

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



REF. No. : - A2ZINFRA/SE/2019-20/013

BY E-FILING

May 23, 2019

BSE Limited

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

Fax-022-22722039

National Stock Exchange of India
Limited

Listing Department
Exchange Plaza, 5th Floor
Plot No. C/1 G Block, Bandra Kurla
Complex, Bandra (E), Mumbai-400051

Fax- 022-26598237/38

Subject: Outcome of Board Meeting and disclosure of events and information pursuant to regulation 30 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 Audited Standalone & Consolidated Financial Statements for the year ended on 31st March, 2019 along with audited Standalone Financial Results for the Quarter (Q4) ended on 31st March, 2019.

Board of Directors on the recommendations of the Audit Committee, have reviewed and approved the Audited Standalone & Consolidated Financial Statements for the year ended on 31st March, 2019 along with audited Standalone Financial Results for the Quarter (Q4) ended on 31st March, 2019.

A copy of the Statement of Audited Financial Results along, 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 - 1. A copy thereof has also been sent for publication as per the requirements.



Regd Office : 0-116, First Floor, Shopping Mall, Arjun Marg, DLF City, Phase - 1, Gurugram-122002, Haryana (INDIA)

Corporate Office : Plot No. B-38, Sector 32, Institutional Area, Gurugram - 122001, Haryana (INDIA), Tel : 0124-4517600, Fax:0124-4380014

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Further as required the Statement on impact of Audit Qualifications (in respect of modified opinion on standalone and consolidated Audited Results) for the year ended March 31, 2019 is enclosed herewith.

2. Appointment of Ms. Atima Khanna, as Independent Director of Company effective from 23rd May, 2019.


Ms. Atima Khanna has been appointed as Independent Director of the Company for the period of 5 years effective from 23rd May, 2019.

Ms. Khanna is not related to any of the director of the Company. Enclosed herewith are the brief details of the appointment as prescribed (Annexure-2).

This is for your information & records purpose.

Thanking you,
Yours truly,

FOR A2Z INFRA ENGINEERING LTD.


(Atul Kumar Agarwal)
Company Secretary
FCS-6453



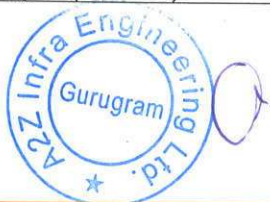
A2Z INFRA ENGINEERING LTD.

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A2Z INFRA ENGINEERING LIMITED Statement of Audited Financial Results for the quarter and year ended March 31, 2019

S. No.	Particulars	Standalone					(Amount in Rs Lakhs) Consolidated	
		Quarter ended			Year ended		Year ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income							
	Revenue from operations	18,170.76	15,208.82	8,657.60	50,732.52	35,751.56	86,870.11	70,853.82
	Other Income	352.12	470.22	2,867.33	1,668.21	3,697.86	1,932.96	4,310.47
	Total income	18,522.88	15,679.04	11,524.93	52,400.73	39,449.42	88,803.07	75,164.29
2	Expenses							
	Cost of material consumed	14,614.90	11,530.18	7,603.16	39,921.52	27,804.66	47,827.75	35,817.12
	Purchase of Stock in Trade	-	-	5.94	-	2,602.17	-	2,602.17
	Changes in inventories of Finished goods, Stock-in-trade and Work-in-progress	-	-	-	-	-	(0.58)	294.55
	Employee benefit expenses	515.96	560.67	493.97	2,143.03	2,219.43	26,246.58	26,501.06
	Finance costs	1,480.33	957.69	3,415.14	4,109.94	12,978.07	5,977.90	20,599.69
	Depreciation and amortisation expenses	251.31	270.32	312.30	1,108.48	1,284.70	2,698.67	3,264.75
	Other expenses	1055.87	1,693.97	3,263.55	4,477.07	5,845.46	7,036.18	8,149.34
	Total expenses	17,918.37	15,012.83	15,094.06	51,760.04	52,734.49	89,786.50	97,228.68
3	Profit/(loss) before exceptional items, share of net profit of investments accounted for using equity method and tax	604.51	666.21	(3,569.13)	640.69	(13,285.07)	(983.43)	(22,064.39)
4	Share of net loss of investments accounted for using equity method	-	-	-	-	-	(974.83)	-
5	Profit/(loss) before exceptional items and tax	604.51	666.21	(3,569.13)	640.69	(13,285.07)	(1,958.26)	(22,064.39)
6	Exceptional items - gain/(loss) (Refer note 5)	3,593.09	(37.78)	(1,479.04)	2,690.55	1,828.89	31,344.07	13,557.23
7	Profit/(loss) before tax	4,197.60	628.43	(5,048.17)	3,331.24	(11,456.18)	29,385.81	(8,507.16)
	Current tax	(37.92)	58.98	1.98	71.55	22.77	518.24	235.86
	Deferred tax	0.99	(1.07)	(75.22)	47.47	(2.01)	144.43	1.39
8	Profit/(loss) for the period/year	4,234.53	570.52	(4,974.93)	3,212.22	(11,476.94)	28,723.14	(8,744.41)
9	Other comprehensive income							
	Items that will not be reclassified to profit and loss	9.07	15.21	5.08	35.32	40.31	199.06	71.26
	Total Other Comprehensive Income for the period/year (net of tax)	9.07	15.21	5.08	35.32	40.31	199.06	71.26
10	Total Comprehensive Income for the period/year (net of tax)	4,243.60	585.73	(4,969.85)	3,247.54	(11,436.63)	28,922.20	(8,673.15)



