

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



REF. No.:- A2ZINFRA/SE/2022-23/11

BY E-FILING

May 18, 2022

To,
BSE Limited
PhirozeJeejeebhoy Towers
Rotuda Building, Dalal Street,
Mumbai-400 001

Fax-022-22722039

BSE Code-533292

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor
Plot No. C/1 G Block, BandraKurla Complex,
Bandra (E), Mumbai-400051
Fax- 022-26598237/38

NSE Code-A2ZINFRA

Subject: Outcome of the Board meeting duly held on Wednesday, 18th day of May, 2022.

Dear Sir/Madam,

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

1. Appointment of Mr. Lalit Kumar as Chief Financial Officer of the Company effective from May 18, 2022 in place of Mr. Rajiv Chaturvedi.

On the recommendation of Audit Committee and Nomination and Remuneration Committee at the meeting duly held today i.e. May 18, 2022, Board of Directors has approved the appointment of Mr. Lalit Kumar as Chief Financial Officer and Key Managerial Personnel (KMP) of the Company w.e.f. May 18, 2022.

As informed earlier, Mr. Rajiv Chaturvedi has resigned from the Company effective from the closing hours of March 31, 2022. The Board appreciates the tremendous work ethics and professionalism exhibited by him during his tenure of service with the Company.

Disclosure required to be furnished by the Company under Regulation 30 of the Regulations read with Item 7 Para A, Part A OF Schedule III to the said Regulations read with SEBI's Circular No. CIR/CFD/4/2015 dated September 09, 2015 is enclosed as Annexure-I.



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

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

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2. Approval of Audited Standalone & Consolidated Financial Statement along with Standalone & Consolidated Financial Results for the Quarter (Q4) and year ended March 31, 2022.

Members of the Board of Directors, at its meeting duly held today, i.e. May 18, 2022, on the recommendations of the Audit Committee, have reviewed and approved the Audited Standalone & Consolidated Financial Statements for the year ended on March 31, 2022 along with Audited Standalone and Consolidated Financial Results for the Quarter (Q4) and year ended on March 31, 2022.

A copy of the Statement of Audited Standalone and Consolidated Financial Results, 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 - II. A copy thereof has also been sent for publication as per the requirements.

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, 2022 is enclosed herewith.

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.

A handwritten signature in blue ink, appearing to be 'Amit Mittal', is written over a circular blue stamp.

Amit Mittal
Managing Director cum CEO
DIN-00058944
Add: - Plot No. B-38, Institutional Area,
Sector-32, Gurgaon-122001, Haryana



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Annexure-I

Reason for Change	<p>The position of CFO was vacant after the resignation of the erstwhile CFO of the Company.</p> <p>Basis the recommendation of the Audit Committee and Nomination and Remuneration Committee, the Board has after reviewing the profile of Mr. Lalit Kumar, has approved his appointment as the CFO of the Company effective from May 18, 2022.</p>
Date of appointment/ cession:	May 18, 2022.
Brief profile	<p>Mr. Lalit Kumar is a member of the Institute of Chartered Accountants of India (ICAI) with over 20 years rich experience. Prior to joining our Company, Mr. Lalit Kumar was associated with M/s DLF Power & Services Ltd., M/s Emaar MGF Land Ltd, M/s DLF Commercial Developers Ltd. and M/s Sunbeam Auto Ltd., Hero Group Company. He has worked in finance & Accounts activities encompassing balance sheet finalization, project accounting, auditing, process study, ERP system, MIS, costing & budgeting, developing business & financial model, process standardization and improvement, preparing cost records, cost audit and tax audit. He has skills in analyzing existing financial systems & procedures, preparing budgets, designing internal control systems and facilitating effective decision- making. He has excellent interpersonal & communication skills with strong capabilities in team management.</p>
Disclosure of relationship between directors (in case of appointment of a director)	Not Applicable



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Independent Auditor's Report on the Standalone Annual 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

Disclaimer of Opinion

1. We have audited the accompanying standalone annual financial results of **A2Z Infra Engineering Limited** ('the Company') for the year ended March 31, 2022 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), including relevant circulars issued by the SEBI from time to time.
2. We do not express an opinion on the accompanying statement of the company, because of the significance of the matters described in the "Basis for Disclaimer Opinion" section of our report. We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement.

3. Basis for Disclaimer of Opinion

- a) As stated in note 10 to the accompanying Statement, the Company has incurred a net loss after tax of Rs. 17,223.73 lakhs during the year ended 31st March 2022, and as of that date, the Company's accumulated losses amount to Rs. 97,940.73 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 22,861.18 lakhs 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, 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 9 and 10. 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 8 and 9. 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 11, and other matters as set forth in the note 10, 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 12 has also reported a material uncertainty related to going concern section in their auditor's report on the financial statement of the branch for the year ended 31st March 2022.

Audit report on the standalone financial results for the quarter and year ended 31st March 2021 dated 21 July 2021 and our review report for the quarter ended 31st Dec 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

- b) As stated in note 8 and 9 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 and year ended 31st March 2022 aggregating to Rs. 893.93 lakhs and Rs. 3,598.81 lakhs (accumulated interest as at 31st March 2022 being Rs. 4,330.18 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. 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 31st Dec 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

- c) As stated in note 3 to the accompanying Statement, the Company's non-current investment (net of impairment amounting to Rs. 17,050.84 lakhs) 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 amounting to



Rs. 2,828.37 lakhs) and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 31st March 2022. During the previous quarter, Company has provided provision of Rs. 5,222.24 lakhs on preference shares of A2Z Green Waste Management Limited. 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 favour 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.

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 31st Dec 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

Emphasis of Matters

4. 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 & equipment and capital work-in-progress aggregating to Rs. 2,013.95 lakhs and Rs. 4,374.29 lakhs, respectively, as at 31st March 2022, 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.

Responsibilities of the Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including IND AS prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of



Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. Our responsibility is to conduct an audit of the Statement in accordance with the Standards on Auditing, specified under section 143(10) of the Act, and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Other Matters

9. The statement includes the financial results for the quarter ended 31 March, 2022, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.
10. We did not audit the financial statements of two branches included in the Statement, whose financial information reflects total assets of Rs. 1,221.87 lakhs as at 31 March 2022, total revenues of Rs. 222.57 lakhs, total net loss after tax of Rs. 45.70 lakhs, total comprehensive loss of Rs. 45.70 lakhs and cash flows (net) of Rs. (21.57) lakhs for the year then ended, as considered in the Statement. These financial statements have been audited by the branch auditors, whose reports have been furnished to us by the management.

Further, all such branches are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditors under audit standards specified in Annexure-1 applicable in their respective countries. The Company's management has converted the financial statements 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 on the audit report of branch auditors, and the conversion adjustments prepared by the management of the company and audited by us.

11. The Statement includes the financial information of one branch, which has not been audited, and whose financial information reflects total revenues of Rs. 461.08 lakhs, total net profit after tax of Rs. 4.09 lakhs and total comprehensive income of Rs. 4.09 lakhs for the year ended 31st March 2022, 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 financial information, as certified and provided by the management. According to the information and explanations given to us by the management, this financial information is not material to the Company.

