A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805

REF. No.:- A2ZINFRA/SE/2021-22/20

BY E-FILING

July 21, 2021

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 Board Meeting duly held on Wednesday, July 21, 2021

Dear Sir/Madam,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, **A2Z INFRA ENGINEERING LTD**. (hereinafter referred as "Company") wish to inform you that the members of the Board of Directors, at its meeting duly held today, i.e. July 21, 2021 on the recommendations of the Audit Committee, have reviewed and approved the Audited Standalone & Consolidated Financial Statements for the year ended on March 31, 2021 along with Audited Standalone and Consolidated Financial Results for the Quarter (Q4) ended on March 31, 2021.

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 – 1***. 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, 2021 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.

A2Z Infra Engineering Limited Gurgaon

Atul Kumar Agarwal
Company Secretary
FCS 6453
Add: - Plot No. B-38, Institutional Area,
Sector-32, Gurgaon-122001, Haryana

Walker Chandiok & Co LLP

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Independent Auditor's Report on 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 were engaged to audit the accompanying standalone annual financial results ('the Statement') of **A2Z Infra Engineering Limited** ('the Company') for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirements 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 of 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.

Basis for Disclaimer of Opinion

3. a) As stated in Note 10 to the accompanying Statement, the Company has incurred a net loss after tax of Rs 8,314.22 lakhs during the year ended 31 March 2021, and as of that date, the Company's accumulated losses amount to Rs 80,722.77 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs 13,366.79 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 Company has also delayed in repayment of borrowings, 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 uncertainty arising on account of COVID-19 pandemic and its possible impact on management's assumptions, as further described in Note 12, 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 13 has also reported a material uncertainty related to going concern section in their auditor's report on the financial statements of the branch for the year ended 31 March 2021. Our reports on the standalone financial results for the quarter ended 31 December 2020, and on the standalone financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, 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 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 31 March 2021 aggregating to Rs. 1,050.53 lakhs and Rs. 3,384.95 lakhs (accumulated interest as at 31 March 2021 being Rs 5,971.40 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.

Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying Statement. Our reports on the standalone financial results for the quarter ended 31 December 2020 and on the standalone financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, 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) in its associate Company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 March 2021, aggregate to Rs. 21,978.26 lakhs, Rs. 728.37 lakhs and Rs. 435.80 lakhs, respectively. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints due to which it may not be able to meet the projections as per the approved business plans. Based upon the valuation report of an independent valuer as at 31 March 2021, arbitration awarded in favor of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying Statement. Our reports on the standalone financial results for the quarter ended 31 December 2020 and on the standalone financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, respectively, in respect of this matter.

d) As stated in the note 11 of the accompanying Statement, there have been consistent delays in filing of Goods and Services Tax ('GST') returns of the Company under various GSTINs held by the Company across various states. Further, such returns indicate certain cross-charge billings between different locations of the Company for which we have not been provided adequate supporting evidences. As further explained in the note, there have also been delays in reporting of certain revenue transactions in the aforesaid returns filed by the Company beyond the timeline under the applicable GST laws.

In the absence of sufficient and appropriate audit evidence to substantiate the basis for the adjustments made in the GST returns and considering penalties or fines that may be levied on account of aforesaid delays, we are unable to comment on the adjustments, if any, that may be required to the accompanying Statement, including to the carrying values of GST payable included in Statutory dues payable under other current liabilities and GST recoverable included in Balances with Government authorities under other current assets.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

Emphasis of Matters

4. We draw attention to:

   i. Note 2(a) to the accompanying Statement, which describes the uncertainties relating to the outcome of the pending various litigations in respect of the three cogeneration power plants of the Company, for which the 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. 2,273.91 lakhs and Rs. 4,374.29 lakhs, respectively, as at 31 March 2021, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, 'Impairment of Assets'. Basis such valuation, the management believes that no further adjustment is required to the carrying value of the aforesaid cogeneration power plants.

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

   iii. Note 2(c) to the accompanying Statement, which describes the uncertainty relating to utilization/ 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 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 Company's Board of Directors is 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 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 is free from material misstatement, whether due to fraud or error.

6. In preparing the Statement, the Board of Directors is 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 is also responsible for overseeing the Company's financial reporting process.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

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 were 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 2021, 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 four branches included in the Statement, whose financial information reflects total assets of Rs. 9,327.31 lakhs as at 31 March 2021, and total revenues of Rs. 5,583.08 lakhs, total net loss after tax of Rs. 361.75 lakhs, and total comprehensive loss of Rs. 361.75 lakhs, and cash flows (net) of Rs. (46.73) 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 of these branches, three 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 audited 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.

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

Manish Agrawal
Partner
Membership No. 507000

UDIN: 21507000AAAACS2460

Place: Gurugram
Date: 21 July 2021

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

Annexure 1

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

A2Z INFRA ENGINEERING LIMITED

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2021

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1	**Income**					
	Revenue from operations	8,440.36	2,980.74	6,984.39	18,785.14	38,522.64
	Other income	815.88	306.93	283.13	1,845.28	1,928.60
	Total income	**9,256.24**	**3,287.67**	**7,267.52**	**20,630.42**	**40,451.24**
2	**Expenses**					
	Cost of material consumed	7,644.21	2,633.52	5,532.06	16,474.20	34,006.32
	Employee benefit expenses	75.97	127.42	342.73	476.83	1,750.24
	Finance costs	1,025.12	1,282.29	1,518.99	4,820.34	4,874.14
	Depreciation and amortization expenses	106.47	113.60	253.89	452.78	1,001.14
	Other expenses	3,443.25	1,968.90	4,476.24	6,694.86	6,667.60
	Total expenses	**12,295.02**	**6,125.73**	**12,123.91**	**28,919.01**	**48,299.44**
3	**Loss before exceptional items and tax**	**(3,038.78)**	**(2,838.06)**	**(4,856.39)**	**(8,288.59)**	**(7,848.20)**
4	Exceptional items –(loss) (Refer note 7)		-	(24,381.56)	-	(17,630.90)
5	**Loss before tax**	**(3,038.78)**	**(2,838.06)**	**(29,237.95)**	**(8,288.59)**	**(25,479.10)**
	Current tax	(1.13)	1.93	(28.60)	10.64	3.60
	Deferred tax charge/(credit)	0.14	(0.14)	1,850.31	14.99	3,606.00
6	**Loss for the period/year**	**(3,037.79)**	**(2,839.85)**	**(31,059.66)**	**(8,314.22)**	**(29,088.70)**
7	Other comprehensive income					
	Items that will not be reclassified to profit and loss	3.36	13.27	9.31	106.38	31.07
8	**Total Other Comprehensive income for the period/year**	**3.36**	**13.27**	**9.31**	**106.38**	**31.07**
9	**Total Comprehensive income for the period/year**	**(3,034.43)**	**(2,826.58)**	**(31,050.35)**	**(8,207.84)**	**(29,057.63)**
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				10,304.65	18,383.11
12	Loss per equity share:					
	(a) Basic	(1.72)	(1.61)	(17.64)	(4.72)	(16.52)
	(b) Diluted	(1.72)	(1.61)	(17.64)	(4.72)	(16.52)

A2Z Infra Engineering Limited Gurugram

Notes:

1) The above standalone financial results for the year ended on March 31, 2021 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting held on July 21, 2021 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, 10 and 11 in standalone financial results for the quarter and year ended March 31, 2021.