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S. No.	Particulars	Standalone					Consolidated	
		Quarter ended			Year ended		Year ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		(Refer Note 1)	Unaudited	(Refer Note 1)	(Audited)	(Audited)	(Audited)	(Audited)
11	Profit / (Loss) for the period/year attributable to:							
	Equity holders of the Company	4,234.53	570.52	(4,974.93)	3,212.22	(11,476.94)	30,504.83	(11,060.39)
	Non-controlling interests	-			-		(1,781.69)	2,315.98
12	Other Comprehensive income is attributable to:							
	Equity holders of the Company	9.07	15.21	5.08	35.32	40.31	195.02	53.97
	Non-controlling interests						4.04	17.29
13	Total Comprehensive income is attributable to:							
	Equity holders of the Company	4,243.60	585.73	(4,969.85)	3,247.54	(11,436.63)	30,699.85	(11,006.42)
	Non-controlling interests						(1,777.65)	2,333.27
14	Paid-up equity share capital (Face value of the share - Rs 10/- each)	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99
15	Earnings/ (Loss) per equity share:							
	(a) Basic	2.40	0.32	(3.09)	1.82	(7.68)	17.32	(7.41)
	(b) Diluted	2.40	0.32	(3.09)	1.82	(7.68)	17.30	(7.41)

Notes:

- 1) The above standalone and consolidated financial results have been reviewed by the Audit Committee and on their recommendation have been approved by the Board of Directors at its meeting held on May 23, 2019. The statutory auditors have carried out audit of these financial results for the quarter and year ended March 31, 2019.

The figures for the quarters ended March 31, 2019 and March 31, 2018 are the balancing figures between audited figures in respect of the full financial years ended March 31, 2019 and March 31, 2018 respectively and the unaudited published year to date figures upto December 31, 2018 and December 31, 2017 respectively, 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 annualised for the quarters ended March 31, 2019, December 31, 2018 and March 31, 2018.

- 2) The auditors in their audit report have drawn attention to the following matters:
- The management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Build, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2019, such plants have a power generation capacity of 15 MW each. The assessment has been done on the basis of assumptions of useful life of assets, discounted cash flows with significant underlying assumptions, achievement of certain operating capacity and the ability of new technology to perform on a consistent basis.

The Company has also entered into arbitration proceedings with the sugar mills for the extension of the concession period. Based on the assessment and advice from an independent legal counsel on the availability of concession period, excluding the available renewal period by exercising the option for renewal/ extension of the concession period, the management, is confident, that there exists reasonable certainty that arrangement shall be extended for a term of 5 years. Management carried out an impairment assessment and has recorded an impairment of Rs. 4,200.00 lakhs (Previous year Rs. 3,500.00 lakhs) in carrying value of these assets during the quarter and the year ended March 31, 2019. Accordingly, management believes that the estimates of the useful lives are reasonable and no further material adjustments to the carrying value of these plants are necessary.



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Out of the aforementioned impairment for the quarter and the year ended March 31, 2019 amounting to Rs. 4,200.00 lakhs (Previous year Rs. 3,500.00 lakhs), Rs. 3,900 lakhs (Previous year Rs. 2,850.00 lakhs) pertains to, two power plants, which were yet to be capitalised and Rs. 300.00 lakhs (Previous year Rs. 650.00 lakhs) is for power plant which has already been capitalised. This has been recognised in the statement of profit and loss under the head exceptional item during the quarter and the year ended March 31, 2019. The recoverable amount of all three cogeneration power plants is based on value in use 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) squashing 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 financial results.

- c. In financial year 2016-17, the Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities (the Authority) regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Company has received response to its application wherein the Authority has opined that entire project is covered within the ambit of the service tax. Accordingly, the Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.
- d. The Company, as at March 31, 2019, has non-current investments (net of impairment) amounting to Rs. 19,937.25 lakhs, other current financial assets (net of impairment) amounting to Rs. 411.51 lakhs and current financial assets-loan amounting to Rs. 372.63 lakhs in its associate company A2Z Green Waste Management Limited ('AGWML') which has 100% holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited together with its subsidiaries is referred to as A2Z Green Waste Management Group). While A2Z Green Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2019 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of A2Z Green Waste Management Group. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.



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

Particulars	(Amount in Rs Lakhs)						
	Standalone					Consolidated	
	Quarter ended		Year ended		Year ended		
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Refer Note 1)	Unaudited	(Refer Note 1)	(Audited)	(Audited)	(Audited)	(Audited)	
1. Segment Revenue							
(a) Segment – ES	17,712.57	14,233.14	8,319.58	48,549.43	31,376.34	49,982.98	32,998.73
(b) Segment – FMS	-	-	-	-	-	26,770.57	26,947.97
(c) Segment – MSW	-	-	-	-	-	8,814.74	5,592.39
(d) Segment – PGP	-	24.93	-	87.01	-	87.01	-
(e) Segment – Others	458.19	950.75	338.02	2,096.08	4,375.22	2,259.04	5,646.56
Total	18,170.76	15,208.82	8,657.60	50,732.52	35,751.56	87,914.34	71,185.65
Less: Inter segment revenue	-	-	-	-	-	1,044.23	331.83
Revenue from operations	18,170.76	15,208.82	8,657.60	50,732.52	35,751.56	86,870.11	70,853.82
2. Segment results [Profit / (Loss) before tax and interest from each segment]							
(a) Segment – ES	2,278.28	735.28	(350.15)	3,916.11	(780.19)	3,818.13	(754.14)
(b) Segment – FMS	-	-	-	-	-	1,401.82	977.27
(c) Segment – MSW	-	-	-	-	-	(248.91)	(1,434.48)
(d) Segment – PGP	(522.47)	(271.04)	(306.27)	(1,356.20)	(1,072.77)	(1,359.76)	(1,073.99)
(e) Segment – Others	162.92	711.75	(11.79)	998.24	233.74	949.19	284.46
Total	1,918.73	1,175.99	(668.21)	3,558.15	(1,619.22)	4,560.47	(2,000.88)
Less: Inter segment results	-	-	-	-	-	-	-
Net segment results	1,918.73	1,175.99	(668.21)	3,558.15	(1,619.22)	4,560.47	(2,000.88)
Add: Interest income	166.12	447.92	514.23	1,192.50	1,312.23	434.00	536.18
Less:							
(i) Interest expense	1,319.85	838.59	3,282.58	3,647.21	12,394.63	5,977.90	20,599.69
(ii) Other unallocable expenditure net off unallocable income	160.49	119.11	132.57	462.75	583.45	974.83	-
Profit/(Loss) before exceptional item and tax	604.51	666.21	(3,569.13)	640.69	(13,285.07)	(1,958.26)	(22,064.39)
Exceptional gain/(loss)							
(a) Segment – ES	(26,958.08)	-	(5,620.55)	(26,958.08)	(5,620.55)	(26,958.08)	(5,620.55)
(b) Segment – PGP	(4,900.54)	-	(3,500.00)	(4,900.54)	(3,500.00)	(4,900.54)	(3,500.00)
(c) Segment – MSW	-	-	-	-	-	-	(8,032.67)
(d) Unallocable items	35,451.69	(37.78)	7,641.51	34,549.15	10,949.43	63,202.69	30,710.46