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)


Saurabh Kuchhal
Partner
Membership No. 512362



Date: 18.05.2022
Place: Gurgaon

UDIN: 22512362AJEQKR9593

Annexure 1:

S.No.	Name	Country of Operations	Audited/Management Certified	Name of auditing Standard
1	A2Z Infra Engineering Limited (Tanzania Branch)	Tanzania	Audited	International Standards Auditing
2	A2Z Infra Engineering Limited (Nepal Branch)	Nepal	Management Certified	Nepal Standards Auditing
3	A2Z Infra Engineering Limited (Uganda Branch)	Uganda	Audited	International Standards Auditing



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A2Z INFRA ENGINEERING LIMITED
Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2022

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1	Income					
	Revenue from operations	4,042.63	2,983.21	8,440.36	13,601.00	18,785.14
	Other income	81.34	221.64	815.88	1,036.00	1,845.28
	Total income	4,123.97	3,204.85	9,256.24	14,637.00	20,630.42
2	Expenses					
	Cost of material consumed	3,329.82	2,575.45	7,644.21	11,114.59	16,474.20
	Employee benefit expenses	40.31	69.07	75.97	242.47	476.83
	Finance costs	218.03	486.58	1,025.12	2,024.73	4,820.34
	Depreciation and amortization expenses	112.83	95.69	106.47	404.57	452.78
	Other expenses	659.58	427.30	3,443.25	18,139.72	6,694.86
	Total expenses	4,360.57	3,654.09	12,295.02	31,926.08	28,919.01
3	Loss before exceptional items and tax	(236.60)	(449.24)	(3,038.78)	(17,289.08)	(8,288.59)
4	Exceptional items –gain/(loss) (Refer note 7)	112.65	(431.70)	-	71.86	-
5	Loss before tax	(123.95)	(880.94)	(3,038.78)	(17,217.22)	(8,288.59)
	Current tax	-	4.89	(1.13)	6.51	10.64
	Deferred tax charge/(credit)	-	-	0.14	-	14.99
6	Loss for the period/year	(123.95)	(885.83)	(3,037.79)	(17,223.73)	(8,314.22)
7	Other comprehensive income					
	Items that will not be reclassified to profit and loss	(25.73)	-	3.36	(7.77)	106.38
8	Total Other Comprehensive income for the period/year	(25.73)	-	3.36	(7.77)	106.38
9	Total Comprehensive income for the period/year	(149.68)	(885.83)	(3,034.43)	(17,231.50)	(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	17,611.99
11	Other equity				(6,901.39)	10,304.65
12	Loss per equity share:					
	(a) Basic	(0.07)	(0.50)	(1.72)	(9.78)	(4.72)
	(b) Diluted	(0.07)	(0.50)	(1.72)	(9.78)	(4.72)



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

Notes:

- 1) The above standalone financial results for the year ended on March 31, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting held on May 18, 2022 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The standalone financial results have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India. The statutory auditor have issued a disclaimer of opinion in respect of the matters described in note 3, 8, 9 and 10 in standalone financial results for the quarter and year ended March 31, 2022.

The figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2022 and March 31, 2021 respectively and the unaudited published year to date figures upto December 31, 2021 and December 31, 2020 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 annualized for the quarters ended March 31, 2022, December 31, 2021 and March 31, 2021.

- 2) The auditors in their audit 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. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has filed police complaint against the same during the current year. 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 March 31, 2022, 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 March 31, 2022. 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 March 31, 2022 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. 2,013.95 lakhs and Rs. 4,374.29 lakhs respectively as at March 31, 2022. 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).



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- 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.

- 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 year, 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. Company has filed statement of defence and counter claim before the arbitration tribunal against the same. 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.



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CIN NO. L74999HR2002PI C034805



- 3) The Company, as at March 31, 2022, has non-current investments (net of impairment) amounting to Rs. 17,050.84 lakhs, other current financial assets (net of impairment) amounting to Rs. 2,828.37 lakhs and current financial assets-loan amounting to Rs. 84.67 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). During the current year, Company has provided provision of Rs. 5,222.24 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2022 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, 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.

Audited standalone segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2022

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
I. Segment revenue					
(a) Segment – ES	4,042.63	2,983.21	8,357.14	13,531.44	18,663.36
(b) Segment – PGP	-	-	-	-	-
(c) Segment – Others	-	-	83.22	69.56	121.78
Total	4,042.63	2,983.21	8,440.36	13,601.00	18,785.14
Less: Inter segment revenue	-	-	-	-	-
Revenue from operations	4,042.63	2,983.21	8,440.36	13,601.00	18,785.14
2. Segment results [Profit/(loss) before tax and interest from each segment]					
(a) Segment – ES	27.13	68.99	(2,288.98)	(15,526.26)	(4,329.26)
(b) Segment – PGP	(64.10)	(65.53)	(154.33)	(264.15)	(607.28)
(c) Segment – Others	-	1.16	82.10	69.56	106.69
Total	(36.97)	4.62	(2,361.21)	(15,720.85)	(4,829.85)



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Audited standalone segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2022

(Cont'd)

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
Less: Inter segment results	-	-	-	-	-
Net segment results	(36.97)	4.62	(2,361.21)	(15,720.85)	(4,829.85)
Add: Interest income	12.60	32.36	346.21	447.85	1,356.18
Less:					
(i) Interest expense	218.03	486.58	983.58	2,024.73	4,600.86
(ii) Other unallocable expenditure net of unallocable income	(5.80)	(0.36)	40.20	(8.65)	214.06
Loss before exceptional item and tax	(236.60)	(449.24)	(3,038.78)	(17,289.08)	(8,288.59)
Exceptional income/(loss)					
(a) Segment – ES	(9,699.32)	-	-	(7,052.26)	-
(b) Segment – PGP	-	-	-	-	-
(c) Unallocable items	9,811.97	(431.70)	-	7,124.12	-
Profit/(Loss) after exceptional item and before tax	(123.95)	(880.94)	(3,038.78)	(17,217.22)	(8,288.59)
Less : Tax expenses					
(i) Current tax	-	4.89	(1.13)	6.51	10.64
(ii) Deferred tax charge/(credit)	-	-	0.14	-	14.99
Profit/(Loss) for the period / year	(123.95)	(885.83)	(3,037.79)	(17,223.73)	(8,314.22)
3. Segment assets					
(a) Segment – ES	72,824.39	91,295.08	1,06,074.56	72,824.39	1,06,074.56
(b) Segment – PGP	7,008.52	6,900.89	7,761.26	7,008.52	7,761.26
(c) Segment – Others	61.18	88.97	3,755.15	61.18	3,755.15
(d) Unallocated	34,563.24	32,517.11	37,598.78	34,563.24	37,598.78
Total Assets	1,14,457.33	1,30,802.05	1,55,189.75	1,14,457.33	1,55,189.75
4. Segment liabilities					
(a) Segment – ES	65,143.05	74,803.65	79,873.08	65,143.05	79,873.08
(b) Segment – PGP	117.31	111.75	90.98	117.31	90.98
(c) Segment – Others	5,759.95	4,317.43	5,969.96	5,759.95	5,969.96
(d) Unallocated	32,726.42	40,717.85	41,339.09	32,726.42	41,339.09
Total Liabilities	1,03,746.73	1,19,950.68	1,27,273.11	1,03,746.73	1,27,273.11