   The figures for the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of the full financial years ended March 31, 2021 and March 31, 2020 respectively and the unaudited published year to date figures upto December 31, 2020 and December 31, 2019 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, 2021, December 31, 2020 and March 31, 2020.

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

   During the previous years, the management of the Company decided to shift these power plants to other locations. Accordingly, the Company had filed a writ petition in the Hon'ble High court of Punjab and Haryana for relocation of such power plants adjacent to RDF based facilities. In the current 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, 2021, such plants have a power generation capacity of 15 MW each.

   Accordingly, the management has recorded an impairment of Rs. 29,536.28 lakhs in carrying value of these assets as at March 31, 2021. The management believes that the recoverable amount of these power plants are reasonable and no further material adjustments to the carrying value of these plants are necessary.

A2Z Infra Engineering Limited Gurugram

Out of the aforementioned impairment as at March 31, 2021 Rs. 22,413.72 lakhs (Rs 9,782.51 lakhs for the quarter and year ended 31 March 2020) pertain to, two power plants, which were yet to be capitalised and Rs. 7,122.56 lakhs (Rs 5,214.30 lakhs for the quarter and year ended 31 March 2020) 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. 2,273.91 lakhs and Rs. 4,374.29 lakhs respectively as at March 31, 2021. The recoverable amount of all three cogeneration power plants is based on Depreciated Replacement Cost (DRC) Method under Cost Approach and determined at the level of the Cash Generating Unit (CGU). The auditors have expressed an emphasis of matter on the same.

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. The auditors have expressed an emphasis of matter on the same.

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. The auditors have expressed an emphasis of matter on the same.

A2Z Infra Engineering Limited
Gurugram

R. Jain

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.

Subsequent to year end, the sub-vendor filed an arbitration claim application under section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal against termination of the contract. Final counter claim before the arbitration tribunal will be filed the Company in due course before its due date. 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. The auditors have expressed an emphasis of matter on the same.

3) The Company, as at March 31, 2021, has non-current investments (net of impairment) amounting to Rs. 21,978.26 lakhs, other current financial assets (net of impairment) amounting to Rs. 728.37 lakhs and current financial assets-loan amounting to Rs. 435.80 lakhs in its associate company Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2021 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the 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, 2021

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1. Segment revenue					
(a) Segment – ES	8,357.14	2,961.63	6,869.20	18,663.36	37,871.39
(b) Segment – PGP	-	-	121.93	-	241.00
(c) Segment – Others	83.22	19.11	(6.74)	121.78	410.25
Total	**8,440.36**	**2,980.74**	**6,984.39**	**18,785.14**	**38,522.64**
Less: Inter segment revenue	-	-	-	-	-
Revenue from operations	**8,440.36**	**2,980.74**	**6,984.39**	**18,785.14**	**38,522.64**
2. Segment results [Profit/(loss) before tax and interest from each segment]					
(a) Segment – ES	(2,288.98)	(1,703.22)	(3,260.41)	(4,329.26)	(2,813.48)
(b) Segment – PGP	(154.33)	(171.19)	(374.79)	(607.28)	(1,358.52)
(c) Segment – Others	82.10	15.30	(10.87)	106.69	18.79
Total	**(2,361.21)**	**(1,859.11)**	**(3,646.07)**	**(4,829.85)**	**(4,153.21)**

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A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805

GROUP

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Audited standalone segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2021 (Cont'd)

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
Less: Inter segment results	-	-	-	-	-
Net segment results	(2,361.21)	(1,859.11)	(3,646.07)	(4,829.85)	(4,153.21)
Add: Interest income	346.21	302.12	305.76	1,356.18	1,176.24
Less:					
(i) Interest expense	983.58	1,250.58	1,402.83	4,600.86	4,404.76
(ii) Other unallocable expenditure net of unallocable income	40.20	30.49	113.25	214.06	466.47
Loss before exceptional item and tax	(3,038.78)	(2,838.06)	(4,856.39)	(8,288.59)	(7,848.20)
Exceptional (loss)/income					
(a) Segment – ES	-	-	(7,394.93)	-	(7,394.93)
(b) Segment – PGP	-	-	(14,996.81)	-	(14,996.81)
(c) Unallocable items	-	-	(1,989.82)	-	4,760.84
Loss after exceptional item and before tax	(3,038.78)	(2,838.06)	(29,237.95)	(8,288.59)	(25,479.10)
Less : Tax expenses					
(i) Current tax	(1.13)	1.93	(28.60)	10.64	3.60
(ii) Deferred tax charge/(credit)	0.14	(0.14)	1,850.31	14.99	3,606.00
Loss for the period / year	(3,037.79)	(2,839.85)	(31,059.66)	(8,314.22)	(29,088.70)
3. Segment assets					
(a) Segment – ES	106,074.56	110,420.35	112,674.74	106,074.56	112,674.74
(b) Segment – PGP	7,761.26	7,914.81	8,242.25	7,761.26	8,242.25
(c) Segment – Others	3,755.15	3,761.00	3,694.22	3,755.15	3,694.22
(d) Unallocated	37,598.78	37,194.21	37,656.75	37,598.78	37,656.75
Total Assets	155,189.75	159,290.37	162,267.96	155,189.75	162,267.96
4. Segment liabilities					
(a) Segment – ES	79,873.08	80,466.55	80,986.49	79,873.08	80,986.49
(b) Segment – PGP	90.98	94.28	183.68	90.98	183.68
(c) Segment – Others	5,969.96	6,011.13	6,554.36	5,969.96	6,554.36
(d) Unallocated	41,339.09	41,783.82	38,548.33	41,339.09	38,548.33
Total Liabilities	127,273.11	128,355.78	126,272.86	127,273.11	126,272.86

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5) Standalone Statement of Assets and Liablities

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	3,710.02	4,294.75
Right to use of assets	65.94	85.01
Capital work-in-progress	4,374.29	4,374.29
Intangible assets	-	0.88
Financial assets		
Investments	28,256.24	27,141.21
Loans	90.28	89.27
Other financial assets	1,115.50	1,411.30
Deferred tax assets (net)	2,653.97	2,668.96
Non-current tax assets (net)	2,949.01	4,351.98
Other non-current assets	1.01	13.08
Total	43,216.26	44,430.73
Current assets		
Financial assets		
Investments	1,031.69	1,031.69
Trade receivables	81,923.82	81,837.39
Cash and cash equivalents	430.58	543.47
Loans	2,320.89	2,492.95
Other financial assets	15,341.99	16,363.37
Other current assets	8,389.97	13,033.81
Assets held for sale	2,534.55	2,534.55
Total	111,973.49	117,837.23
Total Assets	155,189.75	162,267.96
Equity and liabilities		
Equity		
Equity share capital	17,611.99	17,611.99
Other equity	10,304.65	18,383.11
Total equity	27,916.64	35,995.10

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Standalone Statement of Assets and Liablities (Cont'd) (Amount in Rs. Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	39.83	223.38
Lease liability	30.11	46.51
Provisions	1,862.89	1,239.84
Total	**1,932.83**	**1,509.73**
Current liabilities		
Financial liabilities		
Borrowings	28,649.50	25,890.01
Lease liability	38.15	37.53
Trade payable		
- Total outstanding dues of micro enterprises and small enterprises	929.03	53.71
- Total outstanding dues of creditors other than micro enterprises and small enterprises	52,144.15	56,835.05
Other financial liabilities	22,729.59	20,297.10
Other current liabilities	20,725.60	21,571.74
Provisions	124.26	77.99
Total	**125,340.28**	**124,763.13**
Total Liabilities	**127,273.11**	**126,272.86**
Total Equity and Liabilities	**155,189.75**	**162,267.96**

