

BY E-FILING30th July, 2020

To,
BSE Limited
PhirozeJeejeebhoy 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, BandraKurla Complex,
Bandra (E), Mumbai-400051
Fax- 022-26598237/38

NSE Code-A2ZINFRA

Subject: Outcome of Board Meeting Duly held on Thursday, July 30, 2020

Dear Sir/Madam,

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

1. **Approval of Audited Standalone & Consolidated Financial Statements for the year ended on 31st March, 2020 along with audited Standalone and Consolidated Financial Results for the Quarter (Q4) ended on 31st March, 2020.**

Board of Directors on the recommendations of the Audit Committee, have reviewed and approved the Audited Standalone & Consolidated Financial Statements for the year ended on 31st March, 2020 along with audited Standalone and Consolidated Financial Results for the Quarter (Q4) ended on 31st March, 2020.

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, 2020 is enclosed herewith.

2. **Comments made by the board for delay in filing of financial results for Quarter (Q3) ended December 31, 2019 as per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018**

We had vide our letter dated February 14, 2020 informed both the Stock Exchanges that the Board Meeting for considering Unaudited Financial Results for the Quarter Ended December 31, 2019



could not be convened before due date i.e. February 14, 2020 due to want of quorum for the Audit Committee Meeting. The meeting of the members of the Audit Committee and Board was duly held on Thursday, 20th February, 2020 and Company has submitted the results to both the Stock Exchanges. BSE vide their letter no. LIST/COMP/533292/Reg. 33-Dec-19/323/2019-20 dated March 03, 2019 and NSE vide their letter no. NSE/LIST-SOP/REG33/FINES/102959 dated March 03, 2020 advised us to pay the fines due as per SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018 and to hold Board Meeting for disclosure of aforesaid Financial Results as soon as possible.

As required as per SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018, the aforesaid matter alongwith letters received from both the Stock Exchanges were placed before the Board of Directors in their meeting held today and the Members of the Board after due enquiry and deliberation noted that the Company has submitted the results to both the Stock Exchanges and complied with the notices received from both the Stock Exchanges and also paid the requisite penalty and delay was beyond control of the Management of the Company, and emphasized that going forward prescribed timelines should be strictly adhered to as far as practically possible.

We would like to state that our Company has always been meticulous in complying with the SEBI Regulations/Companies Act, etc. but the submission of the results for the quarter ended December 31, 2019, got delayed due to unavoidable circumstances.

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.



(Atul K. Agarwal)
Company Secretary
FCS-6453



A2Z INFRA ENGINEERING LIMITED

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2020

(Amount in Rs. Lakhs)

S. No.	Particulars	Quarter ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1	Income					
	Revenue from operations	6,984.39	5,799.74	18,170.76	38,522.64	50,732.52
	Other income	283.13	373.68	352.12	1,928.60	1,668.21
	Total income	7,267.52	6,173.42	18,522.88	40,451.24	52,400.73
2	Expenses					
	Cost of material consumed	5,532.06	5,114.44	14,614.90	34,006.32	39,921.52
	Employee benefit expenses	342.73	405.21	515.96	1,750.24	2,143.03
	Finance costs	1,518.99	1,270.37	1,480.33	4,874.14	4,109.94
	Depreciation and amortization expenses	253.89	246.67	251.31	1,001.14	1,108.48
	Other expenses	4,476.24	393.06	1,055.87	6,667.60	4,477.07
	Total expenses	12,123.91	7,429.75	17,918.37	48,299.44	51,760.04
3	(Loss)/Profit before exceptional items and tax	(4,856.39)	(1,256.33)	604.51	(7,848.20)	640.69
4	Exceptional items –(loss)/gain (Refer note 7)	(24,381.56)	(218.75)	3,593.09	(17,630.90)	2,690.55
5	(Loss)/Profit before tax	(29,237.95)	(1,475.08)	4,197.60	(25,479.10)	3,331.24
	Current tax	(28.60)	5.43	(37.92)	5.60	71.55
	Deferred tax	1,850.31	-	0.99	3,606.00	47.47
6	(Loss)/Profit for the period/year	(31,059.66)	(1,480.51)	4,234.53	(29,088.70)	3,212.22
7	Other comprehensive income					
	Items that will not be reclassified to profit and loss	9.31	5.16	9.07	31.07	35.32
	Total Other Comprehensive Income for the period/year	9.31	5.16	9.07	31.07	35.32
8	Total Comprehensive Income for the period/year	(31,050.35)	(1,475.35)	4,243.60	(29,057.63)	3,247.54
9	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
10	Other equity	-	-	-	18,383.11	47,163.30
11	(Loss)/Earnings per equity share:					
	(a) Basic	(17.64)	(0.84)	2.40	(16.52)	1.82
	(b) Diluted	(17.64)	(0.84)	2.40	(16.52)	1.82

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Notes:

- 1) The above standalone 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 July 30, 2020. The statutory auditors have reviewed the above standalone financial results for the quarter and year ended March 31, 2020.

The figures for the quarters ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial years ended March 31, 2020 and March 31, 2019 respectively and the unaudited published year to date figures upto December 31, 2019 and December 31, 2018 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, 2020, December 31, 2019 and March 31, 2019.

- 2) The auditors in their audit report have drawn attention to the following matters:

- a. The management has performed an impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Build, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2020, such plants have a power generation capacity of 15 MW each. Till last quarter/ last year the assessment had been done on the basis of assumptions of the useful life of assets, discounted cash flows with significant underlying assumptions, the achievement of certain operating capacity, and the ability of new technology to perform on a consistent basis.

The Company has also entered into arbitration proceedings with the sugar mills for the extension of the concession period. During the current year, certain disputes arose with sugar mills in respect of cogeneration power plants accordingly the management of the Company decided to shift these power plants to other locations which is yet to be finalized. Accordingly, the management carried out an impairment assessment and has recorded an impairment of Rs. 29,536.28 lakhs in carrying value of these assets as at March 31, 2020. Accordingly, management believes that the estimates of the useful lives are reasonable and no further material adjustments to the carrying value of these plants are necessary.

Out of the aforementioned impairment as at March 31, 2020 Rs. 22,413.72 lakhs pertain to, two power plants, which were yet to be capitalised and Rs. 7,122.56 lakhs are for power plant which has already been capitalised. Accordingly, company has impaired the power plant for Rs. 14,996.81 lakhs under exceptional items (refer note 7) in the statement of profit and loss.

The recoverable amount of all three cogeneration power plants is based on asset approach and determined at the level of the Cash Generating Unit (CGU).

- b. The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of Rs. 1,992.17 lakhs. During the year ended March 31, 2015 the Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Company. The Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters, where the CIT(A) has not accepted the Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Company.

Further, during the year ended March 31, 2018, the Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of Rs. 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Company.

During the year ended March 31, 2019, the Company has received orders from CIT (Appeals) 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.





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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.

