Statement. Such interim financial information of the aforesaid branches have 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 statement 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.



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

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, total net loss after tax of Rs. Nil and total comprehensive loss of Rs. Nil for the quarter ended 30 June 2021, 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 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 Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

MA



Manish Agrawal

Partner

Membership No. 507000

UDIN: 21507000AAAADS7212

Place: Gurugram

Date: 14 August 2021

Chartered Accountants

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial 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



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A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



A2Z INFRA ENGINEERING LIMITED
Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2021

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Refer Note 1)	(Unaudited)	(Audited)
1	Income				
	Revenue from operations	2,179.63	8,440.36	2,280.21	18,785.14
	Other income	424.65	815.88	308.43	1,845.28
	Total income	2,604.28	9,256.24	2,588.64	20,630.42
2	Expenses				
	Cost of material consumed	1,526.67	7,644.21	1,600.80	16,474.20
	Employee benefit expenses	66.92	75.97	176.01	476.83
	Finance costs	836.65	1,025.12	1,290.38	4,820.34
	Depreciation and amortization expenses	104.14	106.47	116.69	452.78
	Other expenses	696.05	3,443.25	416.23	6,694.86
	Total expenses	3,230.43	12,295.02	3,600.11	28,919.01
3	Loss before exceptional items and tax	(626.15)	(3,038.78)	(1,011.47)	(8,288.59)
4	Exceptional gain (Refer note 5)	373.95	-	-	-
5	Loss before tax	(252.20)	(3,038.78)	(1,011.47)	(8,288.59)
	Current tax	1.05	(1.13)	0.12	10.64
	Deferred tax charge	-	0.14	14.99	14.99
6	Loss for the period/year	(253.25)	(3,037.79)	(1,026.58)	(8,314.22)
7	Other comprehensive income				
	Items that will not be reclassified to profit and loss	1.83	3.36	28.46	106.38
8	Total Other Comprehensive income for the period/year (net of tax)	1.83	3.36	28.46	106.38
9	Total Comprehensive income for the period/year	(251.42)	(3,034.43)	(998.12)	(8,207.84)
10	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
11	Other equity				10,304.65
12	Loss per equity share:				
	(a) Basic	(0.14)	(1.72)	(0.58)	(4.72)
	(b) Diluted	(0.14)	(1.72)	(0.58)	(4.72)

per

R. J.



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Notes:

- 1) The above standalone financial results for the quarter ended on June 30, 2021 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting held on August 14, 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, 8 and 9 in standalone financial results for the quarter ended June 30, 2021.

The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2021 and the unaudited published year to date figures upto December 31, 2020, being the end of the third quarter of the financial year which were subject to a limited review.

Basic and Diluted Earnings Per Share is not annualized for the quarters ended June 30, 2021, March 31, 2021 and June 30, 2020.

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 auditor in their review report have drawn attention to the following matters:
- a. In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Company had earlier filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that "there appears to be force in the submissions and the issue requires scrutiny".

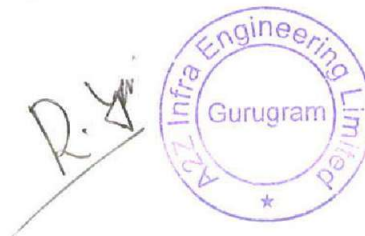
Further during the previous year, the Company had also challenged the mandate of the arbitrator under section 14 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc amounting to Rs. 7,234.73 lakhs and interest thereon as per the management estimates. The Company has also challenged aforementioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Based on their assessment and upon consideration of advice from the independent legal consultant, the management believes that the Company has reasonable chances of succeeding before the District & Sessions Court, Chandigarh and the High Court of Punjab and Haryana. Pending the final decision on the matter, no further adjustment has been made in the standalone financial results.

During the previous years, the management of the Company decided to shift these power plants to other locations. Accordingly, the Company had filed a writ petition in the Hon'ble High court of Punjab and Haryana for relocation of such power plants adjacent to RDF based facilities. In the previous year, the High court had dismissed the petition with direction to the Company that they should follow up with the Chief Secretary, State of Punjab regarding the said mater. The Company has submitted its representation before the Chief Secretary, State of Punjab several times but no response has been received till date.