6) **Standalone Cash flow statement**

(Amount in Rs. Lakhs)

Particulars		March 31, 2021 (Audited)	March 31, 2020 (Audited)
A	**Cash flows from operating activities:**		
	Loss before tax (after exceptional items)	(8,288.59)	(25,479.10)
	Adjustments:		
	Exceptional items	-	17,630.90
	Depreciation and amortisation expense	452.78	1,001.14
	Loss on disposal of property, plant and equipment (net)	71.59	7.54
	Profit on sale of investment in subsidiary	(3.50)	-
	Interest expense	4,600.86	4,404.76
	Interest income	(1,355.17)	(1,175.93)
	Provision for contract revenue in excess of billing	231.58	165.35
	Inventory written off	-	108.02

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Standalone Cash flow statement (Cont'd) (Amount in Rs. Lakhs)

Particulars	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Provision for bad and doubtful debts / advances	4,918.82	4,078.86
Liability/provision written back	(469.00)	(161.79)
Provision for warranty	721.17	716.58
Provision for employee benefits	13.12	28.32
Advances written off	35.94	-
Recognition of share based payments at fair value	103.19	266.13
Unwinding of interest on security deposits	(1.01)	(0.31)
Gain on modification of lease contract	(0.03)	(0.15)
Operating profit before working capital changes	**1,031.75**	**1,590.32**
Net changes in working capital		
Changes in inventories	-	286.11
Changes in trade receivables	(2,066.70)	(3,965.70)
Changes in loans	297.08	110.70
Changes in other financial assets	(297.64)	(2,070.43)
Changes in other assets	2,700.90	(871.35)
Changes in trade payables	(3,787.52)	3,211.96
Changes in provisions	(10.40)	(560.96)
Changes in financial liabilities	(366.77)	880.57
Changes in other liabilities	(875.44)	(2,168.06)
Net changes in working capital:	**(4,406.49)**	**(5,147.16)**
Cash flow from operations	(3,374.74)	(3,556.84)
Current taxes paid (net of refunds)	1,392.33	(837.27)
Net cash used in operating activities (A)	**(1,982.41)**	**(4,394.11)**
B **Cash flows from investing activities:**		
Payment for property, plant and equipment	(1.50)	(30.44)
Proceeds from sale of property, plant and equipment	110.30	32.30
Proceeds from sale of investment in subsidiary	3.50	-
Fixed deposits matured - (net)	285.41	671.05
Interest received	234.97	298.39
Net cash flow from investing activities (B)	632.68	**971.3**
C **Cash flows from financing activities:**		
Repayments of long-term borrowings (net)	(95.00)	(2,195.65)
Proceeds from short term borrowings (net)	2,724.06	7,158.87
Payment of lease liabilities	(49.80)	(31.30)
Interest paid	(1,342.42)	(1,808.52)
Net cash flow from financing activities (C)	1,236.84	3,123.40
Net decrease in cash and cash equivalents (A+B+C)	(112.89)	(299.41)
Cash and cash equivalents at the beginning of the year	543.47	842.88
Cash and cash equivalents at the end of the year	430.58	543.47

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

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
One time settlement (OTS) with banks and financial institutions	-	-	-	-	8,639.32
Liabilities written back	-	-	2,404.09	-	2,404.09
Exceptional gain (A)	-	-	**2,404.09**	-	**11,043.41**
Impact of fair valuation of derivative liability on subsequent remeasurement	-	-	335.43	-	2,224.09
Contract revenue in excess of billing written off	-	-	1,326.90	-	1,326.90
Capital assets impaired/written off	-	-	14,996.81	-	14,996.81
Investment provision/written off	-	-	1,654.39	-	1,654.39
Trade receivable written off	-	-	8,472.12	-	8,472.12
Exceptional loss (B)	-	-	**26,785.65**	-	**28,674.31**
Net Exceptional (loss)(A-B)	-	-	**(24,381.56)**	-	**(17,630.90)**

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. 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.

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, 2021, the Company has delayed payments in respect of the certain deferred instalments amounting Rs. 15,365.13 lakhs which were due and payable pursuant to these Agreements. So far the lenders have not given any written notice on event of default as per the agreements and the management is in discussions with the Lenders to condone the aforementioned delays.

Further, certain Lenders have filed an application with Debt Recovery Tribunal and other judicial authorities for recovery of its dues as they existed prior to the settlement agreement entered with it in earlier period. However, basis the agreed terms/discussions, management believes that no additional liability shall devolve on the Company in addition to the carrying value of such liability as at March 31, 2021. The Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these standalone financial results.

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

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10) 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.

11) The Company has recorded certain adjustments in the Goods and Services Tax ("GST") returns for the FY 2018-19 to 2020-21 relating to cross charge billings related to services rendered/ cost incurred from one state to other states within the purview of different GSTIN registrations, as per the advice of independent GST consultant to comply with the requirements of the GST laws.
Further, the Company had issued certain invoices to their customers which were accepted by such customers in subsequent periods. Therefore, the Company had disclosed such invoices in their GST returns filed during the FY 17-18 to 20-21 in the subsequent periods in which such invoices were accepted by such customers..
However, in our view, the above-mentioned adjustments in GST returns do not impact the financial statements of the Company for the respective years.
The Company was not able to file the aforementioned GST returns within the due date due to on-going Covid -19 and liquidity crunch. However, the management accrued for interest provision on delayed filling of GST returns in the books of accounts. Accordingly, the management believes that there will be no further impact on the standalone financial results.

12) The Covid-19 pandemic has brought economies, businesses and lives around the world to a standstill, and India is no exception. The ongoing second wave of pandemic will have its own impact, but the Company is confident of encashing on the forthcoming opportunities, once the economies, businesses and lives are back to normal. Considering the unprecedented and ever evolving situation, the Company has made assessment of its liquidity position, including recoverability of assets at balance sheet date. On the basis of the current assessment and estimates, the Company does not see risk of recoverability of its assets and accordingly no material adjustment is required in these standalone financial results. However, given the uncertainties associated with nature, condition and duration of Covid-19 pandemic, the impact may be different from that as estimated as at the date of approval of these standalone financial results and the management will continue to closely monitor the changes to future economic conditions.

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13) 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 September 2021. The contract allows for a further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued and the contract will expire. This condition indicates that a material uncertainity exists, that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.

14) Subsequent to year ended March 31, 2021, the Company has entered into full cash one time settlement (OTS) with ICICI Bank Limited for a total settlement consideration of Rs. 425 lakhs and all the settlement consideration has been paid.

15) As per Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021, the Company was required to publish their results by June 30, 2021. The Company has intimated stock exchanges on June 29, 2021, with stating the reasons for such delay.