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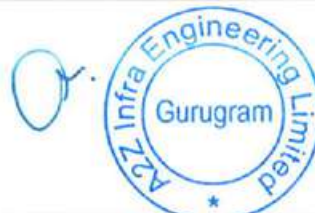


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5) Standalone Statement of Assets and Liabilities

(Amount in Rs. Lakhs)

Particulars	As at March 31 , 2022	As at March 31 , 2021
	(Audited)	(Audited)
Assets		
Non-current assets		
Property, plant and equipment	3,319.32	3,710.02
Right to use of assets	915.49	65.94
Capital work-in-progress	4,514.00	4,374.29
Intangible assets	-	-
Financial assets		
Investments	23,336.35	28,256.24
Loans	-	90.28
Other financial assets	1,130.85	1,115.50
Deferred tax assets (net)	2,653.97	2,653.97
Non-current tax assets (net)	2,773.47	2,949.01
Other non-current assets	40.54	1.01
Total	38,683.99	43,216.26
Current assets		
Financial assets		
Investments	-	1,031.69
Trade receivables	43,150.81	81,923.82
Cash and cash equivalents	208.31	430.58
Loans	1,258.29	2,320.89
Other financial assets	25,727.36	15,341.99
Other current assets	5,428.57	8,389.97
Assets held for sale	-	2,534.55
Total	75,773.34	1,11,973.49
Total Assets	1,14,457.33	1,55,189.75
Equity and liabilities		
Equity		
Equity share capital	17,611.99	17,611.99
Other equity	(6,901.39)	10,304.65
Total equity	10,710.60	27,916.64



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Standalone Statement of Assets and Liabilities (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at March 31 , 2022	As at March 31 , 2021
	(Audited)	(Audited)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	500.00	39.83
Lease liability	827.90	30.11
Provisions	3,784.31	1,862.89
Total	5,112.21	1,932.83
Current liabilities		
Financial liabilities		
Borrowings	31,338.23	28,649.50
Lease liability	59.96	38.15
Trade payable		
- Total outstanding dues of micro enterprises and small enterprises	17.93	929.03
- Total outstanding dues of creditors other than micro enterprises and small enterprises	45,734.31	52,144.15
Other financial liabilities	5,718.61	22,729.59
Other current liabilities	15,692.02	20,725.60
Provisions	73.46	124.26
Total	98,634.52	1,25,340.28
Total Liabilities	1,03,746.73	1,27,273.11
Total Equity and Liabilities	1,14,457.33	1,55,189.75

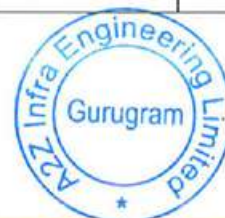
6) Standalone Cash flow statement

(Amount in Rs. Lakhs)

Particulars	As at March 31 , 2022	As at March 31 , 2021
	(Audited)	(Audited)
A Cash flows from operating activities:		
Loss before tax (after exceptional items)	(17,217.22)	(8,288.59)
Adjustments:		
Exceptional items	(71.86)	-
Depreciation and amortisation expense	404.57	452.78
Loss on disposal of property, plant and equipment (net)	942.15	71.59
Profit on sale of investment in subsidiary	-	(3.50)
Interest expense	1,909.67	4,600.86
Interest income	(445.67)	(1,355.17)
Provision for contract revenue in excess of billing	162.64	231.58



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Standalone Cash flow statement (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at	As at
	March 31 , 2022	March 31 , 2021
	(Audited)	(Audited)
Provision for bad and doubtful debts / advances	15,088.44	4,918.82
Liability/provision written back	(486.77)	(469.00)
Provision for warranty	866.66	721.17
Provision for employee benefits	8.95	13.12
Account written off	78.80	-
Advances written off	-	35.94
Recognition of share based payments at fair value	20.93	103.19
Unwinding of interest on security deposits	(2.18)	(1.01)
Gain on modification of lease contract	(1.37)	(0.03)
Operating profit before working capital changes	1,257.74	1,031.75
Net changes in working capital		
Changes in trade receivables	16,233.33	(2,066.70)
Changes in loans	599.75	297.08
Changes in other financial assets	(8,184.90)	(297.64)
Changes in other assets	2,757.97	2,700.90
Changes in trade payables	(6,492.06)	(3,787.52)
Changes in provisions	935.40	(10.40)
Changes in financial liabilities	(40.94)	(366.77)
Changes in other liabilities	(5,033.87)	(875.44)
Net changes in working capital:	774.68	(4,406.49)
Cash flow from operations	2,032.42	(3,374.74)
Current taxes paid/(refund)	169.03	1,392.33
Net cash flow/ (used in) operating activities (A)	2,201.45	(1,982.41)
B Cash flows from investing activities:		
Payment for property, plant and equipment	(174.15)	(1.50)
Proceeds from sale of property, plant and equipment	1,609.87	110.30
Investment in newly formed subsidiary	(3.00)	-
Proceeds from sale of investment in subsidiary	600.00	3.50
Fixed deposits matured - (net)	131.66	285.41
Interest received	158.55	234.97
Net cash flow from investing activities (B)	2,322.93	632.68
C Cash flows from financing activities:		
Repayments of long-term borrowings (net)	(3,430.11)	(95.00)
(Repayments) / Proceeds from short term borrowings (net)	(127.01)	2,724.06
Payment of lease liabilities	(21.56)	(41.07)
Interest payment of lease liabilities	(17.06)	(8.73)
Interest paid	(1,150.91)	(1,342.42)
Net cash (Used in) / flow from financing activities (C)	(4,746.65)	1,236.84
Net decrease/ increase in cash and cash equivalents (A+B+C)	(222.27)	(112.89)
Cash and cash equivalents at the beginning of the year	430.58	543.47
Cash and cash equivalents at the end of the year	208.31	430.58



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

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
One time settlement (OTS) with banks and financial institutions	7,787.47	-	-	8,161.42	-
Liabilities written back	-	-	-	5,239.20	-
Exceptional gain (A)	7,787.47	-	-	13,400.62	-
Trade receivable written off	7,674.82	-	-	7,674.82	-
Loss on sale of Building	-	-	-	-	-
Loss on sale of subsidiary	-	-	-	431.69	-
Investment provision/written off	-	431.70	-	5,222.25	-
Trade receivable and unbilled written off/ provision	-	-	-	-	-
Exceptional loss (B)	7,674.82	431.70	-	13,328.76	-
Net Exceptional (loss)(A-B)	112.65	(431.70)	-	71.86	-

8) 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. 893.93 lakhs, Rs. 3,598.81 lakhs and Rs. 4,330.18 lakhs for the quarter ended March 31, 2022, year ended March 31, 2022 and as at March 31, 2022 respectively (Rs. 840.85 lakhs for the quarter ended December 31, 2021 and Rs. 1,050.53 lakhs and Rs. 3,384.95 lakhs for the quarter 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.

