

A2Z INFRA ENGINEERING LTD.

(Previously Known as A2Z Maintenance & Engineering Services Limited)

CIN NO. L74999HR2002PLC0931805
BYE-FILING



REF. No.:- A2ZINFRA/SE/2016-17/0157

13th February, 2017

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Rotunda 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 Monday, February 13, 2017

Dear Sir,

This is to inform you that the members of the Board of Directors of A2Z Infra Engineering Ltd. have, at its meeting duly held today, i.e. 13th February, 2017, on the recommendations of the Audit Committee, have reviewed and approved the Standalone Unaudited Financial Results for the Quarter (Q3) and nine months ended December 31, 2016 along with the Limited Review Report issued by the Statutory Auditors.

A copy of the Statement of Unaudited Financial Results along with the Limited Review Report for the quarter and nine months ended December 31, 2016, approved by the Board pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as **Annexure - A**. A copy thereof has also been sent for publication as per the requirements.

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.

(Atul Kumar Agarwal)
Company Secretary
FCS-6453

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



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A2Z INFRA ENGINEERING LIMITED

Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2016

(Amount in Rs Lacs)

S. No.	Particulars	Standalone				
		Quarter Ended			Nine Months Ended	
		December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income from operations					
	(a) Net sales / income from operations	11,238.49	14,937.75	26,819.55	46,446.19	61,025.51
	(b) Other operating income	-	0.54	17.14	1.05	51.85
	Total Income from Operations (1)	11,238.49	14,938.29	26,836.69	46,447.24	61,077.36
2	Expenses					
	(a) Cost of material consumed	2,118.12	837.88	6,903.20	11,249.63	28,907.06
	(b) Purchase of stock in trade	1,002.68	2,175.61	873.92	4,216.40	1,976.84
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	7.38
	(d) Sub contractor / erection charges	4,976.25	8,739.22	14,163.45	21,383.47	19,450.66
	(e) Employee benefits expense	499.82	448.51	592.93	1,443.63	1,815.98
	(f) Depreciation and amortisation expense	364.75	364.25	299.26	1,099.11	990.73
	(g) Other expenses	1,544.85	1,187.29	1,735.13	4,416.51	5,247.00
	Total expenses (2)	10,506.47	13,752.76	24,567.89	43,808.75	58,395.65
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	732.02	1,185.53	2,268.80	2,638.49	2,681.71
4	Other income	250.72	462.52	268.95	1,240.92	1,364.78
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	982.74	1,648.05	2,537.75	3,879.41	4,046.49
6	Finance costs	2,942.48	2,993.95	2,861.12	8,753.50	8,631.86
7	Loss from ordinary activities after finance costs but before exceptional items (5-6)	(1,959.74)	(1,345.90)	(323.37)	(4,874.09)	(4,585.37)
8	Exceptional Items	-	-	-	-	-
9	Loss from ordinary activities before tax (7-8)	(1,959.74)	(1,345.90)	(323.37)	(4,874.09)	(4,585.37)
10	Tax expense	446.75	319.09	17.40	1,072.60	15.95
11	Net loss from ordinary activities after tax (09-10)	(2,406.49)	(1,664.99)	(340.77)	(5,946.69)	(4,601.32)
12	Extraordinary Items	-	-	-	-	-
13	Net loss for the period (11+12)	(2,406.49)	(1,664.99)	(340.77)	(5,946.69)	(4,601.32)
14	Other Comprehensive Income/(Loss)	13.97	(28.26)	(24.16)	20.09	(23.10)
15	Total Comprehensive Loss for the period (13+14)	(2,392.52)	(1,693.25)	(364.93)	(5,926.60)	(4,624.42)
16	Paid-up equity share capital (Face value of the share - Rs 10/- each)	13,101.23	12,962.20	12,306.57	13,101.23	12,306.57
17	Earnings Per Share					
	(a) Basic earnings per share (Not annualised)	(1.84)	(1.32)	(0.30)	(4.62)	(4.20)
	(b) Diluted earnings per share (Not annualised)	(1.84)	(1.32)	(0.30)	(4.62)	(4.20)

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IDENTIFICATION
PURPOSE ONLY



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

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CIN NO. L74999HR2002PLC034805



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Notes:

1. The standalone financial results of A2Z Infra Engineering Ltd ('the Company') for the quarter and the period ended December 31, 2016 and December 31, 2015 have been reviewed by the Audit Committee and approved by the Board of Directors ('the Board') at its meeting held on February 13, 2017. These results have been subjected to limited reviewed by the Statutory Auditors of the Company.

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 December 31, 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. 14,666.94 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.

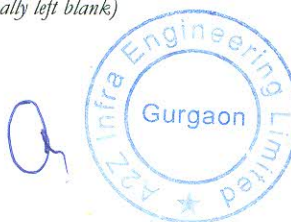
(c) The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the Assessment Orders for the assessment years 2007-08 to 2013-14 from the Deputy 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. 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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4. Reconciliation of Net Loss after tax as previously reported under Indian GAAP and Ind AS for the quarter and nine months ended December 31, 2015.