16) 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

A2Z Infra Engineering Limited
Gurugram

R. Jain

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

Place: Gurugram
Date: July 21, 2021

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, 2021
[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	20,630.42	20,630.42
2.	Total Expenditure	28,919.01	28,919.01
3.	Net (Loss)	(8,314.22)	(8,314.22)
4	Earnings Per Share (in Rs.)	(4.72)	(4.72)
5.	Total Assets	155,189.75	155,189.75
6.	Total Liabilities	127,273.11	127,273.11
7.	Net Worth	27,916.64	27,916.64
8.	Any other financial item(s) (as felt appropriate by the	NA	NA

Note: The impact of the qualification given below in point II(a)(1), II(a)(2), II(a)(3) and II(a)(4) 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 8,314.22 lakhs during the year ended 31 March 2021, and as of that date, the Company's accumulated losses amount to Rs 80,722.77 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs 13,366.79 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 Company has also delayed in repayment of borrowings, 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 uncertainty arising on account of COVID-19 pandemic and its possible impact on management's assumptions, as further described in Note 12, 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 13 has also reported a material uncertainty related to going concern section in their auditor's report on the financial statements of the branch for the year ended 31 March 2021. Our reports on the standalone financial results for the quarter ended 31 December 2020, and on the standalone financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, respectively, in respect of this matter. A2Z Infra Engineering Limited Gurugram

2)	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 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 31 March 2021 aggregating to Rs. 1,050.53 lakhs and Rs. 3,384.95 lakhs (accumulated interest as at 31 March 2021 being Rs 5,971.40 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders. Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying Statement. Our reports on the standalone financial results for the quarter ended 31 December 2020 and on the standalone financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, respectively, in respect of this matter.
3)	As stated in Note 3 to the accompanying Statement, the Company's non-current investment (net of impairment) in its associate Company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 March 2021, aggregate to Rs. 21,978.26 lakhs, Rs. 728.37 lakhs and Rs. 435.80 lakhs, respectively. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints due to which it may not be able to meet the projections as per the approved business plans. Based upon the valuation report of an independent valuer as at 31 March 2021, arbitration awarded in favor of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying Statement. Our reports on the standalone financial results for the quarter ended 31 December 2020 and on the standalone financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, respectively, in respect of this matter.
4)	As stated in the note 11 of the accompanying Statement, there have been consistent delays in filing of Goods and Services Tax ('GST') returns of the Company under various GSTINs held by the Company across various states. Further, such returns indicate certain cross-charge billings between different locations of the Company for which we have not been provided adequate supporting evidences. As further explained in the note, there have also been delays in reporting of certain revenue transactions in the aforesaid returns filed by the Company beyond the timeline under the applicable GST laws. In the absence of sufficient and appropriate audit evidence to substantiate the basis for the adjustments made in the GST returns and considering penalties or fines that may be levied on account of aforesaid delays, we are unable to comment on the adjustments, if any, that may be required to the accompanying Statement, including to the carrying values of GST payable included in Statutory dues payable under other current liabilities and GST recoverable included in Balances with Government authorities under other current assets.

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

c. **Frequency of qualification:**

Disclaimer (ii)(a)(1) and (3) were reported as disclaimer since our audit report for the year ended 31 March 2020.
Disclaimer (ii)(a)(2) were reported as qualification since our review report for the quarter/period ended from 30 September 2018 and as disclaimer in audit report from 31 March 2020.
Disclaimer (ii)(a)(4) have been included for the first time during the year ended 31 March 2021.

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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:

	With respect to mentioned disclaimer 1 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.
	With respect to mentioned disclaimer 2 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. 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, 2021, the Company has delayed payments in respect of the certain deferred instalments amounting Rs. 15,365.13 lakhs which were due and payable pursuant to

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	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, 2021. The Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these standalone financial results. Pursuant to the above discussions with the lenders, management is confident that no material impact will devolve on the Company in respect of aforementioned delays.
	With respect to mentioned disclaimer 3 The Company, as at March 31, 2021, has non-current investments (net of impairment) amounting to Rs. 21,978.26 lakhs, other current financial assets (net of impairment) amounting to Rs. 728.37 lakhs and current financial assets-loan amounting to Rs. 435.80 lakhs in its associate company Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2021 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the 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.
	With respect to mentioned disclaimer 4 The Company has recorded certain adjustments in the Goods and Services Tax ('GST') returns for the FY 2018-19 to 2020-21 relating to cross charge billings related to services rendered/ cost incurred from one state to other states within the purview of different GSTIN registrations, as per the advice of independent GST consultant to comply with the requirements of the GST laws. Further, the Company had issued certain invoices to their customers which were accepted by such customers in subsequent periods. Therefore, the Company had disclosed such invoices in their GST returns filed during the FY 17-18 to 20-21 in the subsequent periods in which such invoices were accepted by such customers.. However, in our view, the above-mentioned adjustments in GST returns do not impact the financial statements of the Company for the respective years. The Company was not able to file the aforementioned GST returns within the due date due to on-going Covid -19 and liquidity crunch. However, the management accrued for interest provision on delayed filling of GST returns in the books of accounts. Accordingly, the management believes that there will be no further impact on the standalone financial results.

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

iii. **Signatories:**

Rajesh Jain
Chief Executive Officer and Whole Time Director

Rajiv Chaturvedi
Chief Financial Officer

Atima Khanna
Audit Committee Chairman

Date: July 21, 2021
Place: Gurugram

Manish Agrawal
Partner
Walker Chandiok & Co LLP
Statutory Auditor

Date: July 21, 2021
Place: Gurugram

A2Z Infra Engineering Limited
Gurugram

Walker Chandiok & Co LLP

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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 for the year ended 31 March 2021 attached herewith, 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) ('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 Group and its associates. Because of the significance of the matters described in the Basis for Disclaimer of 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.

Basis for Disclaimer of Opinion

3. a) As stated in Note 10 to the accompanying Statement, the Holding Company has incurred a net loss after tax of Rs. 8,314.22 lakhs during the year ended 31 March 2021, and as of that date, the Holding Company's accumulated losses amount to Rs. 80,722.77 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 13,366.79 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, 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 uncertainty arising on account of COVID-19 pandemic and its possible impact on management's assumptions, as further described in Note 12, 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 13 has also reported a material uncertainty related to going concern section in their auditor's report on the financial statements of the branch for the year ended 31 March 2021. Our reports on the consolidated financial results for the quarter ended 31 December 2020 and on the consolidated financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, 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 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 2021 aggregating to Rs. 1,050.53 lakhs and Rs. 3,384.95 lakhs (accumulated interest as at 31 March 2021 being Rs 5,971.40 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 Agreements, and the consequential impact of such adjustments on the accompanying Statement. Our reports on the consolidated financial results for the quarter ended 31 December 2020 and on the consolidated financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, 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) in its associate Company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 March 2021, aggregate to Rs. 21,978.26 lakhs, Rs. 728.37 lakhs and Rs. 435.80 lakhs, respectively. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints due to which it may not be able to meet the projections as per the approved business plans. Based upon the valuation report of an independent valuer as at 31 March 2021, arbitration awarded in favor of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying Statement. Our reports on the consolidated financial results for the quarter ended 31 December 2020 and on the consolidated financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, respectively, in respect of this matter.

d) As stated in the note 11 of the accompanying Statement, there have been consistent delays in filing of Goods and Services Tax ('GST') returns of the Holding Company under various GSTINs held by the Holding Company across various states. Further, such returns indicate certain cross-charge billings between different locations of the Holding Company for which we have not been provided adequate supporting evidences. As further explained in the note, there have also been delays in reporting of certain revenue transactions in the aforesaid returns filed by the Holding Company beyond the timeline under the applicable GST laws.

In the absence of sufficient and appropriate audit evidence to substantiate the basis for the adjustments made in the GST returns and considering penalties or fines that may be levied on account of aforesaid delays, we are unable to comment on the adjustments, if any, that may be required to the accompanying Statement, including to the carrying values of GST payable included in Statutory dues payable under other current liabilities and GST recoverable included in Balances with Government authorities under other current assets.