- 3) The Company, as at March 31, 2020, has non-current investments (net of impairment) amounting to Rs. 20,889.42 lakhs, other current financial assets (net of impairment) amounting to Rs. 418.24 lakhs and current financial assets-loan amounting to Rs. 399.73 lakhs in its associate company A2Z Green Waste Management Limited ('AGWML') which has holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited together with its subsidiaries is referred to as A2Z Green Waste Management Group). While A2Z Green Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2020 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of A2Z Green Waste Management Group. 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 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.

Standalone segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2020

Particulars	Quarter ended			(Amount in Rs. Lakhs) Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1. Segment revenue					
(a) Segment – ES	6,869.20	5,708.51	17,712.57	37,871.39	48,549.43
(b) Segment – PGP	121.93	90.49	-	241.00	87.01
(c) Segment – Others	(6.74)	0.74	458.19	410.25	2,096.08
Total	6,984.39	5,799.74	18,170.76	38,522.64	50,732.52
Less: Inter segment revenue	-	-	-	-	-
Revenue from operations	6,984.39	5,799.74	18,170.76	38,522.64	50,732.52
2. Segment results [(Loss)/Profit before tax and interest from each segment]					
(a) Segment – ES	(3,260.41)	67.90	2,278.28	(2,813.48)	3,916.11
(b) Segment – PGP	(374.79)	(340.90)	(522.47)	(1,358.52)	(1,356.20)
(c) Segment – Others	(10.87)	(13.20)	162.92	18.79	998.24
Total	(3,646.07)	(286.20)	1,918.73	(4,153.21)	3,558.15
Less: Inter segment results	-	-	-	-	-
Net segment results	(3,646.07)	(286.20)	1,918.73	(4,153.21)	3,558.15
Add: Interest income	305.76	300.26	166.12	1,176.24	1,192.50

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Standalone segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2020 (Cont'd)

Particulars	Quarter ended		Year ended		
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
Less:					
(i) Interest expense	1,402.83	1,148.33			
(ii) Other unallocable expenditure net of unallocable income	113.25	122.06	1,319.85	4,404.76	3,617.21
(Loss)/Profit before exceptional item and tax	(4,856.39)	(1,256.33)	160.49	466.47	462.75
Exceptional (loss)/gain					
(a) Segment - ES	(7,394.93)	-			
(b) Segment - PGP	(14,996.81)	-	(26,958.08)	(7,394.93)	(26,958.08)
(c) Unallocable items	(1,989.82)	(218.75)	(4,900.54)	(14,996.81)	(4,900.54)
(Loss)/Profit after exceptional item and before tax	(29,237.95)	(1,475.08)	35,451.71	4,760.84	34,549.17
Less: Tax expense					
(i) Current tax	(28.60)	5.43	(37.92)	3.60	71.55
(ii) Deferred tax (net)	1,850.31	-	0.99	3,606.00	47.47
(Loss)/Profit for the year	(31,059.66)	(1,480.51)	4,234.53	(29,088.70)	3,212.22
3. Segment assets					
(a) Segment - ES	112,674.74	131,217.44			
(b) Segment - PGP	8,242.25	23,205.47	123,672.01	112,674.74	123,672.01
(c) Segment - Others	3,694.22	3,614.36	23,828.91	8,242.25	23,828.91
(d) Unallocated	37,656.75	40,634.70	2,364.92	3,694.22	2,364.92
Total Assets	162,267.96	198,671.97	190,338.83	162,267.96	190,338.83
4. Segment liabilities					
(a) Segment - ES	80,986.49	89,910.23	86,245.51	80,986.49	86,245.51
(b) Segment - PGP	183.68	150.76	193.73	183.68	193.73
(c) Segment - Others	6,554.36	7,647.31	928.79	6,554.36	928.79
(d) Unallocated	38,548.33	33,965.87	38,195.51	38,548.33	38,195.51
Total Liabilities	126,272.86	131,674.17	125,563.54	126,272.86	125,563.54

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5) Standalone Statement of Assets and Liabilities

Particulars	(Amounts in Rs. Lakhs)	
	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
Assets		
Non-current assets		
Property, plant and equipment		
Right to use of assets	4,294.75	10,515.97
Capital work-in-progress	85.01	-
Intangible assets	4,374.29	14,156.80
Financial assets	0.88	1.47
Investments		
Loans	27,141.21	28,824.48
Other financial assets	89.27	93.34
Deferred tax assets (net)	1,411.30	2,126.49
Non-current tax assets (net)	2,668.96	6,274.96
Other non-current assets	4,351.98	3,518.31
Total	13.08	28.41
Current assets	44,430.73	65,540.23
Inventories		
Financial assets		394.13
Investments		
Trade receivables	1,031.69	-
Cash and cash equivalents	81,837.39	89,474.71
Loans	543.47	842.88
Other financial assets	2,492.95	2,618.41
Other current assets	16,363.37	15,985.72
Assets held for sale	13,033.81	12,948.20
Total	2,534.55	2,534.55
Total Assets	117,837.23	124,798.60
	162,267.96	190,338.83
Equity and liabilities		
Equity		
Equity share capital		
Other equity	17,611.99	17,611.99
Total equity	18,383.11	47,163.30
	35,995.10	64,775.29

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CIN NO. L74999HR2002PLC034805



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Standalone Statement of Assets and Liabilities (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at March	As at March
	31, 2020 (Audited)	31, 2019 (Audited)
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	223.38	2,734.64
Lease liability	46.51	-
Other financial liabilities	-	-
Provisions	1,239.84	982.04
Total	1,509.73	3,716.68
Current liabilities		
Financial Liabilities		
Borrowings	25,890.01	22,717.54
Lease liability	37.53	-
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	53.71	42.36
- Total outstanding dues of creditors other than micro enterprises and small enterprises	56,835.05	55,998.44
Other financial liabilities	20,297.10	20,202.36
Other current liabilities	21,571.74	22,756.12
Provisions	77.99	130.04
Total	124,763.13	121,846.86
Total Equity and Liabilities	162,267.96	190,338.83

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6) Standalone Cashflow Statement

(Amount in Rs. Lakhs)