9) 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 March 31, 2022, the Company has delayed payments in respect of the certain deferred instalments amounting Rs. 5,178.00 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 March 31, 2022. 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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- 10) The Company has incurred a net loss after tax of Rs. 17,223.73 lakhs for the period ended March 31, 2022 and accumulated losses amounting Rs. 97,940.73 lakhs as at March 31, 2022 and is presently facing acute liquidity problems on account of delayed realization of trade receivables coupled with commencement of commercial production at its biomass-based power generation plants. Also, one of the bank have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 10,046.64 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. Also, three parties have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 891.67 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 8 and 9. 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 9), 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, no adjustments are required in the standalone financial result and accordingly, these have been prepared on a going concern basis.
- 11) For the period ended March 31, 2022, 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.
- 12) 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, Kondoa and Mpwapwa districts) on Turnkey basis for Lot 2. The Tanzania branch is expecting to complete the works by March 2023. 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. This condition indicates that a material uncertainty exists, that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.
- 13) During the current quarter, the Company has entered into one time settlement (OTS) with DBS Bank for a total settlement amount of Rs. 1500 lakhs out of which Rs. 900 lakhs has been paid in cash and remaining Rs. 600 lakhs has to be paid as per the terms provided in the settlement agreement and SCB Bank for a total settlement amount of Rs. 2,250 lakhs which has been paid in cash as per the terms provided in the settlement agreement



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

For and behalf of A2Z Infra Engineering Limited

Place: Gurugram
Date: May 18, 2022



Amit Mittal
Managing Director
DIN: 00058944

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ANNEXURE I

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

I. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Amount in Rs. Lakhs)

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
1.	Turnover / Total income	14,637.00	14,637.00
2.	Total Expenditure	31,926.08	31,926.08
3.	Net (Loss)	(17,223.73)	(17,223.73)
4.	Earnings Per Share (in Rs.)	(9.78)	(9.78)
5.	Total Assets	114,457.33	114,457.33
6.	Total Liabilities	103,746.73	103,746.73
7.	Net Worth	10,710.60	10,710.60
8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA

Note: The impact of the qualification given below in point II(a)(1), II(a)(2) and II(a)(3) is not ascertainable.

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification (Disclaimer of Opinion):

- 1) As stated in note 10 to the accompanying Statement, the Company has incurred a net loss after tax of Rs. 17,223.73 lakhs during the year ended 31st March 2022, and as of that date, the Company's accumulated losses amount to Rs. 97,940.73 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 22,861.18 lakhs 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, 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 9 and 10. 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 8 and 9. 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 11, and other matters as set forth in the note 10, 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 12 has also reported a material uncertainty related to going concern section in their auditor's report on the financial statement of the branch for the year ended 31st March 2022. Audit report on the standalone financial results for the quarter and year ended 31st March 2021 dated 21 July 2021 and our review report for the quarter ended 31st Dec 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

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

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

2)	<p>As stated in note 8 and 9 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 and year ended 31st March 2022 aggregating to Rs. 893.93 lakhs and Rs. 3,598.81 lakhs (accumulated interest as at 31st March 2022 being Rs. 4,330.18 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.</p> <p>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. 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 31st Dec 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.</p>
3)	<p>As stated in note 3 to the accompanying Statement, the Company's non-current investment (net of impairment amounting to Rs. 17,050.84 lakhs) 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 amounting to Rs. 2,828.37 lakhs) and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 31st March 2022. During the previous quarter, Company has provided provision of Rs. 5,222.24 lakhs on preference shares of A2Z Green Waste Management Limited. 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 favour 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. 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 31st Dec 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.</p>

b. **Type of Audit Qualification:** Disclaimer of Opinion

c. **Frequency of qualification:**

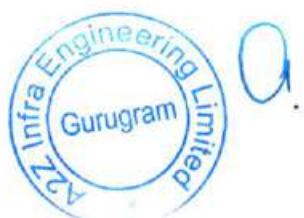
Disclaimer (ii)(a)(1), (2) and (3) were reported as disclaimer since our review report for the quarter/period ended 30 September 2021.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not quantified by the auditor

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

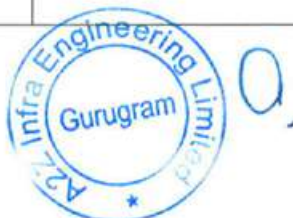
(i) **Management's estimation on the impact of audit qualification:**

	Not ascertainable
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(ii) If management is unable to estimate the impact, reasons for the same:

	<p><u>With respect to mentioned disclaimer 1</u></p> <p>The Company has incurred a net loss after tax of Rs. 8,314.22 lakhs for the year ended March 31, 2021 and accumulated losses amounting Rs. 80,722.77 lakhs as at March 31, 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, one of the bank and four other parties have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 650.00 lakhs and Rs. 756.96 lakhs respectively. The matters have not been admitted yet with the NCLT and the management is in discussion with the said lender and parties for amicably settling the matters. Further, during the previous year, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Company amounting to Rs. 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. The Company has also delayed in repayments due to certain lenders as further detailed in note 8 and 9. 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 9), including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, a new facility from a lender and expected start of commercial production of the biomass-based power generation plants, no adjustments are required in the standalone financial result and accordingly, these have been prepared on a going concern basis.</p>
	<p><u>With respect to mentioned disclaimer 2</u></p> <p>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. 1,050.53 lakhs, Rs. 3,384.95 lakhs and Rs. 5,971.40 lakhs for the quarter ended March 31, 2021, year ended March 31, 2021 and as at March 31, 2021 respectively (Rs. 858.40 lakhs for the quarter ended December 31, 2020 and Rs. 570.53 lakhs and Rs. 1,809.46 lakhs for the quarter and year ended March 31, 2020 respectively). The Company is already in discussion with the said banks and Asset Reconstruction Company for settlement of their dues.</p> <p>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 March 31, 2022, the Company has delayed payments in respect of the certain deferred instalments amounting Rs. 5,178.00 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.</p> <p>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 March 31, 2022. The Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these standalone financial results.</p>



	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.
	<p><u>With respect to mentioned disclaimer 3</u></p> <p>The Company, as at March 31, 2022, has non-current investments (net of impairment) amounting to Rs. 17,050.84 lakhs, other current financial assets (net of impairment) amounting to Rs. 2,828.37 lakhs and current financial assets-loan amounting to Rs. 84.67 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). During the current year, Company has provided provision of Rs. 5,222.24 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2022 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.</p>

(iii) **Auditors' Comments on (i) or (ii) above:** Included in details of auditor's qualification (Disclaimer of Opinion) stated above.

iii. Signatories:

Amit Mittal
Managing Director cum CEO

A.

Lalit Kumar
Chief Financial Officer

Lalit Kumar

Atima Khanna
Audit Committee Chairperson

Atima



A.