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Profit/(Loss) after exceptional item and before tax	4,197.60	628.43	(5,048.17)	3,331.24	(11,456.18)	29,385.81	(8,507.16)
3. Segment assets							
(a) Segment – ES	123,672.01	163,886.58	159,276.50	123,672.01	159,276.50	123,515.00	163,407.69
(b) Segment – FMS	-	-	-	-	-	15,536.88	14,530.05
(c) Segment – MSW	-	-	-	-	-	1,828.61	51,142.03
(d) Segment – PGP	23,828.91	29,544.36	30,837.02	23,828.91	30,837.02	24,421.98	46,558.70
(e) Segment – Others	2,364.92	1,702.42	1,010.56	2,364.92	1,010.56	4,045.71	2,821.49
(f) Unallocated	40,472.99	43,641.89	42,684.23	40,472.99	42,684.22	48,169.49	15,910.77
Total Assets	190,338.83	2,38,775.25	233,808.31	190,338.83	233,808.30	217,517.67	294,370.73
4. Segment liabilities							
(a) Segment – ES	86,245.51	86,600.66	81,588.64	86,245.51	81,588.64	91,415.45	100,401.98
(b) Segment – FMS	-	-	-	-	-	12,284.91	10,055.60
(c) Segment – MSW	-	-	-	-	-	2,166.46	39,014.17
(d) Segment – PGP	193.73	300.59	203.45	193.73	203.45	211.17	517.89
(e) Segment – Others	928.79	1,045.06	1,593.36	928.79	1,593.36	1,949.60	2,833.21
(f) Unallocated	38,195.52	90,356.36	89,086.23	38,195.52	89,086.22	40,811.85	117,678.96
Total Liabilities	125,563.54	1,78,302.67	172,471.68	125,563.54	172,471.67	148,839.44	270,501.81



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4) Statement of Assets and Liabilities

(Amount in Rs Lakhs)

Particulars	Standalone		Consolidated	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	(Audited)	(Audited)	(Audited)	(Audited)
Assets				
Non-current assets				
Property, plant and equipment	10,515.97	14,397.09	12,297.58	27,818.79
Capital work-in-progress	14,156.80	18,056.80	14,235.49	30,879.67
Investment property	-	-	229.72	-
Goodwill	-	-	4,291.23	4,291.98
Intangible assets	1.47	13.33	19.08	19.73
Intangible assets under development	-	-	73.42	73.42
Investment accounted for using equity method	-	-	22,553.55	-
Financial assets				
Investments	28,824.48	29,067.65	-	-
Loans	93.34	270.08	157.90	635.89
Other financial assets	2,126.49	2,409.51	2,494.51	2,954.27
Deferred tax assets (net)	6,274.96	6,320.11	6,944.58	7,147.02
Non-current tax assets (net)	3,518.31	2,682.38	6,084.72	5,911.38
Other non-current assets	28.41	1,495.80	327.06	6,518.49
	65,540.23	74,712.75	69,708.84	86,250.64
Current assets				
Inventories	394.13	349.14	420.01	1,798.08
Financial assets				
Trade receivables	89,474.71	117,216.35	98,317.68	130,916.48
Cash and cash equivalents	842.88	1,097.71	1,287.87	1,908.19
Other bank balances	-	0.82	116.83	1,016.30
Loans	2,618.41	4,653.44	8,998.60	609.50
Other financial assets	15,985.72	25,314.11	21,707.00	36,035.39
Other current assets	12,948.20	10,463.98	14,426.29	11,517.13
Assets held for sale	2,534.55	-	2,534.55	24,319.02
	1,24,798.60	159,095.55	147,808.83	208,120.09
Total Assets	1,90,338.83	233,808.30	217,517.67	294,370.73
Equity and liabilities				
Equity				
Equity share capital	17,611.99	17,611.99	17,611.99	17,611.99
Other equity	47,163.30	43,724.64	50,939.97	19,583.46
Equity attributable to equity holders of the company	64,775.29	61,336.63	68,551.96	37,195.45
Non controlling interest	-	-	126.27	(13,326.53)
Total equity	64,775.29	61,336.63	68,678.23	23,868.92

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Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	2,734.64	15,098.21	3,659.07	36,702.77
Other financial liabilities	-	1,000.00	8.74	1,000.00
Provisions	982.04	298.22	1,650.81	399.21
Deferred tax liabilities (Net)	-	-	16.67	8.48
Other non-current liabilities	-	-	0.94	12,703.08
	3,716.68	16,396.43	5,336.23	50,813.54
Current liabilities				
Financial Liabilities				
Borrowings	22,717.54	45,034.04	29,815.71	64,096.94
Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	42.36	24.99	42.36	49.63
- Total outstanding dues of creditors other than micro enterprises and small enterprises	55,998.42	57,227.90	64,456.37	73,960.21
Other financial liabilities	20,202.36	33,826.69	21,746.92	54,556.15
Other current liabilities	22,756.12	19,861.11	27,234.95	26,042.17
Provisions	130.04	100.51	138.27	977.40
Current tax liabilities (Net)	-	-	68.63	5.77
	121,846.85	156,075.24	143,503.22	219,688.27
Total Equity and Liabilities	190,338.83	233,808.30	217,517.67	294,370.73