Particulars	March 31, 2020	March 31, 2019
	(Audited)	(Audited)
Cash flows from operating activities:		
Net (Loss)/profit before tax (after exceptional items)	(25,479.10)	3,331.24
Adjustments:		
Exceptional items	17,630.90	(2,690.55)
Depreciation and amortisation expense	1,001.14	1,108.48
Gain/(loss) on disposal of property, plant and equipment	7.54	(25.79)
Interest expense	4,404.76	3,647.21
Interest income	(1,175.93)	(1,192.50)
Provision for contract revenue in excess of billing	165.35	164.52
Provision for bad and doubtful debts / advances	4,078.86	1,509.18
Provision for warranty	716.58	707.06
Advances / earnest money deposit write – off	-	44.47
Liability/provision written back	(161.79)	-
Provision for employee benefits	28.32	43.15
Recognition of share based payments at fair value	266.13	170.74
Inventory written off	108.02	-
Unwinding of discount on security deposits	(0.31)	(0.11)
Gain on modification of lease contract	(0.15)	-
Operating profit before working capital changes	1,590.32	6,817.10
Net changes in working capital		
Changes in inventories	286.11	(44.99)
Change in trade receivables	(3,965.70)	(1,127.87)
Changes in loans	110.70	(548.04)
Changes in other financial assets	(2,070.43)	33.87
Changes in other assets	(871.35)	(3,144.04)
Change in trade payables	3,211.96	(1,528.67)
Changes in provisions	(560.96)	(40.08)
Change in financial liabilities	880.57	151.48
Change in other liabilities	(2,168.06)	12,177.81
Net changes in working capital:	(5,147.16)	5,929.47
Cash flow from operations	(3,556.84)	12,746.57
Current taxes paid (net of refunds)	(837.27)	(907.48)
Net cash flow from operating activities (A)	(4,394.11)	11,839.09
Cash flows from investing activities:		
Payments for property, plant and equipment(including capital work-in-progress)	(30.44)	(73.93)
Proceeds from sale of property, plant and equipment	32.30	34.66
Proceed from loss of control	-	5.01
Fixed deposits matured/ (placed) - (net)	671.05	(622.23)
Interest received	298.39	317.48
Net cash flow from/(used in) investing activities (B)	971.30	(339.01)

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Standalone Cashflow Statement (Cont'd)

(Amount in Rs. Lakhs)

Particulars	March 31, 2020	March 31, 2019
	(Audited)	(Audited)
Cash flows from financing activities:		
Repayments of long-term borrowings (net)	(2,195.65)	(9,644.71)
Proceeds/(Repayments) from short term borrowings (net)	7,158.87	(1,534.59)
Payment of lease liabilities	(31.30)	-
Interest paid	(1,808.52)	(575.61)
Net cash flow from/(used in) financing activities (C)	3,123.40	(11,754.91)
Net (decrease) in cash and cash equivalents (A+B+C)	(299.41)	(254.83)
Cash and cash equivalents at the beginning of the year	842.88	1,097.71
Cash and cash equivalents at the end of the year	543.47	842.88

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

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
One Time Settlement (OTS) with banks and financial institutions	-	-	38,910.13	8,639.32	39,135.13
Liabilities written back	2,404.09	-	1,498.47	2,404.09	1,498.47
Exceptional Gain (A)	2,404.09	-	40,408.60	11,043.41	40,633.60
Impact of fair valuation of derivative liability on subsequent remeasurement	335.43	218.75	(434.92)	2,224.09	692.62
Contract revenue in excess of billing written off	1,326.90	-	8,959.11	1,326.90	8,959.11
Capital assets impaired/written off (Refer note-2(a))	14,996.81	-	4,200.00	14,996.81	4,200.00
Investment provision/written off	1,654.39	-	1,126.40	1,654.39	1,126.40
Trade receivable written off	8,472.12	-	18,922.59	8,472.12	18,922.59
Loans and advances provision/written off	-	-	4,042.33	-	4,042.33
Exceptional Loss (B)	(26,785.65)	218.75	36,815.51	28,674.31	37,943.05
Net Exceptional (loss)/gain(A-B)	(24,381.56)	(218.75)	3,593.09	(17,630.90)	2,690.55

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. 570.53 lakhs and Rs. 1,809.46 lakhs for the quarter and the year ended March 31, 2020 respectively (Rs. 1,595.92 lakhs for the year ended March 31, 2019 and Rs. 452.88 lakhs and Rs.936.68 lakhs for the quarter and nine months ended December 31, 2019 respectively). The Company is already in discussion with the said banks and Asset Reconstruction Company for settlement of their dues.

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- 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, 2020, the Company has delayed payments in respect of the certain deferred instalments amounting Rs 11,560.13 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, based on the terms of the agreement entered with such Lenders, the management believes that no additional liability shall devolve on the Company in addition to the carrying value of such liability as at March 31, 2020. 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.

- 10) The company has adopted Ind AS 116 'Leases' effective from April 01, 2019 as notified by the ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019 using modified retrospective method. The adoption of this standard did not have any material impact on the standalone financial results of the quarter and year ended March 31, 2020.
- 11) The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognised provision for income-tax for the quarter and year ended March 31, 2020 and re-measured its deferred tax assets/liabilities basis the rate prescribed in the aforesaid section.
- 12) The Company has accumulated losses amounting Rs 72,673.92 lakhs as at March 31, 2020 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 has filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 696.43 lakhs and the matter has not been admitted yet with the NCLT and the management is in discussion with the said lender for amicably settling the matter. Further, during the 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 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 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 statements and accordingly, these have been prepared on a going concern basis.
- 13) The outbreak of SARS-CoV-2 virus ('Covid-19') has severely impact businesses around the world. In many countries, including India, there has been severe disruption of regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The management has made a detailed assessment of its liquidity position, including recoverability/carrying values of its trade receivables, business and other advances, and investments as at balance sheet date, however, the actual impact of Covid-19 pandemic on the company's results remains uncertain and dependent on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these results. The Company has filed a disclosure of material impact of Covid-19 pandemic on the company under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 dated May 28, 2020.
- 14) During the current year the Company has re-classified investment held in one of the subsidiary company under current investment from non-current investments as the management of the Company intends to liquidate this investment as per the approved plan of the Board of Directors.
- 15) Previous period figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period's classification.

For and on behalf of A2Z Infra Engineering Limited

Place: Gurugram
Date: July 30, 2020

M.S.



R. Jain

Rajesh Jain
Whole Time Director & CEO
DIN: 07015027

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A2Z INFRA ENGINEERING LIMITED
Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020

S.No.	Particulars	Quarter ended			(Amount in Rs. Lakhs) Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1	Income					
	Revenue from operations	13,703.50	14,321.03	26,909.67	69,984.30	86,870.11
	Other income	540.28	798.64	653.52	2,819.83	1,932.96
	Total income	14,243.78	15,119.67	27,563.19	72,804.13	88,803.07
2	Expenses					
	Cost of material consumed	7,721.00	8,268.02	16,607.36	42,705.99	47,827.75
	Changes in inventories of Finished goods, Stock-in-trade and Work-in-progress	(32.89)	(99.66)	(71.64)	(162.65)	(0.58)
	Employee benefit expenses	4,061.34	4,983.10	5,879.95	21,592.94	26,246.58
	Finance costs	1,807.25	1,581.08	1,901.35	6,034.47	5,977.90
	Depreciation and amortization expenses	355.48	352.73	544.19	1,370.47	2,698.67
	Other expenses	5,356.56	791.09	1,925.52	8,746.35	7,036.18
	Total expenses	19,268.74	15,876.36	26,786.73	80,287.57	89,786.50
3	(Loss)/ Profit before exceptional items, share of net (loss)/profit of investments accounted for using equity method and tax	(5,024.96)	(756.69)	776.46	(7,483.44)	(983.43)
4	Share of net (loss) / profit of investments accounted for using equity method	(281.43)	(320.27)	(974.83)	(135.27)	(974.83)
5	(Loss)/ Profit before exceptional items and tax	(5,306.39)	(1,076.96)	(198.37)	(7,618.71)	(1,958.26)
6	Exceptional items - (loss)/ gain (Refer note 7)	(22,219.86)	(218.75)	32,246.61	(16,108.68)	31,344.07
7	(Loss)/ Profit before tax	(27,526.25)	(1,295.71)	32,048.24	(23,727.39)	29,385.81
	Current tax	(63.82)	154.02	154.97	347.12	518.24
	Deferred tax	1,830.62	(34.13)	88.55	3,739.87	144.43
8	(Loss) / profit for the period/year	(29,293.05)	(1,415.60)	31,804.72	(27,814.38)	28,723.14
9	Other comprehensive income					
	Items that will not be reclassified to profit and loss	129.23	5.16	172.81	150.99	199.06
	Total Other Comprehensive Income for the period/year (net of tax)	129.23	5.16	172.81	150.99	199.06
10	Total Comprehensive Income for the period/year	(29,163.82)	(1,410.44)	31,977.53	(27,663.39)	28,922.20