Date: May 18, 2022
Place: Gurugram

Saurabh Kuchhal
Partner
MRKS & Associates
Statutory Auditor



Date: May 18, 2022
Place: Gurugram



Independent Auditor's Report on Consolidated Annual 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

Disclaimer of Opinion

1. We were engaged to audit the accompanying consolidated annual 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 year ended 31 March 2022, 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. We do not express an opinion on the accompanying statement of the Group and its Associates, because of the significance of the matters described in the "Basis for Disclaimer Opinion" section of our report. We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement.

3. Basis for Disclaimer of Opinion

- a) As stated in note 10 to the accompanying Statement, the Holding Company has incurred a net loss after tax of Rs.17,083.94 lakhs during the year ended 31 March 2022, and as of that date, the Holding Company's accumulated losses amount to Rs. 97,800.94 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 22,217.62 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 9 and 10. 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 8 and 9. 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 11, and other matters as set forth in the note 10, 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

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Branch Office Delhi : 1204, 12th Floor, Tower-1, Pearls Omaxe, Netaji Subhash Place, Pitampura, New Delhi-110034

Branch office Gurugram : 216, Tower-2, DLF Corporate Greens, Sector-74A, Gurugram - 122002

Regd Office: QU-35B, Pitampura, New Delhi-110088

Tel: +91-11-47079095

Email : office@mrks.co.in

Website : www.mrks.in

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 12 has also reported a material uncertainty related to going concern section in their audit report on the financial statement of the branch for the year ended 31 March 2022.

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 31 Dec 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

- b) As stated in note 8 and 9 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 and year ended 31 March 2022 aggregating to Rs. 893.93 lakhs and Rs. 3,598.81 lakhs (accumulated interest as at 31 March 2022 being Rs.4,330.18 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.

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 31 December 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

- c) As stated in note 3 to the accompanying Statement, the Holding Company's non-current investment (net of impairment amounting to Rs. 17,050.84 lakhs) 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 amounting to Rs. 2,828.37 lakhs) and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 31



March 2022. During the previous quarter, Holding company has provided provision of Rs. 5,222.24 lakhs on preference shares of A2Z Green Waste Management Limited. 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 favour 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.

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 31 December 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

Emphasis of Matters

4. 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 filled 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. 2,013.95 lakhs and Rs. 4,374.29 lakhs, respectively, as at 31 March 2022, 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.

Responsibilities of the Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the consolidated annual audited financial statements and has been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Group including its associates in accordance with the accounting principles generally accepted in India, including IND AS prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, and its associates, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the statement by the Directors of the Holding Company, as aforesaid.
6. In preparing the Statement, the respective Board of Directors of the companies included in the group and its associates, are responsible for assessing the ability of the group and of its associates, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the group and of its associates, are responsible for overseeing the Company's financial reporting process of the companies in the group and of its associates.



Auditor's Responsibilities for the Audit of the Statement

8. Our responsibility is to conduct an audit of the Statement in accordance with the Standards on Auditing, specified under section 143(10) of the Act, and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Other Matters

9. We did not audit the annual financial statements of eleven subsidiaries (as specified in Annexure 1) included in the Statement and three branches included in the standalone audited financial statements of the Holding company, whose financial information reflects total assets of Rs. 48,334.06 lakhs, total revenues of Rs. 24,780.69 lakhs, total net profit after tax of Rs. 681.39 lakhs, total comprehensive income of Rs. 802.44 lakhs and cash flows (net) of Rs. 245.52 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 1,412.59 lakhs and total comprehensive loss of Rs. 1,412.59 lakhs for the year ended 31 March 2022, as considered in the Statement, in respect of 18 associates (as specified in Annexure 1), whose annual financial statements have not been audited by us. These annual financial statements have been reviewed by other auditors and branch auditors except one branch whose audit 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 audit reports of such other auditors and branch auditors and the procedures performed by us as stated in paragraph 9 above.

Further, all such branches referred above are located outside India, whose annual financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited 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 audited 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 audited by us.

10. The statement includes the consolidated financial results for the quarter ended 31 March 2022, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)

Saurabh Kuchhal
Partner
Membership No.512362



Date: 18.05.2022
Place: Gurgaon

UDIN: 22512362AJEQUQ5799

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.	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Subsidiary
7.	A2Z Infraservices Lanka Private Limited	Subsidiary
8.	Ecogreen Envirotech Solutions Limited	Subsidiary
9.	Blackrock Waste Processing Private Limited	Subsidiary with effect from 3 rd Nov 2021
10.	A2Z Waste Management (Aligarh) Limited	Subsidiary
11.	A2Z Waste Management (Ludhiana) Limited	Subsidiary
12.	Magic Genie Smartech Solutions Limited	Subsidiary
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



Annexure 2

S.No.	Name	Country of Operations	Audited/Management Certified	Name of auditing standard
1.	A2Z Infra Engineering Limited(Tanzania Branch)	Tanzania	Audited	International Standards Auditing
2.	A2Z Infra Engineering Limited (Nepal Branch)	Nepal	Management Certified	Nepal Standards Auditing
3.	A2Z Infra Engineering Limited (Uganda Branch)	Uganda	Audited	International Standards Auditing



A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



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A2Z INFRA ENGINEERING LIMITED

Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2022

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1	Income					
	Revenue from operations	9,883.70	8,068.67	13,881.98	35,332.50	41,490.79
	Other income	288.44	200.48	1,047.78	1,760.85	2,558.58
	Total income	10,172.14	8,269.15	14,929.76	37,093.35	44,049.37
2	Expenses					
	Cost of material consumed	6,166.99	3,691.00	10,566.36	18,850.84	23,653.37
	Changes in inventories of Finished goods, Stock in-trade and Work-in-progress	467.21	148.76	(27.69)	261.86	(112.33)
	Employee benefit expenses	2,726.97	3,035.45	1,680.11	11,311.73	12,317.49
	Finance costs	389.03	638.36	1,226.20	2,787.13	5,982.25
	Depreciation and amortization expenses	215.24	278.51	271.77	904.45	918.98
	Other expenses	1,168.62	573.86	4,195.77	19,761.27	8,602.06
	Total expenses	11,134.06	8,365.94	17,912.52	53,877.28	51,361.82
3	Loss before exceptional items, share of net gain / (loss) of investments accounted for using equity method and tax	(961.92)	(96.79)	(2,982.76)	(16,783.93)	(7,312.45)
	Share of net (loss) of investments accounted for using equity method	(329.81)	(345.07)	(508.80)	(1,412.59)	(413.31)
4	Loss before exceptional items and tax	(1,291.73)	(441.86)	(3,491.56)	(18,196.52)	(7,725.76)
	Exceptional items –(loss) / gain (Refer note 5)	(329.96)	466.11	-	527.06	-
5	Loss before tax	(1,621.69)	24.25	(3,491.56)	(17,669.46)	(7,725.76)
	Current tax	(173.79)	281.08	128.81	314.40	300.32
	Deferred tax charge/(credit)	73.98	(101.36)	(87.87)	(3.43)	83.42
6	Loss for the period/year	(1,521.88)	(155.47)	(3,532.50)	(17,980.43)	(8,109.50)
	Other comprehensive income					
	Items that will not be reclassified to profit and loss	95.33	-	202.49	113.29	305.51
7	Total Other Comprehensive income for the period/year (net of tax)	95.33	-	202.49	113.29	305.51
8	Total Comprehensive income for the period/year	(1,426.55)	(155.47)	(3,330.01)	(17,867.14)	(7,803.99)
9	(Loss) / Profit for the period/year attributable to:					
	Equity holders of the Company	(1,428.58)	(174.24)	(3,540.94)	(17,991.00)	(8,120.74)
	Non-controlling interests	(93.30)	18.77	8.44	10.57	11.24
10	Other comprehensive income is attributable to:					
	Equity holders of the Company	82.61	-	165.36	100.57	268.38
	Non-controlling interests	12.72	-	37.13	12.72	37.13
11	Total comprehensive income is attributable to:					
	Equity holders of the Company	(1,345.97)	(174.24)	(3,375.58)	(17,890.43)	(7,852.36)
	Non-controlling interests	(80.58)	18.77	45.57	23.29	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	17,611.99
13	Other equity				(1,697.91)	16,167.06
14	Loss per equity share:					
	(a) Basic	(0.82)	(0.10)	(2.01)	(10.22)	(4.61)
	(b) Diluted	(0.82)	(0.10)	(2.01)	(10.22)	(4.61)



