

A2Z INFRA ENGINEERING LTD.

(Previously Known as A2Z Maintenance & Engineering Services Limited)

CIN NO. L74999HR2002PLC034809



REF. No. :- A2ZINFRA/SE/2016-17/078

14th September, 2016

To,
~~BSE Limited~~
Phiroze Jeejeebhoy 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, Bandra Kurla Complex,
Bandra (E), Mumbai-400051
Fax- 022-26598237/38
NSE Code-A2ZINFRA

Subject: Outcome of the Board Meeting duly held on Wednesday, September 14, 2016

Dear Sir,

The decisions and outcome of the Meeting of the Board of Directors of the A2Z Infra Engineering Ltd. duly held on Wednesday, September 14, 2016 are as follows:-

1. The Financial Results have been reviewed by the Audit Committee and on the recommendations of the Committee; the Board of Directors have approved the Standalone Unaudited Financial Results for the Quarter (Q1) and three month ending on June 30, 2016 along with the Limited Review Report issued by the Statutory Auditors. The Copy of the Unaudited Financial Results and the Limited Review Report is attached as **Annexure - A**.
2. The Board of Directors has approved the acquisition & investment in 70,000 equity shares of A2Z Powertech Limited ("a subsidiary company of A2Z Infra Engineering Ltd.") to make it a wholly owned subsidiary. Further the details of the information required to be disclosed under SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 are as **Annexure B**.

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

You are requested to take the above information on record.

Thanking you,

Yours truly

FOR A2Z INFRA ENGINEERING LTD.
(Formerly Known as A2Z Maintenance & Engineering Services Limited)

(Atul Kumar Agarwal)
Company Secretary
FCS-6453

Add: - Plot No. B-38, Institutional area,
Sector-32, Gurgaon-Haryana



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

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

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

ANNEXURE - A

A2Z INFRA ENGINEERING LTD.

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CIN NO. L74999HR2002PLC034805



...em POWERing the nation™

A2Z INFRA ENGINEERING LIMITED

(FORMERLY KNOWN AS A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED)

Statement of Unaudited Financial Results for the quarter ended June 30, 2016

(Amount in Rs Lacs)

S. No.	Particulars	Standalone	
		Quarter Ended	
		June 30, 2016 (Unaudited)	June 30, 2015 (Unaudited) (Refer note 7)
1	Income from operations		
	(a) Net sales / income from operations	20,269.95	8,155.84
	(b) Other operating income	0.51	12.58
	Total Income from Operations (1)	20,270.46	8,168.42
2	Expenses		
	(a) Cost of material consumed	8,293.63	6,112.90
	(b) Purchase of stock in trade	1,038.11	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-
	(d) Sub contractor / erection charges	7,668.00	1,064.25
	(e) Employee benefits expense	495.30	643.31
	(f) Depreciation and amortisation expense	370.11	356.28
	(g) Other expenses	1,684.37	1,316.76
	Total expenses (2)	19,549.52	9,493.50
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	720.94	(1,325.08)
4	Other income	527.68	756.24
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	1,248.62	(568.84)
6	Finance costs	2,817.07	2,855.97
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(1,568.45)	(3,424.81)
8	Exceptional Items	-	-
9	Profit/(Loss) from ordinary activities before tax (7-8)	(1,568.45)	(3,424.81)
10	Tax expense/(credit)	306.76	(3.99)
11	Net profit/(loss) from ordinary activities after tax (09-10)	(1,875.21)	(3,420.82)
12	Extraordinary Items	-	-
13	Net profit/(loss) for the period/year (11-12)	(1,875.21)	(3,420.82)
14	Other Comprehensive Income	34.38	23.22
15	Profit/ (Loss) for the period (13-14)	(1,840.83)	(3,397.60)
16	Paid-up equity share capital (Face value of the share - Rs 10/- each)	12,689.40	10,871.77
17	Reserve excluding revaluation reserves	-	-
18	Earnings Per Share		
	(a) Basic earnings per share (Not annualised)	(1.45)	(3.42)
	(b) Diluted earnings per share (Not annualised)	(1.45)	(3.42)

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Notes:

1. The above quarterly financial results have been reviewed by the Audit Committee and on their recommendation have been approved by the Board of Directors at its meeting held on September 14, 2016. The statutory auditors of the Company have reviewed the above financial results for the quarter ended June 30, 2016.

2. The auditors in their review report have drawn attention to the following matters:

(a) The Management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at June 30, 2016 such plants have a power generation capacity of 15 MW each. The assessment has been done on the basis of assumptions of useful life of assets, discounted cash flows with significant underlying assumptions, achievement of certain operating capacity and the ability of new technology to perform on a consistent basis.