The management has also performed an impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Build, Own, Operate and Transfer (BOOT) using Depreciated Replacement Cost (DRC) Method under Cost Approach. As at June 30, 2021, such plants have a power generation capacity of 15 MW each.

Accordingly, the management has recorded an impairment of Rs. 29,536.28 lakhs in carrying value of these assets as at June 30, 2021. 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.

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Out of the aforementioned impairment as at June 30, 2021 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. 2,209.10 lakhs and Rs. 4,374.29 lakhs respectively as at June 30, 2021. The recoverable amount of all three cogeneration power plants is based on Depreciated Replacement Cost (DRC) Method under Cost 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 has 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.

- 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.

me

R. Kumar



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- d. During the year ended March 31, 2021, the Company has terminated its agreement with a sub-vendor in respect of BSNL package G with effect from December 12, 2020 as the Company noticed repeated slippages by the sub-vendor in achieving the targets and multifarious breaches under the work and service orders.

During the current quarter, the sub-vendor filed an arbitration claim application under section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal against termination of the contract. Final counter claim before the arbitration tribunal will be filed the Company in due course. Further, Company has assigned an independent technical consultant appointed on behalf of all the lenders of the Company to assess the liability/ recoverability basis the work done by the sub-vendor and slippages noted thereon.

Based on their assessment and upon consideration of advice from the independent legal consultant, the management believes that the Company has reasonable chances of succeeding before the Arbitral Tribunal 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.

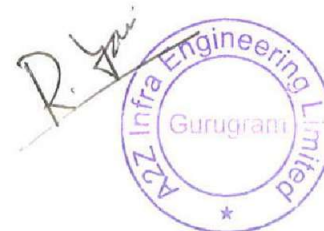
- 3) The Company, as at June 30, 2021, has non-current investments (net of impairment) amounting to Rs. 22,273.08 lakhs, other current financial assets (net of impairment) amounting to Rs. 728.37 lakhs and current financial assets-loan amounting to Rs. 445.52 lakhs in its associate company Greeneffect 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). Greeneffect Waste Management Group has incurred losses and consolidated net-worth as at June 30, 2021 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 Greeneffect Waste Management Group 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.
- 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 ended June 30, 2021

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Refer Note 1)	(Unaudited)	(Audited)
1. Segment revenue				
(a) Segment – ES	2,159.67	8,357.14	2,280.21	18,663.36
(b) Segment – PGP	-	-	-	-
(c) Segment – Others	19.96	83.22	-	121.78
Total	2,179.63	8,440.36	2,280.21	18,785.14
Less: Inter segment revenue	-	-	-	-
Revenue from operations	2,179.63	8,440.36	2,280.21	18,785.14

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CIN NO. L74999HR2002PLC034805



Unaudited standalone segment wise revenue, results, assets and liabilities for the quarter ended June 30, 2021
(Cont'd)