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Notes:

- 1) The above consolidated financial results for the year ended on March 31, 2022 have been reviewed by the Audit Committee and subsequently approved by the Holding company's Board of Directors at their Board Meeting held on May 18, 2022 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial results have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India. The statutory auditor have issued a disclaimer of opinion in respect of the matters described in note 3, 8, 9 and 10 in consolidated financial results for the quarter and year ended March 31, 2022.

The figures in the consolidated financial results for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2022 and March 31, 2021 respectively and the unaudited published year to date figures upto December 31, 2021 and December 31, 2020 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 annualized for the quarters ended March 31, 2022, December 31, 2021 and March 31, 2021.

- 2) The auditors in their audit 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 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. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has filed police complaint against the same during the current year. 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 March 31, 2022, 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 March 31, 2022. 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 March 31, 2022 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. 2,013.95 lakhs and Rs. 4,374.29 lakhs respectively as at March 31, 2022. 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).



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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 BSNI 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 year, 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. The Holding Company has filed statement of defence and counter claim before the arbitration tribunal against the same. Further, Holding Company has assigned an independent technical consultant appointed on behalf of all the lenders of the Holding 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.

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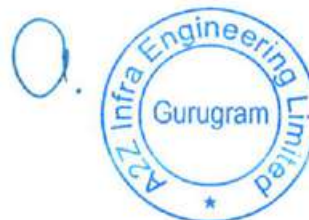
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- 3) The Holding Company, as at March 31, 2022, has non-current investments (net of impairment) amounting to Rs. 17,050.84 lakhs, other current financial assets (net of impairment) amounting to Rs. 2,828.37 lakhs and current financial assets-loan amounting to Rs. 84.67 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). During the current year, Holding Company has provided provision of Rs. 5,222.24 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net worth as at March 31, 2022 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, 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.

Audited group segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2022

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1. Segment revenue					
(a) Segment – ES	3,832.51	3,055.16	8,377.96	13,531.44	18,686.34
(b) Segment – FMS	3,868.16	3,721.17	4,495.82	15,036.51	15,269.17
(c) Segment – MSW	2,923.51	2,426.55	2,366.59	9,724.10	9,461.80
(d) Segment – PGP	-	-	-	-	-
(e) Segment – Others	(441.27)	(339.34)	107.86	89.63	216.65
Total	10,182.91	8,863.54	15,348.23	38,381.68	43,633.96
Less: Inter segment revenue	209.21	794.87	1,466.25	3,049.18	2,143.17
Revenue from operations	9,883.70	8,068.67	13,881.98	35,332.50	41,490.79
2. Segment results [Profit / (Loss) before tax and interest from each segment]					
(a) Segment – ES	442.06	(79.60)	(2,281.36)	(15,524.79)	(4,324.02)
(b) Segment – FMS	(322.63)	300.11	(162.68)	234.00	809.93
(c) Segment – MSW	85.60	136.72	216.01	610.01	764.82
(d) Segment – PGP	(67.87)	(65.48)	(155.36)	(268.01)	(610.93)
(e) Segment – Others	(561.40)	260.71	107.71	66.90	189.14
Total	(424.24)	552.46	(2,275.68)	(14,881.89)	(3,171.06)
Less: Inter segment results	(208.33)	(358.11)	(15.55)	(438.61)	89.36
Net segment results	(215.91)	910.57	(2,260.13)	(14,443.28)	(3,260.42)
Add: Interest income	(356.98)	(369.00)	503.58	446.48	1,930.23
Less:					
(i) Interest expense	366.88	606.14	1,175.74	2,616.93	5,700.01
(ii) Other unallocable expenditure net of unallocable income	351.96	377.29	559.26	1,582.79	695.55
Profit / (loss) before exceptional item and tax	(1,291.73)	(441.86)	(3,491.55)	(18,196.52)	(7,725.75)
Exceptional (loss)/ gain					
(a) Segment – ES	(23,991.77)	-	-	(21,344.71)	-
(b) Unallocable items	23,661.81	466.11	-	21,871.77	-
Loss after exceptional item and before tax	(1,621.69)	24.25	(3,491.55)	(17,669.46)	(7,725.75)



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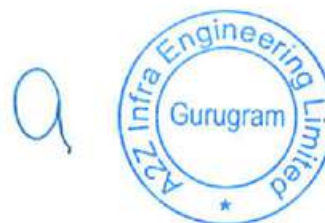


Audited group segment wise revenue, results, assets and liabilities for the quarter and Year ended March 31, 2022 (Cont'd)

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Refer Note I)	(Unaudited)	(Refer Note I)	(Audited)	(Audited)
Less: Tax expenses					
(i) Current tax	(173.79)	281.08	128.81	314.40	300.32
(ii) Deferred tax	73.98	(101.36)	(87.87)	(3.43)	83.42
Loss for the period / year	(1,521.88)	(155.47)	(3,532.49)	(17,980.43)	(8,109.49)
3. Segment assets					
(a) Segment – IS	77,811.48	93,915.55	1,06,800.31	77,811.48	1,06,800.31
(b) Segment – FMS	13,532.96	14,560.51	13,655.38	13,532.96	13,655.38
(c) Segment – MSW	16,014.49	15,666.98	13,940.29	16,014.49	13,940.29
(d) Segment – PGP	7,596.81	7,494.33	8,351.22	7,596.81	8,351.22
(e) Segment – Others	4,064.92	4,739.77	8,665.75	4,064.92	8,665.75
(f) Unallocated	23,700.81	24,956.60	35,823.53	23,700.81	35,823.53
Total Assets	1,42,721.47	1,61,333.74	1,87,236.48	1,42,721.47	1,87,236.48
4. Segment liabilities					
(a) Segment – IS	61,117.26	60,733.49	80,789.77	61,117.26	80,789.77
(b) Segment – FMS	12,931.82	13,229.31	12,329.60	12,931.82	12,329.60
(c) Segment – MSW	12,858.72	12,141.37	11,116.70	12,858.72	11,116.70
(d) Segment – PGP	138.19	128.93	98.52	138.19	98.52
(e) Segment – Others	8,139.24	6,665.06	8,443.53	8,139.24	8,443.53
(f) Unallocated	32,260.98	51,744.68	41,343.43	32,260.98	41,343.43
Total Liabilities	1,27,446.21	1,44,642.84	1,54,121.55	1,27,446.21	1,54,121.55