Based on the assessment and advice from an independent legal counsel on the availability of concession period, excluding the available renewal period by exercising the option for renewal/extension of the concession period, the management, is confident, that there exists reasonable certainty that arrangement shall be extended for a term of 5 years. The management has filed an application with the sugar mills for the appointment of an arbitrator for the extension of the concession period and reassessed the life of the plants based on the above. Accordingly the management believes that the estimates of the useful lives are reasonable and no impairment exists in the carrying value of power generation plants.

(b) Unbilled revenue amounting Rs. 12,641.72 lacs, pertains to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/ survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussions with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take some time to recover the amounts owing to completion of certain administrative and contractual matters, the current provision being carried in the books is adequate and no further adjustments are required in respect of these unbilled receivables.

(c) 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 2007-08 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of Rs. 1,992.17 Lacs. The Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority has granted partial relief to the Company. The company and the income tax authorities have further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the Orders for these assessment years.

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 final decision on these matters no adjustments have been made in the financial statements.

3. The financial results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013.

4. The Company has adopted Ind AS from April 1, 2016 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act 2013, read with relevant rules issued thereunder. The date of transition to Ind AS is April 1, 2015. The impact of transition has been accounted for in the opening reserves and the comparative period results have been restated accordingly. The opening balance sheet as at April 1, 2015 and the results for the subsequent periods would be finalised and will be subject to audit at the time of annual financial statements for the year end March 31, 2017.

5. In terms of the accounting policy for revenue recognition, estimates of projects costs and revenues are reviewed periodically by the management and the impact of any changes in such estimates are recognized in the period in which such changes are determined.

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6. Reconciliation of Net Profit/(Loss) after tax as previously reported under Indian GAAP and Ind AS for the quarter ended June 30, 2015.

		(Amount in Rs Lacs)
S. No.	Particulars	Unaudited (Refer Note 7)
	Profit/(Loss) after tax as per Indian GAAP	(3,593.01)
	Adjustments	
i	Impact of financial assets and liabilities, accounted for at fair value	146.38
ii	Provision for expected credit loss	69.81
iii	Impact of recognising employee share based options at fair value	(31.96)
iv	Reclassification of net actuarial gain on employee defined benefit obligations to other comprehensive Income	(23.22)
v	Impact of discounting on long term provision for warranty	11.18
	Profit/(Loss) after tax as per Ind AS	(3,420.82)
vi	Other Comprehensive Income (net of tax)	23.22
	Total Comprehensive Income after tax as per Ind AS	(3,397.60)

7. The financial results for the quarter ended June 30, 2015 are also Ind AS compliant. The management has exercised necessary due diligence to ensure that the financial results give a true and fair view. This information has not been subjected to limited review or audit.

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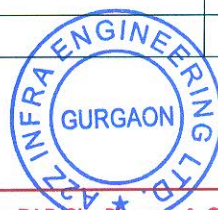


8. The Company has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108).

Particulars	(Amount in Rs Lacs)	
	Standalone	
	Quarter Ended	
	June 30, 2016	June 30, 2015
	(Unaudited)	(Unaudited)
1. Segment Revenue		
(a) Segment – ES	18,891.91	7,823.25
(d) Segment – PGP	69.29	76.23
(e) Segment – Others	1,309.26	268.94
Total	20,270.46	8,168.42
Less: Inter segment revenue	-	-
Net sales / income from operations	20,270.46	8,168.42
2. Segment results [Profit / (Loss) before tax and interest from each segment]		
(a) Segment – ES	833.00	(796.36)
(d) Segment – PGP	(76.62)	(30.22)
(e) Segment – Others	64.89	43.03
Total	821.27	(783.55)
Less: Inter segment results	-	-
Net segment results	821.27	(783.55)
Add: Interest income	229.04	214.70
Less:		
(i) Interest expense	2,676.50	2,738.43
(ii) Other unallocable expenditure net off unallocable income	(57.74)	117.53
Total profit / (loss) before tax and prior period items	(1,568.45)	(3,424.81)
3. Segment Assets		
(a) Segment – ES	173,142.17	115,605.74
(b) Segment – PGP	42,258.46	43,282.66
(c) Segment – Others	2,269.55	1,112.22
(d) Unallocated	47,681.69	48,343.60
Total Assets	265,351.87	208,344.22
4. Segment Liabilities		
(a) Segment – ES	103,926.95	58,004.90
(b) Segment – PGP	924.68	744.56
(c) Segment – Others	1,953.31	808.82
(d) Unallocated	94,168.97	84,995.63
Total Liabilities	200,973.91	144,553.91

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9. The above financial results are on standalone basis.
10. The figures of previous period have been regrouped or recast wherever necessary to make them comparable with those of the current period.