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Refer Note 1)	(Unaudited)	(Audited)
2. Segment results [(Loss)/ profit before tax and interest from each segment]				
(a) Segment – ES	(125.63)	(2,288.98)	155.93	(4,329.26)
(b) Segment – PGP	(66.70)	(154.33)	(161.33)	(607.28)
(c) Segment – Others	19.04	82.10	(2.57)	106.69
Total	(173.29)	(2,361.21)	(7.97)	(4,829.85)
Less: Inter segment results				
Net segment results	(173.29)	(2,361.21)	(7.97)	(4,829.85)
Add: Interest income	382.45	346.21	285.56	1,356.18
Less:				
(i) Interest expense	798.41	983.58	1,198.22	4,600.86
(ii) Other unallocable expenditure net of unallocable income	36.90	40.20	90.84	214.06
Loss before exceptional item and tax	(626.15)	(3,038.78)	(1,011.47)	(8,288.59)
Exceptional gain				
Unallocable items	373.95	-	-	-
Loss after exceptional item and before tax	(252.20)	(3,038.78)	(1,011.47)	(8,288.59)
Less : Tax expenses				
(i) Current tax	1.05	(1.13)	0.12	10.64
(ii) Deferred tax charge	-	0.14	14.99	14.99
Loss for the period / year	(253.25)	(3,037.79)	(1,026.58)	(8,314.22)
3. Segment assets				
(a) Segment – ES	104,606.27	106,074.56	111,588.63	106,074.56
(b) Segment – PGP	7,688.55	7,761.26	8,048.70	7,761.26
(c) Segment – Others	3,758.70	3,755.15	3,699.40	3,755.15
(d) Unallocated	37,217.17	37,598.78	37,010.57	37,598.78
Total Assets	153,270.69	155,189.75	160,347.30	155,189.75
4. Segment liabilities				
(a) Segment – ES	79,156.47	79,873.08	77,787.73	79,873.08
(b) Segment – PGP	90.84	90.98	183.68	90.98
(c) Segment – Others	5,950.44	5,969.96	6,550.07	5,969.96
(d) Unallocated	40,399.90	41,339.09	40,791.07	41,339.09
Total Liabilities	125,597.65	127,273.11	125,312.55	127,273.11

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R. Singh
A2Z Infra Engineering Limited
Gurugram

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



- 5) Following exceptional items have been recorded:

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Refer Note 1)	(Unaudited)	(Audited)
One time settlement (OTS) with banks	373.95	-	-	-
Exceptional gain	373.95	-	-	-

- 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. 986.74 lakhs and Rs. 6,958.14 lakhs for the quarter ended June 30, 2021 and as at June 30, 2021 respectively (Rs. 686.11 lakhs, Rs. 1,050.53 lakhs and Rs. 3,384.95 lakhs for the quarter ended June 30, 2020, March 31, 2021 and year ended March 31, 2021 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 instalments. As at June 30, 2021, the Company has delayed payments in respect of the certain deferred instalments amounting Rs. 14,620.13 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 June 30, 2021. 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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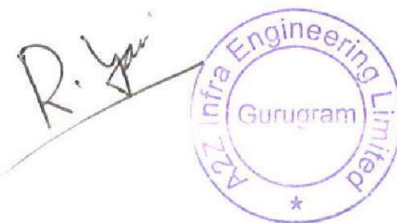
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- 8) The Company has incurred a net loss after tax of Rs. 253.25 lakhs for the quarter ended June 30, 2021 and accumulated losses amounting Rs. 80,964.27 lakhs as at June 30, 2021 and is presently facing acute liquidity problems on account of delayed realization of trade receivables coupled with delays in commencement of commercial production at its biomass-based power generation plants. Also, two of the banks have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 10,696.64 lakhs and the matter has not been admitted yet with the NCLT and the management is in discussion with the said lenders for amicably settling the matter. However, subsequent to the quarter ended June 30, 2021 one of the aforementioned bank has withdrawn the application filled with the NCLT. Also, four parties have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 850.21 lakhs. The matters have not been admitted yet with the NCLT and the management is in discussion with the said parties for amicably settling the matters. Further, during the year ended March 31, 2020, 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, no adjustments are required in the standalone financial result and accordingly, these have been prepared on a going concern basis.
- 9) The Company has recorded certain adjustments in the Goods and Services Tax ("GST") returns for the FY 2018-19 to 2020-21 relating to cross charge billings related to services rendered/ cost incurred from one state to other states within the purview of different GSTIN registrations, as per the advice of independent GST consultant to comply with the requirements of the GST laws. Further, the Company had issued certain invoices to their customers which were accepted by such customers in subsequent periods. Therefore, the Company had disclosed such invoices in their GST returns filed during the FY 17-18 to 20-21 in the subsequent periods in which such invoices were accepted by such customers. However, in our view, the above-mentioned adjustments in GST returns do not impact the financial statements of the Company for the respective years. The Company was not able to file the aforementioned GST returns within the due date due to on-going COVID -19 and liquidity crunch. However, the management accrued for interest provision on delayed filing of GST returns in the books of accounts. Accordingly, the management believes that there will be no further impact on the standalone financial results.
- 10) During the quarter, many State Governments have announced lockdown like restrictions due to the second wave of COVID-19. For the quarter ended June 30, 2021, the management of the Company has assessed the impact of COVID-19 on its operations as well its financial results and considered the possible effects that may result from the pandemic on the recoverability/ carrying value of the assets, which does not have any significant impact on carrying value of its assets. The impact of COVID-19 in the future may be different from that estimated as at the date of approval of these standalone financial results and the management of the Company will continue to closely monitor any material changes to future economic conditions.