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

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Refer Note I)	(Unaudited)	(Refer Note I)	(Audited)	(Audited)
One time settlement (OTS) with banks and financial institutions	7,710.24	466.11	-	8,550.30	-
Liabilities written back	-	-	-	5,239.20	-
Exceptional gain (A)	7,710.24	466.11	-	13,789.50	-
Trade receivable written off	7,674.82	-	-	7,674.82	-
Loss on disposal of subsidiary	365.38	-	-	365.38	-
Investment provision/written off	-	-	-	5,222.24	-
Exceptional loss (B)	8,040.20	-	-	13,262.44	-
Net Exceptional loss(A-B)	(329.96)	466.11	-	527.06	-



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6) Statement of Assets and Liabilities:

Particulars	(Amount in Rs. Lakhs)	
	As at	
	March 31, 2022	March 31, 2021
	(Audited)	(Audited)
Assets		
Non-current assets		
Property, plant and equipment	6,188.15	6,966.05
Right to use asset	916.29	91.40
Capital work-in-progress	9,311.49	9,037.65
Investment Property	-	-
Goodwill	3,563.65	4,291.23
Other Intangible assets	5.67	9.75
Intangible assets under development	41.94	73.42
Investments accounted for using the equity method	15,635.94	21,972.33
Financial assets:		
Loans	-	226.56
Other financial assets	1,500.48	1,419.16
Deferred tax assets (net)	3,018.74	3,084.22
Non-current tax assets (net)	5,614.21	5,805.15
Other non-current assets	551.27	726.28
Total	46,347.83	53,703.20
Current assets		
Inventories	450.38	707.75
Financial assets		
Trade receivables	51,156.13	90,274.18
Cash and cash equivalents	911.69	1,391.55
Other bank balances	137.71	116.83
Loans	8,430.84	9,043.80
Other financial assets	27,869.21	19,760.30
Other current assets	7,417.68	9,195.07
Assets held for sale	-	3,043.80
Total	96,373.64	1,33,533.28
Total Assets	1,42,721.47	1,87,236.48
Equity and liabilities		
Equity		
Equity share capital	17,611.99	17,611.99
Other equity	(1,697.91)	16,167.06
Equity attributable to equity holders of the company	15,914.08	33,779.05
Non-controlling interest	(638.82)	(664.11)
Total equity	15,275.26	33,114.94



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Statement of Assets and Liabilities (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
	(Audited)	(Audited)
Liabilities		
Non-current liabilities		
Financial liabilities:		
Borrowings	580.87	128.27
Lease liability	827.90	30.11
Other financial liability	-	6.7
Provisions	4,414.55	2476.01
Deferred tax liabilities (net)	0.14	38.25
Other non-current liabilities	3,031.48	3045.97
Total	8,854.94	5,725.31
Current liabilities		
Financial liabilities:		
Borrowings	37,929.19	52494.94
Lease liability	61.21	55.92
Trade payable		
- Total outstanding dues of micro enterprises and small enterprises	30.22	938.26
- Total outstanding dues of creditors other than micro enterprises and small enterprises	52,839.32	59888.66
Other financial liabilities	7,484.75	9264.61
Other current liabilities	20,104.28	25610.92
Provisions:	98.69	141.22
Current tax liabilities (net)	43.61	1.7
Total	1,18,591.27	1,48,396.23
Total Liabilities	1,27,446.21	1,54,121.54
Total Equity and Liabilities	1,42,721.47	1,87,236.48

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7) Group Cash Flow Statement for the year ended March 31, 2022

(Amount in Rs. Lakhs)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Cash flows from operating activities:		
Net loss before tax (after exceptional items)	(17,669.46)	(7,725.76)
Adjustments:		
Exceptional items	(527.06)	-
Share of associates	1,412.59	413.31
Depreciation and amortisation expense	904.45	918.98
Loss on disposal of property, plant and equipment (net)	942.15	34.40
Interest expense	2,616.93	5,700.01
Interest income	(1,027.49)	(1,933.73)
Provision of contract revenue in excess of billing	162.64	231.58
Gain on modification of lease contract	(1.37)	(0.03)
Provision for bad and doubtful debts / advances	15,088.44	5,044.13
Provision for warranty	866.66	721.17
Advances written off	153.66	-
Liability / provision written back	(555.27)	(470.76)
Actuarial loss on gratuity	144.09	321.95
Recognition of share based payment at fair value	25.46	129.38
Subsidy amortised	(48.07)	(60.15)
Rental income	(29.05)	(32.70)
Operating profit before working capital changes	2,459.30	3,291.78
Net changes in working capital		
Changes in inventories	257.37	(117.17)
Change in trade receivables	16,656.78	(540.71)
Changes in loans	341.77	(445.24)
Changes in other financial assets	(5,682.97)	1,960.16
Changes in other assets	1,573.02	4,638.17
Change in trade payables	(7,044.44)	(6,251.80)
Changes in provisions	977.51	(137.51)
Change in financial liabilities	(146.75)	(167.27)
Change in other liabilities	(5,486.05)	(3,708.25)
Net changes in working capital:	1,446.24	(4,769.62)
Cash flow from / (used in) operations	3,905.54	(1,477.84)
Current taxes paid/(refund)	(91.92)	781.05
Net cash flow from / (used in) operating activities (A)	3,813.62	(696.79)
Cash flows from investing activities:		
Payment for property, plant and equipment	(167.27)	(361.37)
Payment for intangible assets	-	(0.60)
Proceeds from sale of property, plant and equipment	1,640.07	193.33
Proceeds from sale of subsidiary	600.00	-
Fixed deposits matured- (net)	175.60	401.85
Interest received	213.82	841.72
Rental income	29.05	32.70
Net cash flow from investing activities (B)	2,491.27	1,107.63
Cash flows from financing activities:		
Principal payment of lease liabilities	(31.62)	(61.19)
Interest payment of lease liabilities	(18.19)	(12.53)
Repayments of long term borrowings (net)	(3,986.09)	(116.87)
(Repayments) / Proceeds from short term borrowings (net)	(1,116.27)	2,185.98
Interest paid	(1,632.58)	(2,053.11)
Net cash (used in) / flow from financing activities (C)	(6,784.75)	(57.72)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(479.86)	353.12
Cash and cash equivalents at the beginning of the year	1,391.55	1,038.43
Cash and cash equivalents at the end of the year	911.69	1,391.55



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8 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. 893.93 lakhs, Rs. 3,598.81 lakhs and Rs. 4,330.18 lakhs for the quarter ended March 31, 2022, year ended March 31, 2022 and as at March 31, 2022 respectively (Rs. 840.85 lakhs for the quarter ended December 31, 2021 and Rs. 1,050.53 lakhs and Rs. 3,384.95 lakhs for the quarter 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.