For and on behalf of A2Z Infra Engineering Ltd
(Formerly known as A2Z Maintenance & Engineering Services Limited)

Place: Gurgaon

Date: September 14, 2016

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A handwritten signature in blue ink, appearing to be 'Amit Mittal'.

Amit Mittal
Managing Director
DIN: 00058944

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
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T +91 124 462 8000
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Review Report on Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of A2Z Infra Engineering Limited (formerly known as A2Z Maintenance & Engineering Services Limited)

1. We have reviewed the accompanying statement of unaudited financial results (“Statement”) of A2Z Infra Engineering Limited (formerly known as A2Z Maintenance & Engineering Services Limited) (“the Company”) for the quarter ended June 30, 2016. Attention is drawn to Note-7 to the Statement that the figures for the corresponding quarter ended June 30, 2015, including the reconciliation of net loss under Ind AS of the corresponding quarter with net loss reported under previous GAAP, as included in the statement have not been subject to limited review or audit. This Statement is the responsibility of the Company’s Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Review Report on Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

4. We draw attention to:

- (i) Note 2(a) to the financial results which describes the uncertainty relating to the assumptions used by management with respect to the impairment assessment of the cogeneration power plants and availability of the extension in the concession period for an additional term.
- (ii) Note 2(b) to the standalone financial results with respect to unbilled receivables relating to certain contracts which are still in progress aggregating to Rs. 12,641.72 lacs, recognized in the earlier years. Management, based on ongoing discussions/ negotiations with the customers believes that these amounts are completely billable and accordingly, no adjustments have been made in the financial results
- (iii) Note 2(c) to the financial results which describes the uncertainty relating to the outcome of litigation pertaining to income tax matters pursuant to assessment orders received by the Company for the Assessment years 2009-10 to 2013-14 which are pending with Income Tax Appellate Tribunal (ITAT). Pending the final outcome of these matters, which is presently unascertainable, no further adjustments have been made in the financial results.

Our report is not qualified in respect of above matters.

5. We did not review the interim financial results of certain branches, included in the Statement, whose interim financial results reflect total revenues of Rs. 10.44 lacs and net loss after tax of Rs. 108.55 lacs for the quarter ended June 30, 2016. These financial results have been reviewed by the branch auditors whose report has been furnished to us and our report in respect thereof is based solely on their reports. Our report is not qualified in respect of this matter.


Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No: 001076N/N500013


Per **Neeraj Sharma**
Partner
Membership No. 502103



Gurgaon
September 14, 2016

A2Z INFRA ENGINEERING LTD.

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Annexure - B

The details of acquisition & investment to be disclosed under SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 are as below: -

Sr. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.	Name :- A2Z Powertech Limited Turnover :- NIL
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";	NA
3.	Industry to which the entity being acquired belongs	Smart Metering Business
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	A2Z Powertech Limited acts as support cell to the A2Z Infra Engineering Ltd. ("the company"). The company holds 95.00% equity shares of the A2Z Powertech Ltd. and to make it wholly owned subsidiary, the company has acquired the balance equity shares constituting 5.00% equity shares of A2Z Powertech Ltd.
5.	Brief details of any Governmental or regulatory approvals required for the acquisition	NA
6.	Indicative time period for completion of the acquisition	30 days
7.	Nature of consideration - whether cash consideration or share swap and details of the same	Cash Consideration
8.	Cost of acquisition or the price at which the shares are acquired	INR 700/- (INR Seven Hundred Only).
9.	Percentage of shareholding / control acquired and / or number of shares acquired	Total No. of Equity Shares Acquired :- 70,000 Percentage of Shareholding Acquired:- 5.00%



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10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information	<p>Brief background: - A2Z Powertech Limited was established to carry on the business of system integrators in the power sector using IT applications, autoreclosers with magnetic actuators, RMUs, CSS, sub-station automation, network energy management solution etc.</p> <p>Date of Incorporation :- 28th April, 2008</p> <p>Turnover of last 3 Year :-</p> <p>2015-16 :- NIL 2014-15 :- NIL 2013-14 :- INR 1,06,21,190/-</p>
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You are requested to take the above information on record.

Thanking you,

Yours truly

FOR A2Z INFRA ENGINEERING LTD

(Formerly Known as A2Z Maintenance & Engineering Services Limited)

(Atul Kumar Agarwal)
Company Secretary
FCS-6453

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