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- 11) The Tanzania branch has a contract with Rural Energy Agency (REA) for supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Bahi, Kongwa and Chemba districts) on a Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondoia and Mpwapwa districts) on Turnkey basis for Lot 2. Such branch is expecting to complete the works by September 2021. The contract allows for a further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued and the contract will expire and accordingly, these have been prepared on a going concern basis.
- 12) Previous period/ year figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period's classification.

Place: Gurugram
Date: August 14, 2021



For and behalf of A2Z Infra Engineering Limited

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

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial 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 consolidated unaudited 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 for the list of subsidiaries and associates included in the Statement) for the quarter ended 30 June 2021, 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, 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 the 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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Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial 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 Holding Company has incurred a net loss after tax of Rs. 253.25 lakhs during the quarter ended 30 June 2021, and as of that date, the Holding Company's accumulated losses amount to Rs. 80,964.27 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 13,218.09 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 statutory dues and dues payable to other lenders including delays with respect to dues payable under one-time settlement agreements, as further detailed in note 6 and 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 10, 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. Further, the component auditor of the Holding Company's Tanzania Branch as detailed in Note 11 has also reported a material uncertainty related to going concern section in their review report on the financial statement of the branch for the quarter ended 30 June 2021.

Our audit report on the consolidated financial results for the quarter and year ended 31 March 2021 dated 21 July 2021 and our review report for the quarter ended 30 June 2020 dated 28 September 2020 also included a disclaimer of opinion and disclaimer of conclusion, respectively, 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 the 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 ended 30 June 2021 aggregating to Rs. 986.74 lakhs (accumulated interest as at 30 June 2021 being Rs. 6,958.14 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 audit report on the consolidated financial results for the quarter and year ended 31 March 2021 dated 21 July 2021 and our review report for the quarter ended 30 June 2020 dated 28 September 2020 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

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

- 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 Greneffect 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 30 June 2021, aggregate to Rs. 22,273.08 lakhs, Rs. 728.37 lakhs and Rs. 445.52 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 audit report on the consolidated financial results for the quarter and year ended 31 March 2021 dated 21 July 2021 and our review report for the quarter ended 30 June 2020 dated 28 September 2020 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.
- d) As stated in the note 9 of the accompanying Statement, there have been consistent delays in filing of Goods and Services Tax ("GST") returns of the Holding Company under various GSTINs held by the Holding Company across various states. Further, such returns indicate certain cross-charge billings between different locations of the Holding Company for which we have not been provided adequate supporting evidences. As further explained in the aforementioned note, there have also been delays in reporting of certain revenue transactions in the aforesaid returns filed by the Holding Company beyond the timeline under the applicable GST laws.

In the absence of sufficient and appropriate audit evidence to substantiate the basis for the adjustments made in the GST returns and considering penalties or fines that may be levied on account of aforesaid delays, we are unable to comment on the adjustments, if any, that may be required to the accompanying Statement, including to the carrying values of GST payable included in statutory dues payable under other current liabilities and GST recoverable included in Balances with Government authorities under other current assets. Our audit report on the consolidated financial results for the quarter and year ended 31 March 2021 dated 21 July 2021 also included a disclaimer of 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.