9 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 instalments. As at March 31, 2022, the Holding Company has delayed payments in respect of the certain deferred instalments amounting Rs. 5,178.00 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 Holding Company in addition to the carrying value of such liability as at March 31, 2022.

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.

10 The Holding Company has incurred a net loss after tax of Rs. 17,223.73 lakhs for the period ended March 31, 2022 and accumulated losses amounting Rs. 97,940.73.94 lakhs as at March 31, 2022 and is presently facing acute liquidity problems on account of delayed realization of trade receivables coupled with commencement of commercial production at its biomass-based power generation plants. Also, one of the bank have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 10,046.64 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. Also, three parties have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 891.67 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 8 and 9. 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 9), 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, no adjustments are required in the consolidated financial result and accordingly, these have been prepared on a going concern basis.

11 For the year ended March 31, 2022, 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.



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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

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

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12. 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, Kondoa and Mpwapwa districts) on Turnkey basis for Lot 2. The Tanzania branch is expecting to complete the works by March 2023. 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. This condition indicates that a material uncertainty exists, that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.
13. During the current quarter, the Holding Company has entered into one time settlement (OTS) with DBS Bank for a total settlement amount of Rs. 1500 lakhs out of which Rs. 900 lakhs has been paid in cash and remaining Rs. 600 lakhs has to be paid as per the terms provided in the settlement agreement and SCB Bank for a total settlement amount of Rs. 2,250 lakhs which has been paid in cash as per the terms provided in the settlement agreement.
14. Previous period/year figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period / year's classification.

For and behalf of A2Z Infra Engineering Limited

Amit Mittal
Managing Director
(DIN 00058944)

Place: Gurugram
Date: May 18, 2022



ANNEXURE I**Statement on Impact of Audit Qualifications (for audit report with modified/disclaimer opinion) submitted along with Annual Audited Financial Results - Consolidated****i. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(Amount in Rs. Lakhs)

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
1.	Turnover / Total income	37,093.35	37,093.35
2.	Total Expenditure	53,877.28	53,877.28
3.	Net (Loss)	(17,980.43)	(17,980.43)
4.	Earnings Per Share	(10.22)	(10.22)
5.	Total Assets	142,721.47	142,721.47
6.	Total Liabilities	127,446.21	127,446.21
7.	Net Worth*	15,260.69	15,260.69
8.	Any other financial item(s) (as felt appropriate by the)	NA	NA

*excluding capital reserve of Rs. 14.57 lakhs.

Note: The impact of the qualification given below in point II(a)(1), II(a)(2) and II(a)(3) is not ascertainable.

ii. Audit Qualification (each audit qualification separately):**a. Details of Audit Qualification (Disclaimer of Opinion):**

1)	As stated in note 10 to the accompanying Statement, the Holding Company has incurred a net loss after tax of Rs. 17,083.94 lakhs during the year ended 31 st March 2022, and as of that date, the Holding Company's accumulated losses amount to Rs. 97,800.94 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 22,217.62 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 9 and 10. 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 8 and 9. 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 recognized. Further, the expected recognized 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 11, and other matters as set forth in the note 10, 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 12 has also reported a material uncertainty related to going concern section in their audit report on the financial statement of the branch for the year ended 31 st March 2022. Audit report on the consolidated financial results for the quarter and year ended 31 March 2021 dated 21 July 2021 and our
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	review report for the quarter ended 31 Dec 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.
2)	<p>As stated in note 8 and 9 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 recognized interest for the quarter and year ended 31st March 2022 aggregating to Rs. 893.93 lakhs and Rs. 3,598.81 lakhs (accumulated interest as at 31st March 2022 being Rs. 4,330.18 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.</p> <p>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. 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 31 December 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.</p>
3)	<p>As stated in note 3 to the accompanying Statement, the Holding Company's non-current investment (net of impairment amounting to Rs. 17,050.84 lakhs) 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 amounting to Rs. 2,828.37 lakhs) and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 31st March 2022. During the previous quarter, Holding company has provided provision of Rs. 5,222.24 lakhs on preference shares of A2Z Green Waste Management Limited. 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 favour 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. 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 31 December 2021 dated 09 February 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.</p>

b. **Type of Audit Qualification:** Disclaimer of Opinion

c. **Frequency of qualification:**

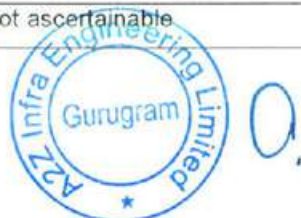
Disclaimer (ii)(a)(1), (2) and (3) were reported as disclaimer our review report for the quarter/period ended 30 September 2021.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not quantified by the auditor

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

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

Not ascertainable



(ii) If management is unable to estimate the impact, reasons for the same:

	<p><u>With respect to mentioned disclaimer 1</u></p> <p>The Holding Company has incurred a net loss after tax of Rs. 17,223.73 lakhs for the period ended March 31, 2022 and accumulated losses amounting Rs. 97,940.73.94 lakhs as at March 31, 2022 and is presently facing acute liquidity problems on account of delayed realization of trade receivables coupled with commencement of commercial production at its biomass-based power generation plants. Also, one of the bank have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 10,046.64 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. Also, three parties have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 891.67 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 8 and 9. 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 9), 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, no adjustments are required in the consolidated financial result and accordingly, these have been prepared on a going concern basis.</p>
	<p><u>With respect to mentioned disclaimer 2</u></p> <p>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. 893.93 lakhs, Rs. 3,598.81 lakhs and Rs. 4,330.18 lakhs for the quarter ended March 31, 2022, year ended March 31, 2022 and as at March 31, 2022 respectively (Rs. 840.85 lakhs for the quarter ended December 31, 2021 and Rs. 1,050.53 lakhs and Rs. 3,384.95 lakhs for the quarter 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.</p> <p>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 instalments. As at March 31, 2022, the Holding Company has delayed payments in respect of the certain deferred instalments amounting Rs. 5,178.00 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.</p> <p>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</p>



devolve on the Holding Company in addition to the carrying value of such liability as at March 31, 2022.

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.

With respect to mentioned disclaimer 3

The Holding Company, as at March 31, 2022, has non-current investments (net of impairment) amounting to Rs. 17,050.84 lakhs, other current financial assets (net of impairment) amounting to Rs. 2,828.37 lakhs and current financial assets-loan amounting to Rs. 84.67 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). During the current year, Holding Company has provided provision of Rs. 5,222.24 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2022 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.

(iii) **Auditors' Comments on (i) or (ii) above:** Included in details of auditor's qualification (Disclaimer of Opinion) stated above.

iii. **Signatories:**

Amit Mittal
Managing Director cum CEO

Lalit Kumar
Chief Financial Officer

Atima Khanna
Audit Committee Chairperson



Date: May 18, 2022
Place: Gurugram

Saurabh Kuchhal
Partner
MRKS & Associates
Statutory Auditor



Date: May 18, 2022
Place: Gurugram