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(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Year ended	
		March 31,2020 (Refer Note 1)	December 31, 2019 (Unaudited)	March 31, 2019 (Refer Note 1)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
11	(Loss) / profit for the period/year attributable to:					
	Equity holders of the Company	(29,218.18)	(1,485.11)	32,064.52	(27,695.95)	30,504.83
	Non-controlling interests	(74.87)	69.51	(259.80)	(118.43)	(1,781.69)
12	Other Comprehensive income is attributable to:					
	Equity holders of the Company	123.29	5.16	168.77	145.05	195.02
	Non-controlling interests	5.94	-	4.04	5.94	4.04
13	Total Comprehensive income is attributable to:					
	Equity holders of the Company	(29,094.89)	(1,479.95)	32,233.29	(27,550.90)	30,699.85
	Non-controlling interests	(68.93)	69.51	(255.76)	(112.49)	(1,777.65)
14	Paid-up equity share capital (Face value of the share – Rs 10/- each)	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99
15	Other equity				23,666.51	50,939.97
16	(Loss)/ Earnings per equity share:					
	(a) Basic	(16.59)	(0.85)	18.21	(15.73)	17.32
	(b) Diluted	(16.59)	(0.85)	18.19	(15.73)	17.30

Notes:

- 1) The above consolidated financial results have been reviewed by the Audit Committee and on their recommendation have been approved by the Board of Directors at its meeting held on July 30, 2020. The statutory auditors have carried out limited review of these financial results for the quarter and year ended March 31, 2020.

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

The figures in the consolidated financial results for the quarter ended March 31, 2019 have been approved by the Holding Company's Board of Directors, but have not been subject to audit or review.

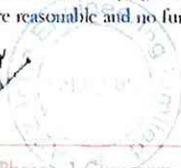
Basic and Diluted Earnings Per Share is not annualized for the quarters ended March 31, 2020, December 31, 2019 and March 31, 2019.

- 2) The auditors in their audit report have drawn attention to the following matters:
- The management has performed an impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Build, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2020, such plants have a power generation capacity of 15 MW each. Till last quarter/ last year the assessment had been done on the basis of assumptions of the useful life of assets, discounted cash flows with significant underlying assumptions, the achievement of certain operating capacity, and the ability of new technology to perform on a consistent basis.

The Holding Company has also entered into arbitration proceedings with the sugar mills for the extension of the concession period. During the current year, certain disputes arose with sugar mills in respect of cogeneration power plants accordingly the management of the Holding Company decided to shift these power plants to other locations which is yet to be finalized. Accordingly, the management carried out an impairment assessment and has recorded an impairment of Rs. 29,536.28 lakhs in carrying value of these assets as at March 31, 2020. Accordingly, management believes that the estimates of the useful lives are reasonable and no further material adjustments to the carrying value of these plants are necessary.

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Out of the aforementioned impairment as at March 31, 2020 Rs. 22,413.72 lakhs pertain to, two power plants, which were yet to be capitalised and Rs. 7,122.56 lakhs are for power plant which has already been capitalised. Accordingly, holding company has impaired the power plant for Rs. 14,996.81 lakhs under exceptional items (refer note 7) in the statement of profit and loss.

The recoverable amount of all three cogeneration power plants is based on asset approach and determined at the level of the Cash Generating Unit (CGU).

- b) The Income tax authorities conducted a search and survey at certain premises of the 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 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 financial results.

- c) During the financial year ended March 31, 2017, the Holding Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities (the Authority) regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Holding Company received response to its application wherein the Authority opined that entire project is covered within the ambit of the service tax. Accordingly, the Holding Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Holding Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Holding Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.
- 3) The Holding Company, as at March 31, 2020, has non-current investments (net of impairment) amounting to Rs. 20,889.42 lakhs, other current financial assets (net of impairment) amounting to Rs. 418.24 lakhs and current financial assets-loan amounting to Rs. 399.73 lakhs in its associate company A2Z Green Waste Management Limited (AGWML) which has holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited together with its subsidiaries is referred to as A2Z Green Waste Management Group). While A2Z Green Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2020 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of A2Z Green Waste Management Group. 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.

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- 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 consolidated segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2020

Particulars	Quarter ended			(Amount in Rs. lakhs) Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
I. Segment revenue					
(a) Segment – ES	6,869.20	5,708.51	17,843.77	37,871.39	49,982.98
(b) Segment – FMS	4,696.24	5,927.96	6,676.12	23,109.78	26,770.57
(c) Segment – MSW	2,038.14	2,587.68	3,564.80	8,365.67	8,814.74
(d) Segment – PGP	121.93	90.49	87.01	241.00	87.01
(e) Segment – Others	10.58	21.39	(1,067.00)	491.26	2,259.04
Total	13,736.09	14,336.03	27,104.70	70,079.10	87,914.34
Less: Inter segment revenue	32.59	15.00	195.03	94.80	1,044.23
Revenue from operations	13,703.50	14,321.03	26,909.67	69,984.30	86,870.11
2. Segment results [Profit / (Loss) before tax and interest from each segment]					
(a) Segment – ES	(3,316.11)	64.18	2,026.24	(2,828.10)	3,818.13
(b) Segment – FMS	307.50	(43.53)	490.76	599.88	1,401.82
(c) Segment – MSW	(311.63)	510.90	1,927.61	464.95	(248.91)
(d) Segment – PGP	(377.42)	(341.35)	(436.19)	(1,362.50)	(1,359.76)
(e) Segment – Others	10.03	12.47	(1,450.48)	(75.58)	949.19
Total	(3,687.63)	202.67	2,557.94	(3,201.35)	4,560.47
Less: Inter segment results	-	-	-	-	-
Net segment results	(3,687.63)	202.67	2,557.94	(3,201.35)	4,560.47
Add: Interest income	469.93	621.71	119.87	1,752.38	434.00
Less:					
(i) Interest expense	1,659.79	1,438.26	1,646.82	5,481.76	5,341.87
(ii) Other unallocable expenditure net of unallocable income	(428.90)	463.08	1,229.36	(687.98)	1610.86
(Loss)/ Profit before exceptional item and tax	(5,306.39)	(1,076.96)	(198.37)	(7,618.71)	(1,958.26)
Exceptional (loss) /gain					
(a) Segment – ES	(7,394.93)	-	(26,958.08)	(7,394.93)	(26,958.08)
(b) Segment – PGP	(14,488.51)	-	(4,900.54)	(14,488.51)	(4,900.54)
(c) Segment – MSW	-	-	-	-	-
(d) Unallocable items	(336.42)	(218.75)	64,105.23	5,774.76	63,202.69
(Loss)/ Profit after exceptional item and before tax	(27,526.25)	(1,295.71)	32,048.24	(23,727.39)	29,385.81