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

Emphasis of Matters

6. We draw attention to:

- i. Note 2(a) to the accompanying Statement, which describes the uncertainties relating to the outcome of the various pending litigations in respect of three cogeneration power plants of the Holding Company located at Punjab, for which the Holding Company has filed petitions and appeals at various forums. The final outcome of these matters is presently unascertainable. Further, the said note also describes the significant estimates and assumptions, used by the management for determining recoverable amount of such cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 2,209.10 lakhs and Rs. 4,374.29 lakhs, respectively, as at 30 June 2021, 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/recovery 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.
- iv. Note 2(d) to the accompanying Statement, which describes the uncertainties relating to the outcome of arbitration proceedings between the Holding Company and its sub-contractor filed under section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal.

Other Matters

7. We did not review the interim financial statements 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 statements reflects total revenues of Rs. 5,638.46 lakhs, total net profit after tax of Rs. 164.21 lakhs, total comprehensive income of Rs. 164.21 lakhs for the quarter ended on 30 June 2021 as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 802.21 lakhs and total comprehensive loss of Rs. 802.08 lakhs for the quarter ended on 30 June 2021, as considered in the Statement, in respect of 18 associates, whose interim financial statements have not been reviewed by us. These interim financial statements have 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, branches and associates is based solely on the review reports of such other auditors and branch auditors and the procedures performed by us as stated in paragraph 3 above.



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

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 have 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, total net loss after tax of Rs. Nil, total comprehensive loss of Rs. Nil for the quarter ended 30 June 2021 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 amounts and affairs of this branch, is based solely on such unreviewed interim 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 Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013


Manish Agrawal
Partner
Membership No. 507000



UDIN: 21507000AAAADR2783

Place: Gurugram
Date: 14 August 2021

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial 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

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	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 (Balai) 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



Chartered Accountants

Walker ChandioK & Co LLP

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

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



Chartered Accountants

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805

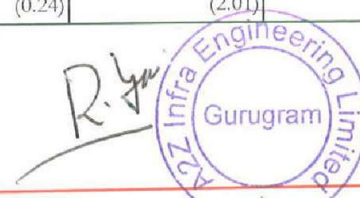


A2Z INFRA ENGINEERING LIMITED Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2021

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Refer Note 1)	(Unaudited)	(Audited)
1	Income				
	Revenue from operations	7,282.90	13,881.98	7,240.52	41,490.79
	Other income	570.10	1,047.78	490.49	2,558.58
	Total income	7,853.00	14,929.76	7,731.01	44,049.37
2	Expenses				
	Cost of material consumed	3,309.62	10,566.36	2,930.08	23,653.37
	Changes in inventories of Finished goods, Stock -in- trade and Work- in-progress	(36.90)	(27.69)	-	(112.33)
	Employee benefit expenses	2,686.94	1,680.11	3,223.78	12,317.49
	Finance costs	1,067.89	1,226.20	1,600.30	5,982.25
	Depreciation and amortization expenses	210.95	271.77	215.89	918.98
	Other expenses	1,027.55	4,195.77	756.23	8,602.06
	Total expenses	8,266.05	17,912.52	8,726.28	51,361.82
3	Loss before exceptional items, share of net loss of investments accounted for using equity method and tax	(413.05)	(2,982.76)	(995.27)	(7,312.45)
	Share of net loss of investments accounted for using equity method	(324.43)	(508.80)	(296.02)	(413.31)
4	Loss before exceptional items and tax	(737.48)	(3,491.56)	(1,291.29)	(7,725.76)
	Exceptional gain (Refer note 5)	373.95	-	-	-
5	Loss before tax	(363.53)	(3,491.56)	(1,291.29)	(7,725.76)
	Current tax	72.69	128.81	46.23	300.32
	Deferred tax (credit) / charge	(22.92)	(87.87)	78.17	83.42
6	Loss for the period/year	(413.30)	(3,532.50)	(1,415.69)	(8,109.50)
	Other comprehensive income				
	Items that will not be reclassified to profit and loss	1.83	202.49	28.46	305.51
7	Total Other Comprehensive income for the period/year (net of tax)	1.83	202.49	28.46	305.51
8	Total Comprehensive income for the period/year	(411.47)	(3,330.01)	(1,387.23)	(7,803.99)
9	Loss for the period/year attributable to:				
	Equity holders of the Company	(420.70)	(3,540.94)	(1,400.53)	(8,120.74)
	Non-controlling interests	7.40	8.44	(15.16)	11.24
10	Other comprehensive income is attributable to:				
	Equity holders of the Company	1.83	165.36	28.46	268.38
	Non-controlling interests	-	37.13	-	37.13
11	Total comprehensive income is attributable to:				
	Equity holders of the Company	(418.87)	(3,375.58)	(1,372.07)	(7,852.36)
	Non-controlling interests	7.40	45.57	(15.16)	48.37
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
13	Other equity				16,167.06
14	Loss per equity share:				
	(a) Basic	(0.24)	(2.01)	(0.80)	(4.61)
	(b) Diluted	(0.24)	(2.01)	(0.80)	(4.61)