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 pending various litigations in respect of the three cogeneration power plants of the Holding Company, 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. 2,273.91 lakhs and Rs. 4,374.29 lakhs, respectively, as at 31 March 2021, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, 'Impairment of Assets'. Basis such valuation, the management believes that no further adjustment is required to the carrying value of the aforesaid cogeneration power plants.

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

   iii. Note 2(c) to the accompanying Statement, which describes the uncertainty relating to utilization/ 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 Management and Those Charged with Governance for the Statement

5. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax 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 the 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. The respective Board of Directors/ management of the companies included in the Group and its associates, are responsible for 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 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 financial results, that give 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 of 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 financial reporting process of the companies included in the Group and of its associates.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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) (Cont'd)

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 were 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 Group and its associates 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.

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

Other Matters

10. We did not audit the annual financial statements of twelve subsidiaries included in the Statement, whose financial information reflects total assets of Rs. 47,222.55 lakhs as at 31 March 2021, total revenues of Rs. 25,832.99 lakhs, total net profit after tax of Rs. 666.52 lakhs, total comprehensive income of Rs. 865.64 lakhs, and cash flows (net) of Rs. 466.01 lakhs for the year ended on that date, as considered in the Statement. We also did not audit the annual financial statements of four branches included in the standalone audited annual financial statements of Holding Company, whose financial information reflects total assets of Rs. 9,327.31 lakhs as at 31 March 2021, total revenues of Rs. 5,583.08 lakhs, total net loss after tax of Rs. 361.75 lakhs, total comprehensive loss of Rs. 361.75 lakhs, and cash flows (net) of Rs. (46.73) lakhs for the year ended on that date, as considered in the standalone audited annual financial statements of the Holding Company. The Statement also includes the Group's share of net loss after tax of Rs. 410.38 lakhs and total comprehensive loss of Rs. 413.31 lakhs for the year ended 31 March 2021, in respect of eighteen associates, whose annual financial statements have not been audited by us. These annual financial statements have been audited by other auditors and branch auditors whose audit reports have been furnished to us by the management, and this report, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 9 above.

    Further, of these subsidiaries/ associates/branches, three branches 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 branch auditors under audit standards specified in Annexure 2, as applicable in their respective countries. The Holding 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 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 on the audit report of branch auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

11. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, 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 Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Mahish Agrawal
Partner
Membership No. 507000

CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

UDIN: 21507000AAAACR3902

Place: Gurugram
Date: 21 July 2021

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) (Cont'd)

Annexure 1

List of entities included in the Statement (in addition to the Holding Company)

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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) (Cont'd)

Annexure 2

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

A2Z INFRA ENGINEERING LIMITED

Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2021

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1	**Income**					
	Revenue from operations	13,881.98	8,339.86	13,703.50	41,490.79	69,984.30
	Other income	1,047.78	494.72	540.28	2,558.58	2,819.83
	Total income	14,929.76	8,834.58	14,243.78	44,049.37	72,804.13
2	**Expenses**					
	Cost of material consumed	10,566.36	3,537.91	7,721.00	23,653.37	42,705.99
	Changes in inventories of Finished goods, Stock -in- trade and Work- in-progress	(27.69)	(84.64)	(32.89)	(112.33)	(162.65)
	Employee benefit expenses	1,680.11	3,272.51	4,061.34	12,317.49	21,592.94
	Finance costs	1,226.20	1,501.52	1,807.25	5,982.25	6,034.47
	Depreciation and amortization expenses	271.77	216.19	355.48	918.98	1,370.47
	Other expenses	4,195.77	2,453.40	5,356.56	8,602.06	8,746.35
	Total expenses	17,912.52	10,896.89	19,268.74	51,361.82	80,287.57
3	**Loss before exceptional items, share of net (loss) / gain of investments accounted for using equity method and tax**	(2,982.76)	(2,062.31)	(5,024.96)	(7,312.45)	(7,483.44)
	Share of net (loss) / gain of investments accounted for using equity method	(508.80)	703.42	(281.43)	(413.31)	(135.27)
4	**Loss before exceptional items and tax**	(3,491.56)	(1,358.89)	(5,306.39)	(7,725.76)	(7,618.71)
	Exceptional items –loss (Refer note 5)	-	-	(22,219.86)	-	(16,108.68)
5	**Loss before tax**	(3,491.56)	(1,358.89)	(27,526.25)	(7,725.76)	(23,727.39)
	Current tax	128.81	22.39	(63.82)	300.32	347.12
	Deferred tax charge/(credit)	(87.87)	103.94	1,830.62	83.42	3,739.87
6	**Loss for the period/year**	(3,532.50)	(1,485.22)	(29,293.05)	(8,109.50)	(27,814.38)
	Other comprehensive income					
	Items that will not be reclassified to profit and loss	202.49	13.27	129.23	305.51	150.99
7	**Total Other Comprehensive income for the period/year (net of tax)**	202.49	13.27	129.23	305.51	150.99
8	**Total Comprehensive income for the period/year**	(3,330.01)	(1,471.95)	(29,163.82)	(7,803.99)	(27,663.39)
9	**Loss for the period/year attributable to:**					
	Equity holders of the Company	(3,540.94)	(1,512.89)	(29,218.18)	(8,120.74)	(27,695.95)
	Non-controlling interests	8.44	27.67	(74.87)	11.24	(118.43)
10	**Other comprehensive income is attributable to:**					
	Equity holders of the Company	165.36	13.27	123.29	268.38	145.05
	Non-controlling interests	37.13	-	5.94	37.13	5.94
11	**Total comprehensive income is attributable to:**					
	Equity holders of the Company	(3,375.58)	(1,499.62)	(29,094.89)	(7,852.36)	(27,550.90)
	Non-controlling interests	45.57	27.67	(68.93)	48.37	(112.49)
12	**Paid-up equity share capital (Face value of the share - Rs 10/- each)**	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99
13	Other equity				16,167.06	23,666.51
14	**Loss per equity share:**					
	(a) Basic	(2.01)	(0.86)	(16.59)	(4.61)	(15.73)
	(b) Diluted	(2.01)	(0.86)	(16.59)	(4.61)	(15.73)

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Notes:

1) The above consolidated financial results for the year ended on March 31, 2021 have been reviewed by the Audit Committee and subsequently approved by the Holding company's Board of Directors at their Board Meeting held on July 21, 2021 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, 10 and 11 in consolidated financial results for the quarter and year ended March 31, 2021.

The figures in the consolidated financial results for the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of the full fianncial years ended March 31, 2021 and March 31, 2020 respectively and the unaudited published year to date figures upto December 31, 2020 and December 31, 2019 respectively, being the end of the third quarter of the financial year which were subject to limited review.

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

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 current 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 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 Company has reasonable chances of succeeding before the District & Sessions Court, Chandigarh and the High Court of Punjab and Haryana. Pending the final decision on the matter, no further adjustment has been made in the consolidated financial results.

During the previous years, the management of the Holding Company decided to shift these power plants to other locations. Accordingly, the Holding Company had filed a writ petition in the Hon'ble High court of Punjab and Haryana for relocation of such power plants adjacent to RDF based facilities. In the current 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, 2021, such plants have a power generation capacity of 15 MW each.

Accordingly, the management has recorded an impairment of Rs. 29,536.28 lakhs in carrying value of these assets as at March 31, 2021. The management believes that the recoverable amount of these power plants are reasonable and no further material adjustments to the carrying value of these plants are necessary.