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

Particulars	Standalone					Consolidated	
	Quarter Ended			Year Ended		Year Ended	
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
One Time Settlement with banks and financial institutions	38,910.13	-	7,641.51	39,135.13	11,393.52	39,135.13	31,485.40
Liabilities Written back	1,498.47	-	-	1,498.47	-	1,498.47	-
Loss of control of subsidiary (Refer note -11)	-	-	-	-	-	25,530.09	-
Exceptional Gain (A)	40,408.60	-	7,641.51	40,633.60	11,393.52	66,163.69	31,485.40
Impact of fair valuation of derivative liability on subsequent remeasurement	(434.92)	37.78	-	692.62	-	692.62	-
Contract revenue in excess of billing written off	8,959.11	-	5,620.55	8,959.11	5,620.55	8,959.11	5,620.55
Capital assets impaired/written off (Refer note- 2(a))	4,200.00	-	3,500.00	4,200.00	3,500.00	4,200.00	11,532.67
Loss on control of subsidiary	-	-	-	-	444.08	-	774.95
Investment provision/written off	1,126.40	-	-	1,126.40	-	-	-
Trade receivable written off	18,922.59	-	-	18,922.59	-	18,922.60	-
Loans and advances provision/written off	4,042.33	-	-	4,042.33	-	2,045.29	-
Exceptional Loss (B)	36,815.51	37.78	9,120.55	37,943.05	9,564.63	34,819.62	17,928.17
Net Exceptional Gain/(Loss) (A-B)	3,593.09	(37.78)	(1,479.04)	2,690.55	1,828.89	31,344.07	13,557.23

- 6) The loan accounts of the Company have been classified as Non- Performing Assets by certain banks and some of them have not charged interest on the said accounts and 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 banks and assets reconstruction company, 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 and assets reconstruction company which are regular) amounts to Rs 407.71 lakhs and Rs 1,595.92 lakhs for the quarter and the year ended March 31, 2019 respectively. Company is already in discussion with the said banks 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 ended March 31, 2018 and March 31, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred installments. As at March 31, 2019, the Company has delayed payments in respect of the certain deferred installments amounting Rs 5,096.00 lakhs which were due and payable pursuant to these Agreements out of which Rs 1,596.00 lakhs have been paid subsequent to the year end. The obligations towards such lenders is carried under Non-current liabilities - Borrowings and Other current financial liabilities at Rs 1,268.59 lakhs and Rs 6,049.03 lakhs respectively. So far Banks have not given any such notice(s) or have not shown any such intention and the management is in discussions with the Lenders to condone the aforementioned delays.

Additionally, the Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these financial results as Non-current liabilities - Borrowings of Rs 1,485.05 lakhs, Current financial liabilities- Borrowings of Rs 13,183.43 lakhs and Other current financial liabilities Rs 12,441.39 lakhs with certain other lenders.

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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CIN NO. L74999HR2002PLC034805



- 8) The company has engaged major / principal sub-contractors for executing certain projects wherein cash flows under these projects are earmarked for payments to these sub-contractors through designated account. Accordingly, cash-flows arising out of realization from debtors amounting to Rs. 55,203.23 lakhs are charged to above said contractors/ respective banks who have provided the required non fund limits for these projects. The same is approved by the lenders in joint lenders meeting (JLM).
- 9) The standalone and consolidated financial results have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013 and other recognized accounting practices to the extent applicable. The consolidated financial results represent the result of the Company, its subsidiaries (together referred to as "the Group") and its associates which have been prepared in accordance with Ind AS 110 'Consolidated Financial Statements' and Ind AS 28 'Investments in Associates and Joint Ventures'.
- 10) The Company has accumulated losses amounting Rs 43,672.10 as at March 31, 2019 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. The management is evaluating various options and has entered into one-time settlement agreements with various lenders, 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. 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, no adjustments are required in the financial statements and accordingly, these have been prepared on a going concern basis.
- 11) Till March 12, 2019, the Company held 47.89 % of total issued share capital of A2Z Green Waste Management Limited (AGWML) and together with the Devdhar Trading and Consultants Private Limited (DTCPL) (A promoter group company) controlled AGWML. On March 12, 2019, the Company has sold its 5.28% equity holding of the AGWML losing its control over the aforementioned company and its subsidiaries and therefore investment in AGWML has been accounted for as an associate in accordance with Ind AS 28 'Investments in Associated and Joint Ventures'. In accordance with Ind-AS 110 'Consolidated Financial Statements', the Company has fair valued it's remaining equity stake (42.61%) in AGWML and recorded a gain of Rs. 25,530.09 lakhs arising due to deemed disposal on account of loss of control of AGWML. This has been included as an 'exceptional item' in the consolidated financial results (refer note-5) of the Company for the period year ended March 31, 2019. The aforementioned gain has arisen due to compliance with applicable Indian Accounting Standards pursuant to loss of control. This is not an operating income and is nonrecurring in nature. Further, the Company has recorded its share of profit in AGWML (being an associate) for the period from March 13, 2019 to March 31, 2019.