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Consolidated segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2020 (Cont'd)

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
Less: Tax expense					
Current tax	(63.82)	154.02	154.97	347.12	518.24
Deferred tax	1,830.62	(34.13)	88.55	3,739.87	144.43
(Loss) / profit for the period/year	(29,293.05)	(1,415.60)	31,804.72	(27,814.38)	28,723.14
3. Segment assets					
(a) Segment – ES	113,097.06	131,343.96	123,515.00	113,097.06	123,515.00
(b) Segment – FMS	16,350.78	14,981.52	15,536.88	16,350.78	15,536.88
(c) Segment – MSW	13,019.41	12,942.28	1,828.61	13,019.41	1,828.61
(d) Segment – PGP	8,831.85	23,799.50	24,421.98	8,831.85	24,421.98
(e) Segment – Others	5,694.05	5,093.44	4,045.71	5,694.05	4,045.71
(f) Unallocated	42,377.13	44,368.34	48,169.49	42,377.13	48,169.49
Total Assets	1,99,370.28	232,529.04	217,517.67	1,99,370.28	217,517.67
4. Segment liabilities					
(a) Segment – ES	82,067.97	90,701.16	91,415.45	82,067.97	91,415.45
(b) Segment – FMS	14,128.86	12,951.68	12,284.91	14,128.86	12,284.91
(c) Segment – MSW	10,487.91	9,995.41	2,166.46	10,487.91	2,166.46
(d) Segment – PGP	203.14	172.74	211.17	203.14	211.17
(e) Segment – Others	7,608.64	8,671.74	1,949.60	7,608.64	1,949.60
(f) Unallocated	44,084.21	40,130.59	40,811.85	44,084.21	40,811.85
Total Liabilities	158,580.73	162,623.32	148,839.44	158,580.73	148,839.44

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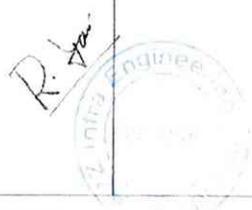


5) Consolidated Statement of Assets and Liabilities

(Amount in Rs. lakhs)

Particulars	Consolidated	
	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
Assets		
Non-current assets		
Property, plant and equipment	7,818.80	12,297.58
Right to use of assets	125.51	-
Capital work-in-progress	9,033.16	14,235.49
Investment property	-	229.72
Goodwill	4,291.23	4,291.23
Intangible assets	14.26	19.08
Intangible assets under development	73.42	73.42
Investment accounted for using equity method	21,293.63	22,553.55
Financial assets		
Loans	227.50	157.90
Other financial assets	1,831.40	2,494.51
Deferred tax assets (net)	3,186.14	6,944.58
Non-current tax assets (net)	6,953.71	6,084.72
Other non-current assets	612.75	327.06
Total	55,461.51	69,708.84
Current assets		
Inventories	590.58	420.01
Financial assets		
Trade receivables	91,713.74	98,317.68
Cash and cash equivalents	1,038.43	1,287.87
Other bank balances	116.83	116.83
Loans	8,592.31	8,998.60
Other financial assets	23,039.48	21,707.00
Other current assets	15,775.92	14,426.29
Assets held for sale	3,041.48	2,534.55
Total	143,908.77	147,808.83
Total Assets	199,370.28	217,517.67
Equity and liabilities		
Equity		
Equity share capital	17,611.99	17,611.99
Other equity	23,666.51	50,939.97
Equity attributable to equity holders of the company	41,278.50	68,551.96
Non-controlling interest	(488.95)	126.27
Total equity	40,789.55	68,678.23

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Particulars	Consolidated	
	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	358.38	3,659.07
Lease liability	64.96	-
Other financial liabilities	12.08	8.74
Provisions	1,884.12	1,650.81
Deferred tax liabilities (Net)	40.31	16.67
Other non-current liabilities	3,072.53	0.94
Total	5,432.38	5,336.23
Current liabilities		
Financial Liabilities		
Borrowings	33,836.34	29,815.71
Lease liability	56.94	-
Trade payables	-	-
- Total outstanding dues of micro enterprises and small enterprises	75.54	42.36
- Total outstanding due of creditors other than micro enterprises and small enterprises	67,066.25	64,456.37
Other financial liabilities	-	-
Other current liabilities	22,874.44	21,746.92
Provisions	29,072.31	27,234.95
Current tax liabilities (Net)	97.64	138.27
Total	68.89	68.63
Total equity and liabilities	153,148.35	143,503.21
	199,370.28	217,517.67

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6) Consolidated cashflow Statement

Particulars	(Amounts in Rs. Lakhs)	
	Consolidated	
	March 31, 2020	March 31, 2019
	(Audited)	(Audited)
Cash flows from operating activities:		
Net (loss)/Profit before tax (after exceptional items)	(23,727.39)	29,385.81
Adjustments:		
Exceptional items	16,108.68	(31,344.07)
Share of associates	135.27	974.83
Depreciation and amortisation expense	1,370.47	2,698.67
Profit / (Loss) on disposal of property, plant and equipment	7.54	(25.79)
Interest expense	5,481.76	5,341.87
Interest income	(2,020.70)	(433.62)
Provision for contract revenue in excess of billing	165.35	164.52
Gain on modification of lease contract	(0.15)	-
Provision for bad and doubtful debts / advances	4,209.45	1,547.72
Provision for warranty	716.58	707.06
Advances / earnest money deposit write – off	-	579.19
Liability / Provision written back	(33.58)	(336.28)
Inventory written off	108.02	-
Bad debts written off	-	34.11
Actuarial gain/ loss on gratuity	193.20	272.94
Recognition of share-based payments at fair value	277.44	191.12
Subsidy amortised	(45.36)	(586.17)
Rental income	(74.03)	(91.82)
Operating profit before working capital changes	2,872.55	9,080.09
Net changes in working capital		
Changes in inventories	145.34	(15.23)
Change in trade receivables	(3,454.07)	(2,338.39)
Changes in loans	441.24	(11,431.70)
Changes in other financial assets	(2,775.41)	4,404.78
Changes in other assets	(2,106.98)	(2,575.16)
Change in trade payables	3,417.91	(2,439.81)
Changes in provisions	(611.22)	(315.61)
Change in financial liabilities	(413.43)	5,790.85
Change in other liabilities	894.63	9,896.09
Net changes in working capital:	(4,461.99)	975.82
Cash flow from operations	(1,589.44)	10,055.91
Current taxes paid (net of refunds)	(1,026.51)	(1,725.47)
Net cash flow from operating activities (A)	(2,615.95)	8,330.44
Cash flows from investing activities:		
Payments for property, plant and equipment (including capital work-in-progress)	(612.32)	(271.54)
Purchase for intangible assets	-	(18.08)
Proceeds from sale of property, plant and equipment	33.45	25.79
Proceed from loss of control	(666.72)	(31.67)
Fixed deposits (placed)/ matured- (net)	654.61	282.15
Interest received	1,189.53	431.11
Rental income	74.03	91.82
Net cash flow from investing activities (B)	672.58	509.58