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Notes:

- 1) The above consolidated financial results for the year ended on March 31, 2021 have been reviewed by the Audit Committee and subsequently approved by the Holding company's Board of Directors at their Board Meeting held on August 14, 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, 8 and 9 in consolidated financial results for the quarter ended June 30, 2021.

The figures in the consolidated financial results for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2021 and the unaudited published year to date figures upto December 31, 2020, being the end of the third quarter of the financial year which were subject to a limited review.

Basic and diluted earnings per share is not annualized for the quarters ended June 30, 2021, March 31, 2021 and June 30, 2020.

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 auditor in their review report has drawn attention to the following matters:
- a) In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Holding Company had earlier filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that “there appears to be force in the submissions and the issue requires scrutiny”.

Further during the previous year, the Holding Company had also challenged the mandate of the arbitrator under section 14 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Holding Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc amounting to Rs. 7,234.73 lakhs and interest thereon as per the management estimates. The Holding Company has also challenged aforementioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Based on their assessment and upon consideration of advice from the independent legal consultant, the management believes that the Holding Company has reasonable chances of succeeding before the District & Sessions Court, Chandigarh and the High Court of Punjab and Haryana. Pending the final decision on the matter, no further adjustment has been made in the consolidated financial results.

During the previous years, the management of the Holding Company decided to shift these power plants to other locations. Accordingly, the Holding Company had filed a writ petition in the Hon'ble High court of Punjab and Haryana for relocation of such power plants adjacent to RDF based facilities. In the previous year, the High court had dismissed the petition with direction to the Holding Company that they should follow up with the Chief Secretary, State of Punjab regarding the said mater. The Holding Company has submitted its representation before the Chief Secretary, State of Punjab several times but no response has been received till date.

The management has also performed an impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Build, Own, Operate and Transfer (BOOT) using Depreciated Replacement Cost (DRC) Method under Cost Approach. As at June 30, 2021, such plants have a power generation capacity of 15 MW each.

Accordingly, the management has recorded an impairment of Rs. 29,536.28 lakhs in carrying value of these assets as at June 30, 2021. 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 June 30, 2021 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. 2,209.10 lakhs and Rs. 4,374.29 lakhs respectively as at June 30, 2021. The recoverable amount of all three cogeneration power plants is based on Depreciated Replacement Cost (DRC) Method under Cost Approach and determined at the level of the Cash Generating Unit (CGU).

M.K.



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- 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.

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.

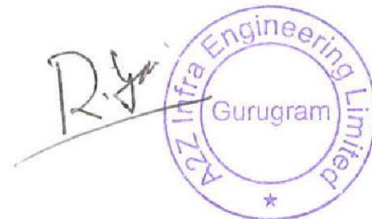
- c) During the financial year ended March 31, 2017, the Holding Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities (the Authority) regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended 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.

- d) During the year ended March 31, 2021, the Holding Company has terminated its agreement with a sub-vendor in respect of BSNL package G with effect from December 12, 2020 as the Holding Company noticed repeated slippages by the sub-vendor in achieving the targets and multifarious breaches under the work and service orders.