For and on behalf of A2Z Infra Engineering Limited

Place: Gurugram
Date: May 23, 2019



Amit Mittal
Managing Director
DIN: 00058944



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Independent Auditor's Report on Standalone Financial Results of A2Z Infra Engineering Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of A2Z Infra Engineering Limited

1. We have audited the standalone financial results of A2Z Infra Engineering Limited ('the Company') for the year ended 31 March 2019 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 1 to the standalone financial results which states that the figures for the quarter ended 31 March 2019 as reported in these standalone financial results, are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circular CIR/ CFD/ FAC/ 62/ 2016 dated 5 July 2016, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2019 and our review of standalone financial results for the nine months ended 31 December 2018.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.
3. As explained in:
 - i. Note 6 to the accompanying standalone financial results, where the Company's 'Non-current Financial Liability - borrowings', 'Current Financial Liability- borrowings' and 'Other Current Financial Liabilities' include balances aggregating to Rs. 216.46 lacs, Rs. 11,618.85 lacs and Rs 538.10 lacs respectively as at 31 March 2019 pertaining to borrowings from certain banks ('Lenders') which have been classified as non-performing assets and in respect of which the Company has not recognised interest for the quarter ended 31 March 2019 and for the year ended 31 March 2019 aggregating to Rs. 407.71 lacs and Rs. 1,595.92 lacs respectively. Such amount is determined by the management, basis terms of the agreements with Lenders, but in the absence of sufficient appropriate evidence to substantiate such estimate of the management, we are unable to comment on the adjustments, that would be required to the carrying value of these balances on account of changes, and its consequential impact, on the standalone financial results.



- ii. Note 7 to the accompanying standalone financial results, the Company had entered into settlement agreements with certain banks/ Asset Reconstruction Company ('the Lenders') during the year ended 31 March 2018 and 31 March 2019. As at 31 March 2019, the Company delayed payments in respect of certain deferred instalments which were due and payable pursuant to these settlements. Further, the management is in negotiations/ reconciliations with certain other lenders to settle its existing obligations. Pending confirmations from the Lenders and in the absence of the requisite information, we are unable to comment on the impact of such delays and ongoing negotiations/ reconciliations, if any, on the accompanying standalone financial results.
4. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:
 - i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard except for the effects/possible effects of the matters described in paragraph 3; and
 - ii. give a true and fair view of the standalone net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2019 except for the effects/possible effects of the matters described in paragraph 3.
5. Material Uncertainty Related to Going Concern

We draw attention to note 10 to the accompanying standalone financial results, which indicates that the Company has accumulated net losses of Rs 43,672.10 lacs as at 31 March 2019 and, as of that date the Company has made defaults in repayment of borrowings from banks as detailed in note 7 up till 31 March 2019. These conditions along with other matters as set forth in such note, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of the ongoing discussions relating to restructuring of its borrowings and other debts with the lenders which includes binding One Time Settlement (OTS) offers made by the Company, better financial performance as a result of favorable business conditions expected in future, and other mitigating factors mentioned in the aforementioned note, the management is of the view that the going concern basis of accounting is appropriate for preparation of the accompanying standalone financial results. Our report is not modified in respect of this matter.

6. We draw attention to:
 - (i) Note 2(a) to the accompanying standalone financial results, which describes the significant estimates and assumptions, including extension of the concession period, used by the management for determining recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 8,550.81 lacs and Rs. 14,156.80 lacs respectively as at 31 March 2019, 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 standalone financial results, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.
 - (iii) Note 2(c) to the accompanying standalone financial results, which describes the uncertainty relating to utilisation of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Company will be able to avail the input tax credit for aforementioned matter.




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- (iv) Note 2(d) to the accompanying standalone financial results, regarding the Company's non-current investment (net of impairment) in its associate company, 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 that date aggregating Rs. 19,937.25 lacs, Rs. 411.51 lacs and Rs. 372.63 lacs, respectively. The consolidated net worth of the aforesaid associate company as at 31 March 2019 has been fully eroded and it has been incurring losses. Based on the future business plans and projections of the associate company at consolidated level, which have been developed by the management using certain assumptions and estimates, as described in the aforementioned note, management believes that the realizable amount is higher than the carrying amount of such non-current investment (net of impairment), other current financial assets (net of impairment) and current financial assets loan and hence fully recoverable. However, there are certain uncertainties regarding the underlying assumptions and estimates used in such future projections (as discussed in note 2(d)).

Our report is not modified in respect of above matters.

7. We did not audit the separate financial statements of four branches located outside India, included in the standalone financial results, whose financial statements reflect total revenues (after eliminating intra-company transactions) of Rs. 3,580.12 lacs and Rs. 13,811.41 lacs and net profit/(loss) after tax (after eliminating intra-company transactions) of Rs. (239.08) lacs and Rs. 128.06 lacs for the quarter ended and for the year ended 31 March 2019 respectively and total assets of Rs. 10,042.39 lacs as at 31 March 2019, as considered in these standalone financial results. These financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. Our opinion in so far it relates to the amounts and disclosure in respect of these branches is solely based on report of the other auditors and the conversion adjustment prepared by the management of the Company, which have been audited by us. Our report is not modified in respect of this matter.

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


Neeraj Sharma
Partner
Membership No. 502103



Place: Gurugram
Date: 23 May 2019

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Independent Auditor's Report on Consolidated Financial Results of the A2Z Infra Engineering Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of A2Z Infra Engineering Limited

1. We have audited the consolidated financial results of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates for the year ended 31 March 2019, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2019.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.
3. As explained in:

Note 6 to the accompanying consolidated financial results, where the Holding Company's 'Non-current Financial Liability - borrowings', 'Current Financial Liability - borrowings' and 'Other Current Financial Liabilities' include balances aggregating to Rs. 216.46 lacs, Rs. 11,618.85 lacs and Rs 538.10 lacs respectively as at 31 March 2019 pertaining to borrowings from certain banks ('Lenders') which have been classified as non-performing assets and in respect of which the Company has not recognised interest for the quarter ended 31 March 2019 and for the year ended 31 March 2019 aggregating to Rs. 407.71 lacs and Rs. 1,595.92 lacs respectively. Such amount is determined by the management, basis terms of the agreements with Lenders, but in the absence of sufficient appropriate evidence to substantiate such estimate of the management, we are unable to comment on the adjustments, that would be required to the carrying value of these balances on account of changes, and its consequential impact, on the consolidated financial results