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Consolidated Cashflow Statement (Cont'd)

Particulars	(Amount in Rs. Lakhs)	
	Consolidated	
	March 31, 2020 (Audited)	March 31, 2019 (Audited)
Cash flows from financing activities:		
Repayments of long term borrowings (net)	(3,207.60)	(10,612.01)
Proceeds of short-term borrowings (net)	7,095.16	2,451.11
Payment of lease liabilities	(58.09)	-
Interest paid	(2,135.54)	(1,299.44)
Net cash flow from / (used in) financing activities (C)	1,693.93	(9,460.34)
Net (decrease) in cash and cash equivalents (A+B+C)	(249.44)	(620.32)
Cash and cash equivalents at the beginning of the year	1287.87	1,908.19
Cash and cash equivalents at the end of the year	1038.43	1,287.87

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

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Refer note 1)	(Unaudited)	(Refer note 1)	(Audited)	(Audited)
One Time Settlement with banks and financial institutions	-	-	38,910.15	8,639.32	39,135.13
Liabilities Written back	2,404.09	-	1,498.47	2,404.09	1,498.47
Loss of control of subsidiary	-	-	25,530.09	-	25,530.09
Exceptional Gain (A)	2,404.09	-	65,938.71	11,043.41	66,163.69
Impact of fair valuation of derivative liability on subsequent remeasurement	335.42	218.75	(434.90)	2,224.08	692.62
Contract revenue in excess of billing written off	1,326.90	-	8,959.11	1,326.90	8,959.11
Capital assets impaired/written off (refer note 2(a))	14,488.51	-	4,200.00	14,488.51	4,200.00
Trade receivable written off	8,472.12	-	18,922.60	8,472.12	18,922.60
Provision for investment	1.00	-	2,045.29	1.00	2,045.29
Goodwill written off	-	-	-	639.48	-
Exceptional Loss (B)	24,623.95	218.75	33,692.10	27,152.09	34,819.62
Net Exceptional (Loss) / Gain (A-B)	(22,219.86)	(218.75)	32,246.61	(16,108.68)	31,344.07

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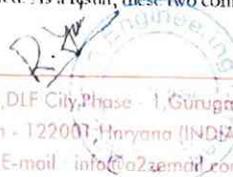
- 8) The loan accounts of the Holding Company have been classified as Non-Performing Assets by certain banks and they have not charged interest on the said accounts and also the Holding Company has not charged interest on borrowings from certain banks/ Asset Reconstruction Company which had entered into Settlement agreement(s), therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to Rs. 570.53 lakhs and Rs. 1,809.46 lakhs for the quarter and the year ended March 31, 2020 respectively (Rs. 1,595.92 lakhs for the year ended March 31, 2019 and Rs. 452.88 lakhs and Rs.936.68 lakhs for the quarter and nine months ended December 31, 2019 respectively). The Holding Company is already in discussion with the said banks and Asset Reconstruction Company for settlement of their dues.
- 9) The Holding Company had entered into Settlement agreement(s) ('Agreements') with certain banks/assets reconstruction company ('the Lenders') during the years/period ended March 31, 2018, March 31, 2019 and June 30, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred instalments. As at March 31, 2020, the Holding Company has delayed payments in respect of the certain deferred instalments amounting Rs. 11,560.13 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, based on the terms of the agreement entered with such Lenders, the management believes that no additional liability shall devolve on the Holding Company in addition to the carrying value of such liability as at March 31, 2020.

The Holding 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 Holding Company in respect of aforementioned delays.

- 10) The Group has adopted Ind AS 116 'Leases' effective from April 01, 2019 as notified by the ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019 using modified retrospective method. The adoption of this standard did not have any material impact on the group financial results of the quarter and year ended March 31, 2020.
- 11) The Group has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has recognised provision for income-tax for the quarter and year ended March 31, 2020 and re-measured its deferred tax assets/liabilities basis the rate prescribed in the aforesaid section.
- 12) The Holding Company has accumulated losses amounting Rs 72,673.92 lakhs as at March 31, 2020 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 has filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 696.43 lakhs and the matter has not been admitted yet with the NCLT and the management is in discussion with the said lender for amicably settling the matter. Further, during the 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 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 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 standalone financial statements and accordingly, these have been prepared on a going concern basis.
- 13) During the year, 'A2Z InfraserVICES Limited' a subsidiary company has acquired A2Z Waste Management (Ludhiana) Group and A2Z Waste Management (Aligarh) Limited which were earlier associate company of A2Z Infra Engineering Limited. A2Z InfraserVICES has acquired 35,000 equity shares (i.e. 70%) and 950,000 preference shares of A2Z Waste Management (Ludhiana) Limited and 40,000 equity shares (i.e. 80%) and 6,450,000 preference shares of A2Z Waste Management (Aligarh) Limited. As a result, these two companies have become step subsidiaries of A2Z Infra Engineering Limited.

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- 14) The outbreak of SARS-CoV-2 virus (Covid-19) has severely impact businesses around the world. In many countries, including India, there has been severe disruption of regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The management has made a detailed assessment of its liquidity position, including recoverability/carrying values of its trade receivables, business and other advances, and investments as at balance sheet date, however, the actual impact of Covid-19 pandemic on the group's results remains uncertain and dependent on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial results. The Holding Company has filed a disclosure of material impact of Covid-19 pandemic on the company under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 dated May 28, 2020.
- 15) Previous period figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period's classification.

For and on behalf of AZZ Infra Engineering Limited

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Place: Gurugram
Date: July 30, 2020



R. Jain

Rajesh Jain
Whole Time Director & CEO
DIN: 07015027

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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 2020, 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 12 to the accompanying Statement, the Company has incurred a net loss before exceptional items of Rs 7,848.20 lakhs during the year ended 31 March 2020, and as of that date, the Company's accumulated losses amount to Rs 72,673.92 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs 6,925.90 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 12. The Company has also delayed in repayment of borrowings and payment of dues payable to other lenders including delays with respect to dues payable under one-time settlement agreements, as further detailed in Note 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 13, and other matters as set forth in the note 12, 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.