During the current quarter, the sub-vendor filed an arbitration claim application under section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal against termination of the contract. Final counter claim before the arbitration tribunal will be filed the Holding Company in due course. Further, the Holding Company has assigned an independent technical consultant appointed on behalf of all the lenders of the Company to assess the liability/ recoverability basis the work done by the sub-vendor and slippages noted thereon.

Based on their assessment and upon consideration of advice from the independent legal consultant, the management believes that the Holding Company has reasonable chances of succeeding before the Arbitral Tribunal 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.

M&A



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- 3) The Holding Company, as at June 30, 2021, has non-current investments (net of impairment) amounting to Rs. 22,273.08 lakhs, other current financial assets (net of impairment) amounting to Rs. 728.37 lakhs and current financial assets-loan amounting to Rs. 445.52 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). Greeneffect Waste Management Group has incurred losses and consolidated net-worth as at June 30, 2021 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 Greeneffect Waste Management Group 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.
- 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 ended June 30, 2021

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Refer Note 1)	(Unaudited)	(Audited)
1. Segment revenue				
(a) Segment – ES	2,227.93	8,377.96	2,280.21	18,686.34
(b) Segment – FMS	3,158.71	4,495.82	2,749.28	15,269.17
(c) Segment – MSW	1,991.19	2,366.59	2,210.24	9,461.80
(d) Segment – PGP	-	-	-	-
(e) Segment – Others	190.77	107.86	15.79	216.65
Total	7,568.60	15,348.23	7,255.52	43,633.96
Less: Inter segment revenue	285.70	1,466.25	15.00	2,143.17
Revenue from operations	7,282.90	13,881.98	7,240.52	41,490.79
2. Segment results [Profit / (loss) before tax and interest from each segment]				
(a) Segment – ES	(129.32)	(2,281.36)	154.40	(4,324.02)
(b) Segment – FMS	111.34	(162.68)	(42.76)	809.93
(c) Segment – MSW	50.69	216.01	207.19	764.82
(d) Segment – PGP	(66.79)	(155.36)	(161.92)	(610.93)
(e) Segment – Others	189.52	107.71	18.69	189.14
Total	155.44	(2,275.68)	175.60	(3,171.06)
Less: Inter segment results	15.90	(15.55)	-	89.36
Net segment results	139.54	(2,260.13)	175.60	(3,260.42)
Add: Interest income	515.30	503.58	429.43	1,930.23
Less:				
(i) Interest expense	1,029.43	1,175.74	1489.21	5,700.01
(ii) Other unallocable expenditure net of unallocable income	362.89	559.26	(407.11)	695.55
Loss before exceptional item and tax	(737.48)	(3,491.55)	(1,291.29)	(7,725.76)
Exceptional gain				
Unallocable items	373.95	-	-	-
Loss after exceptional item and before tax	(363.53)	(3,491.55)	(1,291.29)	(7,725.76)

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A2Z Infra Engineering Limited
Gurugram

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Unaudited group segment wise revenue, results, assets and liabilities for the quarter ended June 30, 2021 (Cont'd)

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Refer Note 1)	(Unaudited)	(Audited)
Less : Tax expenses				
(i) Current tax	72.69	128.81	46.23	300.32
(ii) Deferred tax (credit) / charge	(22.92)	(87.87)	78.17	83.42
Loss for the period / year	(413.30)	(3,532.50)	(1,415.69)	(8,109.50)
3. Segment assets				
(a) Segment – ES	105,401.85	106,800.31	112,049.69	106,800.31
(b) Segment – FMS	12,992.68	13,655.38	14,324.60	13,655.38
(c) Segment – MSW	14,083.19	13,940.29	13,297.26	13,940.29
(d) Segment – PGP	8,278.53	8,351.22	8,638.30	8,351.22
(e) Segment – Others	8,701.64	8,665.75	5,205.22	8,665.75
(f) Unallocated	35,244.38	35,823.53	41,620.60	35,823.53
Total Assets	184,702.27	187,236.48	195,135.67	187,236.48
4. Segment liabilities				
(a) Segment – ES	80,072.03	80,789.77	78,885.15	80,789.77
(b) Segment – FMS	12,008.27	12,329.60	13,437.21	12,329.60
(c) Segment – MSW	11,207.16	11,116.70	10,730.20	11,116.70
(d) Segment – PGP	98.14	98.52	203.95	98.52
(e) Segment – Others	8,466.06	8,443.53	7,627.44	8,443.53
(f) Unallocated	40,139.32	41,343.43	44,811.63	41,343.43
Total Liabilities	151,990.98	154,121.55	155,695.58	154,121.55