Out of the aforementioned impairment as at March 31, 2021 Rs. 22,413.72 lakhs (Rs 9,782.51 lakhs for the quarter and year ended 31 March 2020) pertain to, two power plants, which were yet to be capitalised and Rs. 7,122.56 lakhs (Rs 5,214.30 lakhs for the quarter and year ended 31 March 2020) 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. 2,273.91 lakhs and Rs. 4,374.29 lakhs respectively as at March 31, 2021. The recoverable amount of all three cogeneration power plants is based on Depreciated Replacement Cost (DRC) Method under Cost Approach and determined at the level of the Cash Generating Unit (CGU). The auditors have expressed an emphasis of matter on the same.

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Gurugram

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. The auditors have expressed an emphasis of matter on the same.

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. The auditors have expressed an emphasis of matter on the same.

d) During the year ended March 31, 2021, the Holding Company has terminated its agreement with a sub-vendor in respect of BSNL package G with effect from December 12, 2020 as the Holding Company noticed repeated slippages by the sub-vendor in achieving the targets and multifarious breaches under the work and service orders.
Subsequent to year end, the sub-vendor filed an arbitration claim application under section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal against termination of the contract. Final counter claim before the arbitration tribunal will be filed the Company in due course before its due date. 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 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. The auditors have expressed an emphasis of matter on the same.

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3) The Holding Company, as at March 31, 2021, has non-current investments (net of impairment) amounting to Rs. 21,978.26 lakhs, other current financial assets (net of impairment) amounting to Rs. 728.37 lakhs and current financial assets-loan amounting to Rs. 435.80 lakh in its associate company Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at Mrach 31, 2021 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments (net of impairment), other current financial assets (net of impairment) and current financial assets-loans due to which these are considered as good and recoverable.

4) The Group has reported segment information as per Indian Accounting Standard 108 'Operating Segments' (Ind AS 108). The Group is operating into following segments – (i) Engineering Service (ES), (ii) Facility Management Services ('FMS'), (iii) Municipal Solid Waste ('MSW') (iv) Power generation projects ('PGP') and (v) Others which primarily includes `trading of goods and operation and maintenance services etc.

Audited group segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2021

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1. Segment revenue					
(a) Segment – ES	8,377.96	2,963.79	6,869.20	18,686.34	37,871.39
(b) Segment – FMS	4,495.82	3,725.66	4,696.24	15,269.17	23,109.78
(c) Segment – MSW	2,366.59	2,253.34	2,038.14	9,461.80	8,365.67
(d) Segment – PGP	-	-	121.93	-	241.00
(e) Segment – Others	107.86	43.99	10.58	216.65	491.26
Total	15,348.23	8,986.78	13,736.09	43,633.96	70,079.10
Less: Inter segment revenue	1,466.25	646.92	32.59	2,143.17	94.80
Revenue from operations	13,881.98	8,339.86	13,703.50	41,490.79	69,984.30
2. Segment results [(Loss) / Profit before tax and interest from each segment]					
(a) Segment – ES	(2,281.36)	(1,702.83)	(3,316.11)	(4,324.02)	(2,828.10)
(b) Segment – FMS	(162.68)	797.09	307.50	809.93	599.88
(c) Segment – MSW	216.01	113.82	(311.63)	764.82	464.95
(d) Segment – PGP	(155.36)	(172.25)	(377.42)	(610.93)	(1,362.50)
(e) Segment – Others	107.71	35.66	10.03	189.14	(75.58)
Total	(2,275.68)	(928.51)	(3,687.63)	(3,171.06)	(3,201.35)
Less: Inter segment results	(15.55)	75.91	-	89.36	-
Net segment results	(2,260.13)	(1,004.42)	(3,687.63)	(3,260.42)	(3,201.35)
Add: Interest income	503.58	443.63	469.93	1,930.23	1,752.38
Less:					
(i) Interest expense	1,175.74	1,459.66	1,659.79	5,700.01	5,481.76
(ii Other unallocable expenditure net of unallocable income	559.26	(661.56)	(428.90)	695.55	(687.98)
Loss before exceptional item and tax	(3,491.55)	(1,358.89)	(5,306.39)	(7,725.75)	(7,618.71)
Exceptional loss/ (income)					
(a) Segment – ES	-	-	(7,394.93)	-	(7,394.93)
(b) Segment – PGP	-	-	(14,488.51)	-	(14,488.51)
(c) Unallocable items	-	-	(336.42)	-	5,774.76
Loss after exceptional item and before tax	(3,491.55)	(1,358.89)	(27,526.25)	(7,725.75)	(23,727.39)

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Audited group segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2021 (Cont'd)

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
Less : Tax expenses					
(i) Current tax	128.81	22.39	(63.82)	300.32	347.12
(ii) Deferred tax	(87.87)	103.94	1,830.62	83.42	3,739.87
Loss for the period / year	(3,532.49)	(1,485.22)	(29,293.05)	(8,109.49)	(27,814.38)
3. Segment assets					
(a) Segment – ES	106,800.31	111,247.62	113,097.06	106,800.31	113,097.06
(b) Segment – FMS	13,655.38	12,469.29	16,350.78	13,655.38	16,350.78
(c) Segment – MSW	13,940.29	13,664.87	13,019.41	13,940.29	13,019.41
(d) Segment – PGP	8,351.22	8,504.78	8,831.85	8,351.22	8,831.85
(e) Segment – Others	8,665.75	8,587.52	5,694.05	8,665.75	5,694.05
(f) Unallocated	35,823.53	37,461.88	42,377.13	35,823.53	42,377.13
Total Assets	**187,236.48**	**191,935.96**	**199,370.28**	**187,236.48**	**199,370.28**
4. Segment liabilities					
(a) Segment – ES	80,789.77	81,533.51	82,067.97	80,789.77	82,067.97
(b) Segment – FMS	12,329.60	10,503.35	14,128.86	12,329.60	14,128.86
(c) Segment – MSW	11,116.70	11,004.70	10,487.91	11,116.70	10,487.91
(d) Segment – PGP	98.52	101.19	203.14	98.52	203.14
(e) Segment – Others	8,443.53	8,414.42	7,608.64	8,443.53	7,608.64
(f) Unallocated	41,343.43	43,950.34	44,084.21	41,343.43	44,084.21
Total Liabilities	**154,121.55**	**155,507.51**	**158,580.73**	**154,121.55**	**158,580.73**

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

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
One time settlement (OTS) with banks and financial institutions	-	-	-	-	8,639.32
Liabilities written back	-	-	2,404.09	-	2,404.09
Exceptional gain (A)	-	-	**2,404.09**	-	**11,043.41**
Impact of fair valuation of derivative liability on subsequent remeasurement	-	-	335.42	-	2,224.08
Contract revenue in excess of billing written off	-	-	1,326.90	-	1,326.90
Capital assets impaired/written off	-	-	14,488.51	-	14,488.51
Investment provision/written off	-	-	1.00	-	1.00
Trade receivable written off	-	-	8,472.12	-	8,472.12
Goodwill written off	-			-	639.48
Exceptional loss (B)	-	-	**24,623.95**	-	**27,152.09**
Net Exceptional loss(A-B)	-	-	**(22,219.86)**	-	**(16,108.68)**

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6) Statement of Assets and Liablities:

Particulars	(Amount in Rs. Lakhs) As at	
	March 31, 2021	March 31, 2020
	(Audited)	(Audited)
Assets		
Non-current assets		
Property, plant and equipment		
Right to use asset	6,966.05	7,818.80
Capital work-in-progress	91.40	125.51
Goodwill	9,037.65	9,033.16
Other Intangible assets	4,291.23	4,291.23
Intangible assets under development	9.75	14.26
Investments accounted for using the equity method	73.42	73.42
Financial assets:	21,972.33	21,293.63
Loans		
Other financial assets	226.56	227.50
Deferred tax assets (net)	1,419.16	1,831.40
Non-current tax assets (net)	3,084.22	3,186.14
Other non-current assets	5,805.15	6,953.71
Total	726.28	612.75
	53,703.20	55,461.51
Current assets		
Inventories		
Financial assets	707.75	590.58
Trade receivables		
Cash and cash equivalents	90,274.18	91,713.74
Other bank balances	1,391.55	1,038.43
Loans	116.83	116.83
Other financial assets	9,043.80	8,592.31
Other current assets	19,760.30	23,039.48
Assets held for sale	9,195.07	15,775.92
Total	3,043.80	3,041.48
Total Assets	133,633.28	143,908.77
	187,236.48	199,370.28
Equity and liabilities		
Equity		
Equity share capital		
Other equity	17,611.99	17,611.99
Equity attributable to equity holders of the company	16,167.06	23,666.51
Non-controlling interest	33,779.05	41,278.50
Total equity	(664.11)	(488.95)
	33,114.94	40,789.55

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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

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Statement of Assets and Liablities (Cont'd) (Amount in Rs. Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
	(Audited)	(Audited)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	128.27	358.38
Lease liability	30.11	64.96
Other financial liability	6.70	12.08
Provisions	2,476.01	1,884.12
Deferred tax liabilities (net)	38.25	40.31
Other non-current liabilities	3,045.97	3,072.53
Total	5,725.31	5,432.38
Current liabilities		
Financial liabilities		
Borrowings	36,057.75	33,836.34
Lease liability	55.92	56.94
Trade payable		
- Total outstanding dues of micro enterprises and small enterprises	938.26	75.54
- Total outstanding dues of creditors other than micro enterprises and small enterprises	59,888.66	67,066.25
Other financial liabilities	25,701.80	22,874.44
Other current liabilities	25,610.92	29,072.31
Provisions	141.22	97.64
Current tax liabilities (net)	1.70	68.89
Total	148,396.23	153,148.35
Total Liabilities	154,121.54	158,580.73
Total Equity and Liabilities	187,236.48	199,370.28

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7) Group Cash Flow Statement for the year ended March 31, 2021

(Amount in Rs. Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities:		
Net loss before tax (after exceptional items)	(7,725.76)	(23,727.39)
Adjustments:		
Exceptional items	-	16,108.68
Share of associates	413.31	135.27
Depreciation and amortisation expense	918.98	1,370.47
Loss on disposal of property, plant and equipment (net)	34.40	7.54
Interest expense	5,700.01	5,481.76
Interest income	(1,933.73)	(2,020.70)
Provision of contract revenue in excess of billing	231.58	165.35
Gain on modification of lease contract	(0.03)	(0.15)
Provision for bad and doubtful debts / advances	5,044.13	4,209.45
Provision for warranty	721.17	716.58
Liability / provision written back	(470.76)	(33.58)
Inventory written off	-	108.02
Actuarial loss on gratuity	321.95	193.20
Recognition of share based payment at fair value	129.38	277.44
Subsidy amortised	(60.15)	(45.36)
Rental income	(32.70)	(74.03)
Operating profit before working capital changes	3,291.78	2,872.55
Net changes in working capital		
Changes in inventories	(117.17)	145.34
Change in trade receivables	(540.71)	(3,454.07)
Changes in loans	(445.24)	441.24
Changes in other financial assets	1,960.16	(2,775.41)
Changes in other assets	4,638.17	(2,106.98)
Change in trade payables	(6,251.80)	3,417.91
Changes in provisions	(137.51)	(611.22)
Change in financial liabilities	(167.27)	(413.43)
Change in other liabilities	(3,708.25)	894.63
Net changes in working capital:	(4,769.62)	(4,461.99)
Cash flow from operations	(1,477.84)	(1,589.44)
Current taxes paid (net of refunds)	781.05	(1,026.51)
Net cash used in operating activities (A)	(696.79)	(2,615.95)
Cash flows from investing activities:		
Payment for property, plant and equipment	(361.37)	(612.32)
Payment for intangible assets	(0.60)	-
Proceeds from sale of property, plant and equipment	193.33	33.45
Proceeds from loss of control	-	(666.72)
Fixed deposits matured- (net)	401.85	654.61
Interest received	841.72	1,189.53
Rental income	32.70	74.03
Net cash flow from investing activities (B)	1,107.63	672.58
Cash flows from financing activities:		
Payment of lease liabilities	(73.72)	(58.09)
Repayments of long term borrowings (net)	(116.87)	(3,207.60)
Proceeds from short term borrowings (net)	2,185.98	7,095.16
Interest paid	(2,053.11)	(2,135.54)
Net cash (used in) / flow from financing activities (C)	(57.72)	1,693.93
Net increase / (decrease) in cash and cash equivalents (A+B+C)	353.12	(249.44)
Cash and cash equivalents at the beginning of the year	1,038.43	1,287.87
Cash and cash equivalents at the end of the year	1,391.55	1,038.43

A2Z Infra Engineering Limited Gurugram

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 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 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 installments. As at March 31, 2021, the Holding Company has delayed payments in respect of the certain deferred installments amounting Rs. 15,365.13 lakhs which were due and payable pursuant to these Agreements. So far, the lenders have not given any written notice on event of default as per the agreements and the management is in discussions with the Lenders to condone the aforementioned delays.

Further, certain lenders have filed an application with Debt Recovery Tribunal and other judicial authorities for recovery of its dues as they existed prior to the settlement agreement entered with it in earlier period. However, basis the agreed terms/discussions, management believes that the no additional liability shall devolve on the Holding Company in addition to the carrying value of such liability as at March 31, 2021.

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

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

10 The Holding Company has incurred a net loss after tax of Rs. 8314.22 lakhs for 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 waste to energy power generation plants. Also, one of the bank and four other parties have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 650.00 lakhs and Rs. 756.96 lakhs respectively. The matters have not been admitted yet with the NCLT and the management is in discussion with the said lender and parties for amicably settling the matters. Further, during the previous year, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Holding Company amounting to Rs. 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. The Holding Company has also delayed in repayments due to certain lenders as further detailed in note 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, a new facility from a lender and expected start of commercial production of the biomass-based power generation plants, no adjustments are required in the consolidated financial result and accordingly, these have been prepared on a going concern basis.

11 The Holding Company has recorded certain adjustments in the Goods and Services Tax ("GST") returns for the FY 2018-19 to 2020-21 relating to cross charge billings related to services rendered/ cost incurred from one state to other states within the purview of different GSTIN registrations, as per the advice of independent GST consultant to comply with the requirements of the GST laws.
Further, the Holding Company had issued certain invoices to their customers which were accepted by such customers in subsequent periods. Therefore, the Company had disclosed such invoices in their GST returns filed during the FY 17-18 to 20-21 in the subsequent periods in which such invoices were accepted by such customers.
However, in our view, the above-mentioned adjustments in GST returns do not impact the financial statements of the Holding Company for the respective years.
The Holding Company was not able to file the aforementioned GST returns within the due date due to on-going Covid-19 and liquidity crunch. However, the management accrued for interest provision on delayed filling of GST returns in the books of accounts. Accordingly, the management believes that there will be no further impact on the consolidated financial results.