- (i) Note 7 to the accompanying consolidated financial results, the Holding Company had entered into settlement agreements with certain banks/ Asset Reconstruction Company ('the Lenders') during the year ended 31 March 2018 and 31 March 2019. As at 31 March 2019, the Holding Company delayed payments in respect of certain deferred instalments which were due and payable pursuant to these settlements. Further, the management is in negotiations/ reconciliations with certain other lenders to settle its existing obligations. Pending confirmations from the Lenders and in the absence of the requisite information, we are unable to comment on the impact of such delays and ongoing negotiations/ reconciliations, if any, on the accompanying consolidated financial results.
4. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial results and on other financial information of the subsidiaries and associates, the consolidated financial results:
 - (i) include the financial results for the year ended 31 March 2019, of the entities listed in Annexure I
 - (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard except for the effects/possible effects of the matters described in paragraph 3; and
 - (iii) give a true and fair view of the consolidated net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2019 except for the effects/possible effects of the matters described in paragraph 3.
5. Material Uncertainty Related to Going Concern

We draw attention to Note 10 to the accompanying consolidated financial results, which indicates that the Holding Company has accumulated net losses of Rs 43,672.10 lacs as at 31 March 2019 and, as of that date the Company has made defaults in repayment of borrowings from banks as detailed in note 10 up till 31 March 2019. These conditions along with other matters as set forth in such note, indicate the existence of material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, in view of the ongoing discussions relating to restructuring of its borrowings and other debts with the lenders which includes binding One Time Settlement (OTS) offers made by the Company, better financial performance as a result of favorable business conditions expected in future, and other mitigating factors mentioned in the aforementioned note, the management is of the view that the going concern basis of accounting is appropriate for preparation of the accompanying consolidated financial results. Our report is not modified in respect of this matter.

6. We draw attention to:

- (i) Note 2(a) to the accompanying consolidated financial results, which describes the significant estimates and assumptions, including extension of the concession period, used by the management for determining recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 8,550.81 lacs and Rs. 14,156.80 lacs respectively as at 31 March 2019, 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 consolidated financial results, 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 consolidated financial results, which describes the uncertainty relating to utilisation of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Holding Company will be able to avail the input tax credit for aforementioned matter.
- (iv) Note 2(d) to the accompanying consolidated financial results, regarding the Holding Company's non-current investment (net of impairment) in its associate company, 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 that date aggregating Rs. 19,937.25 lacs, Rs. 411.51 lacs and Rs. 372.63 lacs, respectively. The consolidated net worth of the aforesaid associate company as at 31 March 2019 has been fully eroded and it has been incurring losses. Based on the future business plans and projections of the associate company at consolidated level, which have been developed by the management using certain assumptions and estimates, as described in the aforementioned note, management believes that the realizable amount is higher than the carrying amount of such non-current investment (net of impairment), other current financial assets (net of impairment) and current financial assets loan and hence fully recoverable.

Our report is not modified in respect of above matters.

7. We did not audit the financial statements of 32 subsidiaries (refer Annexure I) and 4 branches, whose financial statements reflect total assets of Rs. 45,885.04 lacs and net assets of Rs. 8,809.92 lacs as at 31 March 2019, and total revenues of Rs. 50,930.95 lacs for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net loss (including other comprehensive income) of Rs. 974.83 lacs for the year ended 31 March 2019, as considered in the consolidated financial results, in respect of 22 associates (refer Annexure I), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and branches, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries, associates and branches, are based solely on the reports of such other auditors.



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Further, these 4 branches are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the financial information of such branches located outside India, is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our report on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Neeraj Sharma

Partner

Membership No. 502103

Place: Gurugram

Date: 23 May 2019



Annexure I: List of entities included in the Statement

S. No.	Name	Relation
1	A2Z Infraservices Limited	Subsidiary
2	A2Z Powercom Limited	Subsidiary
3	A2Z Powertech Limited	Subsidiary
4	Mansi Bijlee & Rice Mills Limited	Subsidiary
5	Magic Genie Services Limited	Subsidiary
6	Chavan Rishi International Limited	Subsidiary
7	Selligence Technologies Services Private Limited	Subsidiary till 30 September 2018
8	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Subsidiary
9	A2Z Infraservices Lanka Limited	Subsidiary
10	Ecogreen Envirotech Solutions Limited (formerly known as A2Z Waste Management (Loni) Limited)	Subsidiary
11	A2Z Green Waste Management Limited	Subsidiary till 12 March 2019 and post that associate
12	A2Z Waste Management (Nainital) Private Limited	Subsidiary till 12 March 2019 and post that associate
13	A2Z Waste Management (Aligarh) Limited	Subsidiary till 12 March 2019 and post that associate
14	A2Z Waste Management (Moradabad) Limited	Subsidiary till 12 March 2019 and post that associate
15	A2Z Waste Management (Meerut) Limited	Subsidiary till 12 March 2019 and post that associate
16	A2Z Waste Management (Varanasi) Limited	Subsidiary till 12 March 2019 and post that associate
17	A2Z Waste Management (Jaunpur) Limited	Subsidiary till 12 March 2019 and post that associate
18	A2Z Waste Management (Badaun) Limited	Subsidiary till 12 March 2019 and post that associate
19	A2Z Waste Management (Sambhal) Limited	Subsidiary till 12 March 2019 and post that associate
20	A2Z Waste Management (Mirzapur) Limited	Subsidiary till 12 March 2019 and post that associate
21	A2Z Waste Management (Balai) Limited	Subsidiary till 12 March 2019 and post that associate
22	A2Z Waste Management (Fatehpur) Limited	Subsidiary till 12 March 2019 and post that associate
23	A2Z Waste Management (Ranchi) Limited	Subsidiary till 12 March 2019 and post that associate