5) Following exceptional items have been recorded:

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Refer Note 1)	(Unaudited)	(Audited)
One time settlement (OTS) with banks	373.95	-	-	-
Exceptional gain	373.95	-	-	-

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- 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. 986.74 lakhs and Rs. 6,958.14 lakhs for the quarter ended June 30, 2021 and as at June 30, 2021 respectively (Rs. 686.11 lakhs, Rs. 1,050.53 lakhs and Rs. 3,384.95 lakhs for the quarter ended June 30, 2020, March 31, 2021 and year ended March 31, 2021 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 June 30, 2021, the Holding Company has delayed payments in respect of the certain deferred installments amounting Rs. 14,620.13 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 June 30, 2021.

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.

- 8 The Holding Company has incurred a net loss after tax of Rs. 253.25 lakhs for the quarter ended June 30, 2021 and accumulated losses amounting Rs. 80,964.27 lakhs as at June 30, 2021 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, two of the banks have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 10,696.64 lakhs and the matter has not been admitted yet with the NCLT and the management is in discussion with the said lenders for amicably settling the matter. However, subsequent to the quarter ended June 30, 2021 one of the aforementioned bank has withdrawn the application filed with the NCLT. Also, four parties have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 850.21 lakhs. The matters have not been admitted yet with the NCLT and the management is in discussion with the said parties for amicably settling the matters. Further, during the year ended March 31, 2020, 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, no adjustments are required in the consolidated financial result and accordingly, these have been prepared on a going concern basis.

- 9 The Holding Company has recorded certain adjustments in the Goods and Services Tax ("GST") returns for the FY 2018-19 to 2020-21 relating to cross charge billings related to services rendered/ cost incurred from one state to other states within the purview of different GSTIN registrations, as per the advice of independent GST consultant to comply with the requirements of the GST laws.

Further, the Holding Company had issued certain invoices to their customers which were accepted by such customers in subsequent periods. Therefore, the Holding Company had disclosed such invoices in their GST returns filed during the FY 17-18 to 20-21 in the subsequent periods in which such invoices were accepted by such customers.

However, in our view, the above-mentioned adjustments in GST returns do not impact the financial statements of the Holding Company for the respective years.

The Holding Company was not able to file the aforementioned GST returns within the due date due to on-going COVID-19 and liquidity crunch. However, the management accrued for interest provision on delayed filing of GST returns in the books of accounts. Accordingly, the management believes that there will be no further impact on the consolidated financial results.

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- 10 During the quarter, many State Governments have announced lockdown like restrictions due to the second wave of COVID-19. For the quarter ended June 30, 2021, the management of the Group has assessed the impact of COVID-19 on its operations as well its financial results and considered the possible effects that may result from the pandemic on the recoverability/ carrying value of the assets, which does not have any significant impact on carrying value of its assets. The impact of COVID-19 in the future may be different from that estimated as at the date of approval of these consolidated financial results and the management of the Group will continue to closely monitor any material changes to future economic conditions.
- 11 The Tanzania branch of Holding Company has a contract with Rural Energy Agency (REA) for supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Bahi, Kongwa and Chemba districts) on a Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondoa and Mpwapwa districts) on Turnkey basis for Lot 2. Such branch is expecting to complete the works by September 2021. The contract allows for a further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued and the contract will expire and accordingly, these have been prepared on a going concern basis.
- 12 Previous period/year figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period's classification.



Place: Gurugram

Date: August 14, 2021

For and behalf of A2Z Infra Engineering Limited

Rajesh Jain

Whole Time Director and Chief Executive Officer

DIN: 07015027