(Amount in Rs Lacs)			
S. No.	Particulars	Quarter Ended	Nine Months Ended
		December 31, 2015	December 31, 2015
		Unaudited	Unaudited
	Loss after tax as per Indian GAAP	(617.54)	(5,121.40)
	Adjustments		
i	Impact of financial assets and liabilities, accounted for at fair value	157.91	458.18
ii	Provision for expected credit loss	64.87	205.63
iii	Impact of recognising employee share based options at fair value	(72.34)	(154.83)
iv	Reclassification of net actuarial loss on employee defined benefit obligations to other comprehensive Income	24.16	23.10
v	Reversal of prior period (Income)/ Expenses recognised in IGAAP	29.22	(60.77)
vi	Impact of discounting on long term provision for warranty	72.95	48.77
	Loss after tax as per Ind AS	(340.77)	(4,601.32)
vii	Other Comprehensive Loss (net of tax)	(24.16)	(23.10)
	Total Comprehensive Loss after tax as per Ind AS	(364.93)	(4,624.42)

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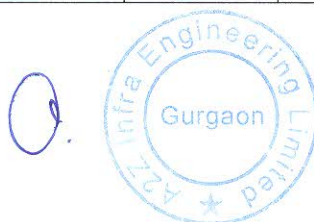
CIN NO. L74999HR2002PLC034805



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

(Amount in Rs Lacs)

Particulars	Standalone				
	Quarter Ended			Nine Months Ended	
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Segment Revenue					
(a) Segment – ES	9,641.77	12,469.33	25,690.23	41,003.01	58,186.02
(b) Segment – PGP	-	28.81	-	98.10	94.72
(c) Segment – Others	1,596.72	2,440.15	1,146.46	5,346.13	2,796.62
Total	11,238.49	14,938.29	26,836.69	46,447.24	61,077.36
Less: Inter segment revenue	-	-	-	-	-
Net sales / income from operations	11,238.49	14,938.29	26,836.69	46,447.24	61,077.36
2. Segment results [Profit / (Loss) before tax and interest from each segment]					
(a) Segment – ES	645.94	1,789.64	2,314.86	3,466.89	3,105.99
(b) Segment – PGP	(257.03)	(479.60)	(164.66)	(813.25)	(477.15)
(c) Segment – Others	355.22	90.31	39.66	510.42	141.78
Total	744.13	1,400.35	2,189.86	3,164.06	2,770.62
Less: Inter segment results	-	-	-	-	-
Net segment results	744.13	1,400.35	2,189.86	3,164.06	2,770.62
Add: Interest income	239.61	247.69	216.29	716.34	640.88
Less:					
(i) Interest expense	2,780.05	2,879.70	2,757.51	8,336.25	8,292.37
(ii) Other unallocable expenditure net off unallocable income	163.43	114.24	(27.99)	418.24	(295.50)
Total Loss before tax	(1,959.74)	(1,345.90)	(323.37)	(4,874.09)	(4,585.37)
3. Segment assets					
(a) Segment – ES	170,018.34	169,382.27	144,763.21	170,018.34	144,763.21
(b) Segment – PGP	41,890.29	42,101.90	43,678.31	41,890.29	43,678.31
(c) Segment – Others	1,354.19	1,865.29	1,382.60	1,354.19	1,382.60
(d) Unallocated	46,007.03	45,957.26	48,295.15	46,007.03	48,295.15
Total Assets	259,269.85	259,306.72	238,119.27	259,269.85	238,119.27
4. Segment liabilities					
(a) Segment – ES	95,595.59	96,148.16	81,937.07	95,595.59	81,937.07
(b) Segment – PGP	608.51	604.97	1,038.00	608.51	1,038.00
(c) Segment – Others	3,015.36	3,737.95	659.87	3,015.36	659.87
(d) Unallocated	98,963.54	95,607.08	88,348.48	98,963.54	88,348.48
Total Liabilities	198,183.00	196,098.16	171,983.42	198,183.00	171,983.42



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6. 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.
7. 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.
8. During the quarter ended December 31, 2016, the following changes in capital structure of the Company have taken place:
 - (a) Allotment of 482,495 equity shares of face value Rs. 10 each to the eligible employees of the Company who have exercised their stock option under the A2Z Employee Stock Option Plan 2013 (Trench I and II) and A2Z Employee Stock Option Plan 2014. These shares are pari-passu with the existing equity shares of the Company in all respects.
 - (b) During the current quarter, the Company has received remaining 75% of the proceeds for the issue of 907,788 equity shares. Accordingly, pursuant to the requisite approvals, the Company has issued equity shares against equivalent number of warrants at an issue price of Rs 21.66 each on a preferential basis to persons other than the Promoters and Promoter group.
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




Amit Mittal
Managing Director
DIN: 00058944

Place: Gurugram

Date: February 13, 2017

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Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

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Review Report on Quarterly and Year to Date 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

1. We have reviewed the accompanying statement of unaudited financial results (“the Statement”) of A2Z Infra Engineering Limited (“the Company”) for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016. 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 30 November 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 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.



Walker Chandiok & Co LLP

4. We draw attention to:

- (i) Note 2(a) to the Statement 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 Statement with respect to unbilled receivables relating to certain contracts which are still in progress aggregating to Rs. 14,666.94 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 Statement.
- (iii) Note 2(c) to the Statement 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 Statement.

Our report is not modified in respect of above matters.

5. We did not review the interim financial results of 3 branches, included in the Statement, whose interim financial results reflect total revenues of Rs. 1,320.66 lacs and Rs. 1,355.56 lacs and net loss after tax of Rs. 26.39 lacs and Rs. 125.26 lacs for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 respectively. These financial results have been reviewed by the branch auditors whose reports have been furnished to us and our report in respect thereof is based solely on their reports. Our report is not modified in respect of this matter.

Walker Chandiok & Co LLP
For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No: 001076N/N500013

Neeraj
per Neeraj Sharma
Partner
Membership No. 502103

Place: Gurugram
Date: 13 February 2017

