

**TRANSCRIPT OF THE PROCEEDINGS OF THE 19TH ANNUAL GENERAL MEETING
OF A2Z INFRA ENGINEERING LIMITED HELD THROUGH VIDEO CONFERENCING
ON WEDNESDAY, SEPTEMBER 30, 2020 AT 10.50 A.M**

PARTICIPANTS:-

Mr. Surender Kumar Tuteja
Chairman & Independent Director

Mr. Amit Mittal
Managing Director

Mr. Rajesh Jain
Whole Time Director and CEO

Mrs. Dipali Mittal
Director

Mr. Ashok Kumar Saini
Director

Ms. Atima Khanna
Independent Director

Mr. Atul Kumar Agarwal
Company Secretary

Mr. Rajiv Chaturvedi
CFO

Mr. Manish Agrawal
Partner Walker Chandiok & Co. LLP, Statutory Auditors

Mr. Suchitta Koley
Partner DR Associates, Secretarial Auditor

☆ **MR. ATUL KUMAR AGARWAL**

Good morning ladies and gentlemen!

Myself, Atul Kumar Agarwal, Company Secretary and Compliance Officer of Company.

With great pleasure I welcome all the members in the 19th Annual General Meeting of your Company. The Quorum being present, the meeting can start now. I hope that you and your family are safe and fine. In view of the continuing COVID-19 pandemic, and to ensure social distancing norms, this 19th Annual General Meeting of the Company is being convened through Video Conferencing, in accordance with various circulars issued by the Ministry of Corporate Affairs and SEBI and in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

I take pleasure in introducing the Board of Directors of the Company and other respected dignitaries:

- ❖ **Mr. Surender Kumar Tuteja**
Chairman & Independent Director
- ❖ **Mr. Amit Mittal**
Managing Director & Promoter
- ❖ **Mrs. Atima Khanna,**
Independent Director and also the Chairperson of Audit Committee and Nomination & Remuneration Committee of the Board of Directors
- ❖ **Mrs. Dipali Mittal**
Non-Executive & Non-Independent Director and also the Chairperson of Stakeholders' Relationship Committee of the Board of the Directors
- ❖ **Mr. Rajesh Jain**
Executive Director cum CEO
- ❖ **Dr. Ashok Kumar Saini**
Non-Executive & Non-Independent Director
- ❖ **Mr. Rajiv Chaturvedi**
Chief Financial Officer
- ❖ **Mr. Manish Agrawal**
Partner Walker Chandiok & Co., Statutory Auditors
- ❖ **Mr. Suchitta Koley**
Partner DR Associates, Secretarial Auditor

Now, I request Mr. S.K. Tuteja, Chairman of Company, to Chair the meeting.

Since this AGM is being held through Video Conferencing. Hence, there is no proxy facility available for this meeting. The Register of Directors & KMPs (including their shareholding) maintained under Section 170 and Register of Contract maintained under section 189 of the

Companies Act, 2013, are available electronically for inspection and the Members may send their request to inspect the same.

As per the provisions of Section 145 of the Companies Act, 2013 and the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, the qualification, observations or comments of the Auditors on the Standalone and Consolidated Financials for the year ended 31st March, 2020 and the qualification, observations or comments of the Secretarial Auditors on the Secretarial Auditor Report, shall be read before the Company at Annual General Meeting.

The Statutory Auditors, Walker Chandiok & Co. LLP has modified its opinion on the financial statements as on 31st March, 2020 that they are unable to comments on the ability of the Company to continue as a going concern. Members may kindly note that copies of Annual Report containing the Auditors' reports has already been circulated to all the members at their email ids registered with the Company/Depositories.

Hence, with the permission of the members, I would like to take the same as read.

The Secretarial Auditors' Report does not contain any qualification, observation or adverse comment, it is not required to read this Report at the meeting.

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company has provided the facility to the Members to exercise their right to vote on the businesses proposed to be transacted at this AGM through remote e-voting for the period commencing from 27th September, 2020 to 29th September, 2020. In order to facilitate voting to those Members, who have not exercised their right to vote through remote e-voting, the Company has also provided facility to vote at this AGM through e-voting platform of NSDL.

Mr. Suchitta Koley, Partner, DR& Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize remote e-voting as well as e-voting at this AGM in a fair and transparent manner and, shall hand over the combined report on voting within forty eight hours of conclusion of this AGM.

Upon receipt of the result of voting along with the Scrutinizer's Report, the same shall be uploaded on the website of the Company, Depository and shall also be submitted to the Stock Exchanges.

Since this meeting is being held through Video Conference/Other Audio Visual Means and the resolutions mentioned in the Notice convening this meeting have already been put to the vote through "remote e-voting" and e-voting at the AGM. Hence, there is no proposing and seconding of the said resolutions.

Now I hereby request Mr. S.K. Tuteja, Chairman to address the shareholders.

☆ **MR. SURENDER KUMAR TUTEJA:-**

Thank You Atul!

Good Morning, Ladies and Gentlemen!

On behalf of the Board of Directors, I deem it a privilege to welcome you all in the 19th Annual General Meeting of your Company. Thank you for your presence through Video Conferencing today, and for your continued support in the success of the company.