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S. No.	Name	Relation
24	A2Z Waste Management (Ludhiana) Limited	Subsidiary till 12 March 2019 and post that associate
25	A2Z Waste Management (Dhanbad) Private Limited	Subsidiary till 12 March 2019 and post that associate
26	Shree Balaji Pottery Private Limited	Subsidiary till 12 March 2019 and post that associate
27	Shree Hari Om Utensils Private Limited	Subsidiary till 12 March 2019 and post that associate
28	A2Z Waste Management (Jaipur) Limited	Subsidiary till 12 March 2019 and post that associate
29	A2Z Mayo SNT Waste Management (Nanded) Private Limited	Subsidiary till 12 March 2019 and post that associate
30	A2Z Waste Management (Ahmedabad) Limited	Subsidiary till 12 March 2019 and post that associate
31	Earth Environment Management Services Private Limited	Subsidiary till 12 March 2019 and post that associate
32	Magic Genie Smartech Solutions Limited	Subsidiary till 12 March 2019 and post that associate



A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



ANNEXURE I

A2Z Infra Engineering Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results- Standalone

- I. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 {See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016}

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications)* Rs in lakhs
1	Turnover / Total income	52,400.73	52,400.73
2	Total Expenditure	51,760.04	53,355.96
3	Net Profit/(Loss) before other comprehensive income	3,212.22	1,616.30
4	Earnings Per Share Basic	1.82	0.92
	Diluted	1.82	0.92
5	Total Assets	1,90,338.83	1,90,338.83
6	Total Liabilities	1,25,563.54	1,27,159.46
7	Net Worth	64,775.29	63,179.37
8	Any other financial item(s) (as felt appropriate by the management)		

*The impact of the qualification given below in Point II(a)(2) is not ascertainable.

II. Audit Qualifications (each audit qualification separately)

a. Details of audit qualification:

1.	Note 6 to the accompanying standalone financial results, where the Company's 'Non-current Financial Liability - borrowings', 'Current Financial Liability- borrowings' and 'Other Current Financial Liabilities' include balances aggregating to Rs. 216.46 lacs, Rs. 11,618.85 and Rs 538.10 lacs respectively as at 31 March 2019 pertaining to borrowings from certain banks ('Lenders') which have been classified as non-performing assets and in respect of which the Company has not recognised interest for the quarter ended 31 March 2019 and for the year ended 31 March 2019 aggregating to Rs. 407.71 lacs and Rs. 1,595.92 lacs respectively. Such amount is determined by the management, basis terms of the agreements with Lenders, but in the absence of sufficient appropriate evidence to substantiate such estimate of the management, we are unable to comment on the adjustments, that would be required to the carrying value of these balances on account of changes, and its consequential impact, on the standalone financial results.
2.	Note 7 to the accompanying standalone financial results, the Company had entered into settlement agreements with certain banks/ Asset Reconstruction Company ('the Lenders') during the year ended 31 March 2018 and 31 March 2019. As at 31 March 2019, the Company delayed payments in respect of certain deferred instalments which were due and payable pursuant to these settlements. Further, the management is in negotiations/ reconciliations with certain other lenders to settle its existing obligations. Pending confirmations from the Lenders and in the absence of the requisite information, we are unable to comment on the impact of such delays and ongoing negotiations/ reconciliations, if any, on the accompanying standalone financial results.



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b. **Type of Audit Qualification:** Qualified opinion

c. **Frequency of qualification:** Qualification 1 & 2 have been included for the first time during the year ended March 31, 2019.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

<p>With reference to the above mentioned qualification 1</p> <p>The loan accounts of the Company have been classified as Non- Performing Assets by certain banks and some of them have not charged interest on the said accounts and 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 banks and assets reconstruction company, 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 and assets reconstruction company which are regular) amounts to Rs 407.71 lakhs and Rs 1,595.92 lakhs for the quarter and the year ended March 31, 2019 respectively. Company is already in discussion with the said banks for settlement of their dues.</p>

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:**

ii. **If management is unable to estimate the impact, reasons for the same:**

S. No.	Particulars
	<p>With reference to the above mentioned qualification 2</p> <p>The Company had entered into Settlement agreement(s) ("Agreements") with certain banks/assets reconstruction company ("the Lenders") during the years ended March 31, 2018 and March 31, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred installments. As at March 31, 2019, the Company has delayed payments in respect of the certain deferred installments amounting Rs 5,096.00 lakhs which were due and payable pursuant to these Agreements out of which Rs 1,596.00 lakhs have been paid subsequent to the year end. The obligations towards such lenders is carried under Non-current liabilities – Borrowings and Other current financial liabilities at Rs 1,268.59 lakhs and Rs 6,049.03 lakhs respectively. So far Banks have not given any such notice(s) or have not shown any such intention and the management is in discussions with the Lenders to condone the aforementioned delays.</p> <p>Additionally, the Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these financial results as Non-current liabilities – Borrowings of Rs 1,485.05 lakhs, Current financial liabilities- Borrowings of Rs 13,183.43 lakhs and Other current financial liabilities Rs 12,441.39 lakhs with certain other lenders.</p> <p>Pursuant to the above discussions with the lenders, management is confident that no material impact will devolved on the Company in respect of aforementioned delays.</p>

iii. **Auditors comment on above:** Included in details of auditor's qualification above.