ABC

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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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) (Cont'd)

- b) As stated in Note 8 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 2020 aggregating to Rs.570.53 lakhs and Rs. 1,809.46 lakhs (Rs. 1,595.92 lakhs for the year ended 31 March 2019 and Rs.452.88 lakhs and Rs. 936.68 lakhs for the quarter and nine- months ended 31 December 2019) 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 opinion on the standalone financial results for the quarter and year ended 31 March 2019 and conclusions on the standalone financial results for the quarters ended 31 December 2019 were also qualified 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 A2Z Green Waste Management Limited ("GWM"), its associate company and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 March 2020, aggregate to Rs. 20,889.42 lakhs, Rs.418.24 lakhs and Rs.399.73 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 2020, arbitration awarded in favor of GWM 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.

Emphasis of Matters

4. We draw attention to:

- i. Note 2(a) to the accompanying Statement, which describes the significant estimates and assumptions used by the management for determining recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 2,533.87 lakhs and Rs. 4,374.29 lakhs respectively as at 31 March 2020, with respect to the impairment assessment in accordance with the requirements of Ind AS 36, "Impairment of Assets". Basis such valuation, the management believes that no further adjustment is required to the carrying value of the aforesaid cogeneration power plants.
- ii. Note 2(b) to the accompanying Statement, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.
- iii. Note 2(c) to the accompanying Statement, which describes the uncertainty relating to utilisation of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Company will be able to avail the input tax credit for aforementioned matter.

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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.

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 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 2020, 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.11,472.49 lakhs as at 31 March 2020, and total revenues of Rs. 10,812.94 lakhs, total net loss after tax of Rs. 110.53 lakhs, and total comprehensive loss of Rs. 110.53 lakhs, and cash outflows (net) of Rs. 309.54 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.

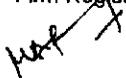
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Further, all branches are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditors under audit standards 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 Chandniok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013



Manish Agrawal
Partner
Membership No. 507000
UDIN: 20507000AAAACM3122

Place: Ghaziabad
Date: 30 July 2020

Walker Chandiook & Co LLP

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
4	A2Z Maintenance & Engineering Services Limited (Zambia Branch)	Zambia	International Standards Auditing

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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 associates for the year ended 31 March 2020 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 12 to the accompanying Statement, the Holding Company has incurred a net loss before exceptional items of Rs 7,848.20 lakhs during the year ended 31 March 2020, and as of that date, the Holding Company's accumulated losses amount to Rs 72,673.92 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs 6,925.90 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 12. The Holding Company has also delayed in repayment of borrowings and payment of other dues payable to other lenders including delays with respect to dues payable under one time settlement agreements as further detailed in Note 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 14, and other matters as set forth in the note 12, 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.



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)

- b) As stated in Note 8 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 2020 aggregating to Rs. 570.53 lakhs and Rs. 1,809.46 lakhs (Rs. 1,595.92 lakhs for the year ended 31 March 2019 and Rs. 452.88 lakhs and Rs. 936.68 lakhs for the quarter and nine-months ended 31 December 2019) 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 opinion on the consolidated financial results for the quarter and year ended 31 March 2019 and conclusions on the consolidated financial results for the quarters ended 31 December 2019 were also qualified 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 A2Z Green Waste Management Limited ("GWM"), its associate company and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 March 2020, aggregate to Rs. 20,889.42 lakhs, Rs. 418.24 lakhs and Rs. 399.73 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 2020, arbitration awarded in favor of GWM 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.

Emphasis of Matters

4. We draw attention to:
- Note 2(a) to the accompanying Statement, which describes the significant estimates and assumptions used by the management for determining recoverable amount of cogeneration power plants classified under property, plant and equipment and capital work-in-progress aggregating to Rs. 2,533.87 lakhs and Rs. 4,374.29 lakhs respectively as at 31 March 2020, 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.
 - 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.
 - Note 2(c) to the accompanying Statement, which describes the uncertainty relating to utilisation of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Holding Company will be able to avail the input tax credit for aforementioned matter.

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)

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.

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 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. 48,444.38 lakhs as at 31 March 2020, total revenues of Rs.31,496.46 lakhs, total net profit after tax of Rs. 155.68 lakhs, total comprehensive income of Rs. 275.84 lakhs, and cash outflows (net) of Rs. 35.59 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.11,472.49 lakhs as at 31 March 2020, total revenues of Rs.10,612.94 lakhs, total net loss after tax of Rs. 110.53 lakhs, total comprehensive loss of Rs.110.53 lakhs, and cash outflows (net) of Rs.309.54 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

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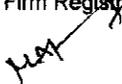
Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

Rs. 135.27 lakhs and total comprehensive loss of Rs. 135.50 lakhs for the year ended 31 March 2020, in respect of twenty-two 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, 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, all 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 2020, 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 Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013


Manish Agrawal
Partner
Membership No. 507000
UDIN: 20507000AAAACL8059

Place: Ghaziabad
Date: 30 July 2020

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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) (Cont'd)

Annexure 1

List of entities included in the Statement

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

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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) (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
4	A2Z Maintenance & Engineering Services Limited (Zambia Branch)	Zambia	International Standards Auditing

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ANNEXURE I

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

I. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[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	40,451.24	40,451.24
2.	Total Expenditure	48,299.44	48,299.44
3.	Net Profit/(Loss)	(29,088.70)	(29,088.70)
4.	Earnings Per Share(in Rs.)	(16.52)	(16.52)
5.	Total Assets	162,267.96	162,267.96
6.	Total Liabilities	126,272.86	126,272.86
7.	Net Worth	35,995.10	35,995.10
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), and II(a)(3) is not ascertainable.

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

1)	<p>As stated in Note 12 to the accompanying Statement, the Company has incurred a net loss before exceptional items of Rs 7,848.20 lakhs during the year ended 31 March 2020, and as of that date, the Company's accumulated losses amount to Rs 72,673.92 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs 6,925.90 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 12. The Company has also delayed in repayment of borrowings and payment of dues payable to other lenders including delays with respect to dues payable under one-time settlement agreements, as further detailed in Note 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 13, and other matters as set forth in the note 12, 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.</p>
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2)	<p>As stated in Note 8 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 2020 aggregating to Rs.570.53 lakhs and Rs. 1,809.46 lakhs (Rs 1,595.92 lakhs for the year ended 31 March 2019 and Rs 452.88 lakhs and Rs. 936.68 lakhs for the quarter and nine- months ended 31 December 2019) payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.</p> <p>Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying Statement. Our opinion on the standalone financial results for the quarter and year ended 31 March 2019 and conclusions on the standalone financial results for the quarters ended 31 December 2019 were also qualified in respect of this matter</p>
3)	<p>As stated in Note 3 to the accompanying statement, the Company's non-current investment (net of impairment) in A2Z Green Waste Management Limited ("GWM"), its associate company and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 March 2020, aggregate to Rs. 20,889.42 lakhs, Rs.418.24 lakhs and Rs.399.73 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 2020, arbitration awarded in favor of GWM 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</p>

- b. Type of Audit Qualification: Disclaimer of Opinion
- c. Frequency of qualification: Disclaimer 1 and 3 have been included for the first time during the year ended March 31, 2020 and disclaimer 2, were reported as qualification from year ended 31 March 2019.
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not quantified by the auditor

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

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

With respect to mentioned disclaimer 3

The Company, as at March 31, 2020, has non-current investments (net of impairment) amounting to Rs. 20,889.42 lakhs, other current financial assets (net of impairment) amounting to Rs. 418.24 lakhs and current financial assets-loan amounting to Rs. 399.73 lakhs in its associate company A2Z Green Waste Management Limited ('AGWML') which has holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited together with its subsidiaries is referred to as A2Z Green Waste Management Group). While A2Z Green Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2020 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of A2Z Green Waste Management Group. 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.