A2Z Infra Engineering Limited Gurugram

12 The Covid-19 pandemic has brought economies, businesses and lives around the world to a standstill, and India is no exception. The ongoing second wave of pandemic will have its own impact, but the Group is confident of encashing on the forthcoming opportunities, once the economies, businesses and lives are back to normal. Considering the unprecedented and ever evolving situation, the Group has made assessment of its liquidity position, including recoverability of assets at balance sheet date. On the basis of the current assessment and estimates, the Group does not see risk of recoverability of its assets and accordingly no material adjustment is required in these consolidated financial results. However, given the uncertainties associated with nature, condition and duration of Covid-19 pandemic, the impact may be different from that as estimated as at the date of approval of these consolidated financial results and the management will continue to closely monitor the changes to future economic conditions.

13 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 September 2021. The contract allows for a further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued and the contract will expire. This condition indicates that a material uncertainity exists, that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.

14 Subsequent to year ended March 31, 2021, the Holding Company has entered into full cash one time settlement (OTS) with ICICI Bank Limited for a total settlement consideration of Rs. 425.00 lakhs and all the settlement consideration has been paid.

15 As per Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021, the Company was required to publish their results by June 30, 2021. The Holding Company has intimated stock exchanges on June 29, 2021, with stating the reasons for such delay.

16 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

A2Z Infra Engineering Limited Gurugram

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

Place: Gurugram
Date: July 21, 2021

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805

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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 - Consolidated

i. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [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	44,049.37	44,049.37
2.	Total Expenditure	51,361.82	51,361.82
3.	Net (Loss)	(8,109.50)	(8,109.50)
4	Earnings Per Share	(4.61)	(4.61)
5.	Total Assets	187,236.48	187,236.48
6.	Total Liabilities	154,121.54	154,121.54
7.	Net Worth*	33,100.37	33,100.37
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), II(a)(3) and II(a)(4) 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. 8,314.22 lakhs during the year ended 31 March 2021, and as of that date, the Holding Company's accumulated losses amount to Rs. 80,722.77 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 13,366.79 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, 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 uncertainty arising on account of COVID-19 pandemic and its possible impact on management's assumptions, as further described in Note 12, 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 13 has also reported a material uncertainty related to going concern section in their auditor's report on the financial statements of the branch for the year ended 31 March 2021. Our reports on the consolidated financial results for the quarter ended 31 December 2020 and on the consolidated financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, respectively, in respect of this matter.

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2)	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 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 2021 aggregating to Rs. 1,050.53 lakhs and Rs. 3,384.95 lakhs (accumulated interest as at 31 March 2021 being Rs 5,971.40 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 Agreements, and the consequential impact of such adjustments on the accompanying Statement. Our reports on the consolidated financial results for the quarter ended 31 December 2020 and on the consolidated financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, respectively, in respect of this matter.
3)	As stated in Note 3 to the accompanying Statement, the Holding Company's non-current investment (net of impairment) in its associate Company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 March 2021, aggregate to Rs. 21,978.26 lakhs, Rs. 728.37 lakhs and Rs. 435.80 lakhs, respectively. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints due to which it may not be able to meet the projections as per the approved business plans. Based upon the valuation report of an independent valuer as at 31 March 2021, arbitration awarded in favor of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying Statement. Our reports on the consolidated financial results for the quarter ended 31 December 2020 and on the consolidated financial results for the quarter and year ended 31 March 2020 also included a disclaimer of conclusion and disclaimer of opinion, respectively, in respect of this matter.
4)	As stated in the note 11 of the accompanying Statement, there have been consistent delays in filing of Goods and Services Tax ('GST') returns of the Holding Company under various GSTINs held by the Holding Company across various states. Further, such returns indicate certain cross-charge billings between different locations of the Holding Company for which we have not been provided adequate supporting evidences. As further explained in the note, there have also been delays in reporting of certain revenue transactions in the aforesaid returns filed by the Holding Company beyond the timeline under the applicable GST laws. In the absence of sufficient and appropriate audit evidence to substantiate the basis for the adjustments made in the GST returns and considering penalties or fines that may be levied on account of aforesaid delays, we are unable to comment on the adjustments, if any, that may be required to the accompanying Statement, including to the carrying values of GST payable included in Statutory dues payable under other current liabilities and GST recoverable included in Balances with Government authorities under other current assets.

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

c. **Frequency of qualification:**
Disclaimer (ii)(a)(1) and (3) were reported as disclaimer since our audit report for the year ended 31 March 2020.
Disclaimer (ii)(a)(2) were reported as qualification since our review report for the quarter/period ended from 30 September 2018 and as disclaimer in audit report from 31 March 2020.
Disclaimer (ii)(a)(4) have been included for the first time during the year ended 31 March 2021.

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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:

	With respect to mentioned disclaimer 1 The Holding Company has incurred a net loss after tax of Rs. 8314.22 lakhs for 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 waste to energy power generation plants. Also, one of the bank and four other parties have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 650.00 lakhs and Rs. 756.96 lakhs respectively. The matters have not been admitted yet with the NCLT and the management is in discussion with the said lender and parties for amicably settling the matters. Further, during the previous year, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Holding Company amounting to Rs. 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. The Holding Company has also delayed in repayments due to certain lenders as further detailed in note 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, a new facility from a lender and expected start of commercial production of the biomass-based power generation plants, no adjustments are required in the consolidated financial result and accordingly, these have been prepared on a going concern basis.
	With respect to mentioned disclaimer 2 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 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 Holding Company is already in discussion with the said banks and asset reconstruction company for settlement of their dues. 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

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payments and deferred installments. As at March 31, 2021, the Holding Company has delayed payments in respect of the certain deferred installments amounting Rs. 15,365.13 lakhs which were due and payable pursuant to these Agreements. So far, the lenders have not given any written notice on event of default as per the agreements and the management is in discussions with the Lenders to condone the aforementioned delays.

Further, certain lenders have filed an application with Debt Recovery Tribunal and other judicial authorities for recovery of its dues as they existed prior to the settlement agreement entered with it in earlier period. However, basis the agreed terms/discussions, management believes that the no additional liability shall devolve on the Holding Company in addition to the carrying value of such liability as at March 31, 2021.

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

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

With respect to mentioned disclaimer 3

The Holding Company, as at March 31, 2021, has non-current investments (net of impairment) amounting to Rs. 21,978.26 lakhs, other current financial assets (net of impairment) amounting to Rs. 728.37 lakhs and current financial assets-loan amounting to Rs. 435.80 lakh in its associate company Greeneffect Waste Management Limited (Formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at Mrach 31, 2021 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments (net of impairment), other current financial assets (net of impairment) and current financial assets-loans due to which these are considered as good and recoverable.

With respect to mentioned disclaimer 4

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

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

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

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

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

iii. Signatories:

Rajesh Jain
Chief Executive Officer and Whole Time Director

Rajiv Chaturvedi
Chief Financial Officer

Rajiv Chaturvedi

Atima Khanna
Audit Committee Chairman

Atima.

Date: July 21, 2021
Place: Gurugram

A2Z Infra Engineering Limited
Gurugram

Manish Agrawal
Partner
Walker Chandiok & Co LLP
Statutory Auditor

Date: July 21, 2021
Place: Gurugram