For and on behalf of the Board of Directors



Amit Mittal
Managing Director



Rajiv Chaturvedi
Chief Financial Officer



per Neeraj Sharma
Partner
Membership No. 502103



Surrender Kumar Tuteja
Audit Committee Chairman

Date: 23rd May, 2019

Place: Gurugram



A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



ANNEXURE I

A2Z Infra Engineering Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results- Consolidated

I. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 {See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016}

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications)** Rs in lakhs
1	Turnover / Total income	88,803.07	88,803.07
2	Total Expenditure	89,786.50	91,382.42
3	Net Profit/(Loss) before other comprehensive income	28,723.14	27,127.22
4	Earnings Per Share Basic Diluted	17.32 17.30	16.41 16.39
5	Total Assets	217,517.67	217,517.67
6	Total Liabilities	148,839.45	150,435.37
7	Net Worth*	68,663.66	67,067.74
8	Any other financial item(s) (as felt appropriate by the management)		

*excluding Capital Reserve amounting to Rs 14.57 Lakhs

** The impact of the qualification given below in Point II(a)(2) is not ascertainable.

II. Audit Qualifications (each audit qualification separately)

a. Details of audit qualification:

1.	Note 6 to the accompanying consolidated financial results, where the Holding Company's 'Non-current Financial Liability - borrowings', 'Current Financial Liability- borrowings' and 'Other Current Financial Liabilities' include balances aggregating to Rs. 216.46 lacs, Rs. 11,618.85 lacs and Rs 538.10 lacs respectively as at 31 March 2019 pertaining to borrowings from certain banks ('Lenders') which have been classified as non-performing assets and in respect of which the Company has not recognised interest for the quarter ended 31 March 2019 and for the year ended 31 March 2019 aggregating to Rs. 407.71 lacs and Rs. 1,595.92 lacs respectively. Such amount is determined by the management, basis terms of the agreements with Lenders, but in the absence of sufficient appropriate evidence to substantiate such estimate of the management, we are unable to comment on the adjustments, that would be required to the carrying value of these balances on account of changes, and its consequential impact, on the consolidated financial results.
2.	Note 7 to the accompanying consolidated financial results, the Holding Company had entered into settlement agreements with certain banks/ Asset Reconstruction Company ('the Lenders') during the year ended 31 March 2018 and 31 March 2019. As at 31 March 2019, the Holding Company delayed payments in respect of certain deferred instalments which were due and payable pursuant to these settlements. Further, the management is in negotiations/ reconciliations with certain other lenders to settle its existing obligations. Pending confirmations from the Lenders and in the absence of the requisite information, we are unable to comment on the impact of such delays and ongoing negotiations/ reconciliations, if any, on the accompanying consolidated financial results.

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- b. **Type of Audit Qualification:** Qualified opinion
- c. **Frequency of qualification:** Qualification 1 & 2 have been included for the first time during the year ended March 31, 2019.
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

	<p>With reference to the above mentioned qualification 1</p> <p>The loan accounts of the Company have been classified as Non- Performing Assets by certain banks and some of them have not charged interest on the said accounts and 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 banks and assets reconstruction company, 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 and assets reconstruction company which are regular) amounts to Rs 407.71 lakhs and Rs 1,595.92 lakhs for the quarter and the year ended March 31, 2019 respectively. Company is already in discussion with the said banks for settlement of their dues.</p>
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- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
- i. **Management's estimation on the impact of audit qualification:**
- ii. **If management is unable to estimate the impact, reasons for the same:**

S. No.	Particulars
	<p>With reference to the above mentioned qualification 2</p> <p>The Company had entered into Settlement agreement(s) ('Agreements') with certain banks/assets reconstruction company ('the Lenders') during the years ended March 31, 2018 and March 31, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred installments. As at March 31, 2019, the Company has delayed payments in respect of the certain deferred installments amounting Rs 5,096.00 lakhs which were due and payable pursuant to these Agreements out of which Rs 1,596.00 lakhs have been paid subsequent to the year end. The obligations towards such lenders is carried under Non-current liabilities – Borrowings and Other current financial liabilities at Rs 1,268.59 lakhs and Rs 6,049.03 lakhs respectively. So far Banks have not given any such notice(s) or have not shown any such intention and the management is in discussions with the Lenders to condone the aforementioned delays.</p> <p>Additionally, the Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these financial results as Non-current liabilities – Borrowings of Rs 1,485.05 lakhs, Current financial liabilities- Borrowings of Rs 13,183.43 lakhs and Other current financial liabilities Rs 12,441.39 lakhs with certain other lenders.</p> <p>Pursuant to the above discussions with the lenders, management is confident that no material impact will devolved on the Company in respect of aforementioned delays.</p>

- iii. **Auditors comment on above:** Included in details of auditor's qualification above.

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For and on behalf of the Board of Directors



Amit Mittal
Managing Director




Rajiv Chaturvedi
Chief Financial Officer



per Neeraj Sharma
Partner
Membership No. 502103

Date: 23rd May, 2019
Place: Gurugram



Surrender Kumar Tuteja
Audit Committee Chairman



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CIN NO. L74999HR2002PLC034805



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Annexure-2

Details under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read along with SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015

S.NO.	PARTICULARS	DETAILS
1.	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment
2.	Date of appointment (as applicable) & term of appointment	May 23, 2019 Appointed as Independent Director for a period of 5 years
3.	Brief profile (in case of appointment)	<p>Atima Khanna, is an Indian National, MBA Finance, NCFM and a Fellow member of ICSI.</p> <p>She is a Practicing Company Secretary by profession. She is a versatile personality specialized in handling corporate matters. She also has experience of dealing in various types of Corporate Agreements and appears regularly before Regional Director, National Company Law Tribunal (NCLT), etc. She also does consultancy for the matters relating to, advisory on FEMA and Intellectual property rights, etc.</p> <p>Ms. Khanna is presently on the Board of Director's of various Companies and Committees thereof, namely A2Z Green Waste Management Limited, A2Z Waste Management (Varanasi) Limited, A2Z Waste Management (Merrut) Limited and A2Z Waste Management (Ludhiana) Limited, engaged in the areas of Municipal Solid Waste Management and Renewable Energy.</p>
4.	Disclosure of relationships between directors (in case of appointment of a director).	NIL



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