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

With respect to mentioned disclaimer 1

The Company has accumulated losses amounting Rs. 72,673.92 lakhs as at March 31, 2020 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 has filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 696.43 lakhs and the matter has not been admitted yet with the NCLT and the management is in discussion with the said lender for amicably settling the matter. Further, during the 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 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 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 statements and accordingly, these have been prepared on a going concern basis.

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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 and assets reconstruction company which are regular) amounts to Rs. 1,809.46 lakhs for the year ended March 31, 2020 and Rs. 1,595.92 lakhs for the year ended March 31, 2019 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 ended March 31, 2018 and March 31, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred instalments. As at March 31, 2020, the Company has delayed payments in respect of the certain deferred instalments amounting Rs 11,560.13 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, based on the terms of the agreement entered with such lender, the management believes that no additional liability shall devolve on the Company in addition to the carrying value of such liability as at March 31, 2020

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.

(iii) Auditors' Comments on (i) or (ii) above: Included in details of auditor's disclaimer above.

iii. Signatories:

Rajesh Jain
CEO & Whole Time Director

Rajiv Chaturvedi
Chief Financial Officer

Atima Khanna
Audit Committee Chairman

Date: 30 July 2020
Place: Gurugram

Manish Agrawal
Partner
Walker Chandok & Co LLP
Statutory Auditor

Date: 30 July 2020
Place: Ghaziabad

R. Jain
Rajiv Chaturvedi

MA

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, 2020
[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	72,804.13	72,804.13
2.	Total Expenditure	80,287.57	80,287.57
3.	Net Profit/(Loss)	(27,814.38)	(27,814.38)
4.	Earnings Per Share	(15.73)	(15.73)
5.	Total Assets	199,370.28	199,370.28
6.	Total Liabilities	158,580.73	158,580.73
7.	Net Worth*	40,774.98	40,774.98
8.	Any other financial item(s) (as felt appropriate by the	NA	NA

*excluding capital reserve of Rs. 14.57 lakhs.

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

ii. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

1)	<p>As stated in Note 12 to the accompanying Statement, the Holding Company has incurred a net loss before exceptional items of Rs 7,848.20 lakhs during the year ended 31 March 2020, and as of that date, the Holding Company's accumulated losses amount to Rs 72,673.92 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs 6,925.90 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 12. The Holding Company has also delayed in repayment of borrowings and payment of other dues payable to other lenders including delays with respect to dues payable under one time settlement agreements as further detailed in Note 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 14, and other matters as set forth in the note 12, 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.</p>
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2)	<p>As stated in Note 8 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 2020 aggregating to Rs. 570.53 lakhs and Rs. 1,809.46 lakhs (Rs. 1,595.92 lakhs for the year ended 31 March 2019 and Rs. 452.88 lakhs and Rs. 936.68 lakhs for the quarter and nine-months ended 31 December 2019) 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 opinion on the consolidated financial results for the year ended 31 March 2019 and conclusions on the consolidated financial results for the quarters ended 31 December 2019 were also qualified in respect of this matter.</p>
3)	<p>As stated in Note 3 to the accompanying statement, the Holding Company's non-current investment (net of impairment) in A2Z Green Waste Management Limited ('GWM'), its associate company and its other current financial assets (net of impairment) and its current financial assets-loan which include amounts dues from such associate company as on 31 March 2020, aggregate to Rs. 20,889.42 lakhs, Rs. 418.24 lakhs and Rs. 399.73 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 2020, arbitration awarded in favor of GWM 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.</p>

- b. **Type of Audit Qualification:** Disclaimer of Opinion
- c. **Frequency of qualification:** Disclaimer 1 and 3 have been included for the first time during the year ended March 31, 2020 and disclaimer 2, were reported as qualification from year ended 31 March 2019.
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not quantified by the auditor

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

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

With respect to mentioned disclaimer 3

The Holding Company, as at March 31, 2020, has non-current investments (net of impairment) amounting to Rs. 20,889.42 lakhs, other current financial assets (net of impairment) amounting to Rs. 418.24 lakhs and current financial assets-loan amounting to Rs. 399.73 lakhs in its associate company A2Z Green Waste Management Limited ('AGWML') which has holding in various SPVs under its fold (hereinafter A2Z Green Waste Management Limited together with its subsidiaries is referred to as A2Z Green Waste Management Group). While A2Z Green Waste Management Group has incurred losses during its initial years and consolidated net-worth as at March 31, 2020 has been completely eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of A2Z Green Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims and 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. Assets and current financial assets-loans due to which these are considered as good and recoverable.

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

With respect to mentioned disclaimer 1

The Holding Company has accumulated losses amounting Rs. 72,673.92 lakhs as at March 31, 2020 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 has filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues amounting to Rs. 696.43 lakhs and the matter has not been admitted yet with the NCLT and the management is in discussion with the said lender for amicably settling the matter. Further, during the 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 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 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 standalone financial statements and accordingly, these have been prepared on a going concern basis.

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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 and assets reconstruction company which are regular) amounts to Rs. 1,809.46 lakhs for the year ended March 31, 2020 and Rs. 1,595.92 lakhs for the year ended March 31, 2019 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 ended March 31, 2018 and March 31, 2019 wherein it had settled the outstanding borrowings by issue of equity shares, upfront payments and deferred instalments. As at March 31, 2020, the Holding Company has delayed payments in respect of the certain deferred instalments amounting Rs 11,560.13 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, based on the terms of the agreement entered with such lender, the management believes that no additional liability shall devolve on the Holding Company in addition to the carrying value of such liability as at March 31, 2020.

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.

(iii) Auditors' Comments on (i) or (ii) above: Included in details of auditor's disclaimer above.

iii. Signatories:

Rajesh Jain
CEO & Whole Time Director

Rajiv Chaturvedi
Chief Financial Officer

Atima Khanna
Audit Committee Chairman

Date: 30 July 2020
Place: Gurugram

Manish Agrawal
Partner
Walker Chandok & Co LLP
Statutory Auditor

Date: 30 July 2020
Place: Ghaziabad

R. Jain
Rajiv Chaturvedi

Manish