Your Company has lived by, especially in challenging times. The change in environment from 2019 to 2020 was nothing short of an economic cataclysm. A deep slowdown of 2019 turned into a full-fledged recession in 2020 because of the COVID-19 pandemic that caught most countries unprepared. The world economy infected slowed from 3% output expansion in 2018 to 2.4% growth in 2019, and 2020 decline is expected to be 5.2%. The same story was repeated in India. The GDP growth, here, fell from 6.1% in FY2018-19 to 4.2% in FY2019-20. And, in FY2020-21, it has been projected to slip between 3 to 10% slip by various agencies for FY2020-21. The trade disputes and manufacturing slowdown in 2019 paled in comparison to the economic aftershocks from the COVID-19 pandemic. The Indian economy and your Company were also impacted by the general elections and multiple state elections.

Under such challenging circumstances, your Company continued to pursue the path of financial sustainability single-mindedly. It continued following its successful strategies of execution-focus on projects-in-hand and cleanup of the balance sheet by negotiating One Time Settlements with banks and financial institutions because only those loan have become unserviceable. Not only did the Company complete many legacy projects, but it was also successful in reducing the debt burden by a substantial amount in recent years. This includes a reduction of nearly Rs. 90 crores of debt in FY2019-20 after settlement with DBS Bank and the rest was before this year.

On the operational front, we have been able to resolve most outstanding issues with our legacy projects in the EPC space. By focusing on execution of incomplete projects, pitching only for profitable new projects, and expanding overseas to diversify geographical risks, we were able to stabilize the ES business. The SBU will return to the growth path once the effect of extrinsic issues such as the protests and pandemic tapers-off. These legacy issues with the EPC business had also impacted our ability to invest capital and time in growing the FMS and MWS businesses, which have sizeable untapped market potential. In the PGP business, certain disputes arose between the Company and the sugar mills over the cogeneration power plants, which have led us to decide on the movement of these plants to new locations.

Your Company we all feel has a promising future because of its contribution to nation building in key sectors for the world's fastest growing economy. We are working hard on realizing this potential with a well-crafted strategy. I would like to thank our shareholders, customers, investors, suppliers, the exchequer and employees and all other stakeholders for the continued trust in us and our long-term success.

Now I would like to call upon Mr. Amit Mittal, the Managing Director of the Company the key man of this Company to share with the members the financial performance of the Company for the FY 2019-20.

☆ **MR. AMIT MITTAL**

Thank You Sir!

Good Morning, Ladies and Gentlemen!

I warmly welcome all the members of the Company.....

Our motto has been Stick to the Fundamentals! This is the philosophy that your Company has lived by, especially in challenging times. The severe impact of COVID on our business has resulted in a cash Flow crisis. Hence, few settlement payments to banks have been delayed. The restrictions in place due to the pandemic have affected resumption of business, especially EPC projects, because of non-availability of the human resources due to the migration, lag in receiving approvals, unreliable raw material supply, and delays in raising capital. The Group is focused on addressing this unforeseen crisis, along with all our companies and the industry. Once the crisis is over and the economy fully opens, the Company's presence in Sanitation, Facilities Management, and the Infrastructure sectors puts it in a better position to rebound, unlike industries that are deeply affected such as Travel, Tourism, Hospitality, Education, and others. Till then, we will concentrate our energies on surviving the pandemic and follow our time-tested strategies to improve our financial viability steadily by doing the basics correctly.

The Company's financial performance was majorly affected only in the second half of the FY2019-20 when the pandemic struck towards the end. From a 19.8% growth in the First six months, our consolidated cumulative performance went to nearly flat sales at the end of nine months and 19.4% YOY operating revenue decline for the full year. The Engineering Services SBU, which saw a 24.2% slump in sales on a YOY basis, tackled the brunt of the political protests and the pandemic. As the disruption due to rallies was temporary and the pandemic blind-sided us, the Company could not rationalize the costs proportionate to the decline in revenue, thus suffering the operating profitability and resulting in an EBITDA loss. The Company's decision to carry out an impairment assessment for the three power generation plants due to dispute with sugar mills where they were set-up resulted in an Exceptional Impact of INR 150 crores. The Company turned the previous year's net profit for the period of INR 287 crores into a loss of INR 278 crores in FY2019-20 mainly due to the Exceptional Item Loss.

Now I talk about the Financials

On the financial results front, the Company's operating revenues were Rs. 385 crores in comparison with Rs. 507 crores in FY19, a decline of 24.07%. This reduction is because the Company's Policy to be very selective in taking EPC order and increased business from Facility Management and Waste Management which will soon start to give thrust to group revenue. On a consolidated group basis, the operating revenues went down by 19.44% from Rs. 869 crores to Rs. 699 crores in FY20. The Company has made net loss after tax of Rs. 290 crore whereas in the previous year Company had incurred net Profit of Rs. 32 crore. The Company on consolidated basis has made a net loss of Rs. 278 crore as against a net profit of Rs. 287 crore in the previous year.

We believe that the hardest phase behind us and with some extra efforts in the coming years we would have put the issues of the past completely behind us. With the consistent support that we have received from all our shareholders, stakeholders, our efforts to regain the

Group's standing as a leader in its space in terms of size and financial performance will persist without faltering.

We also take this opportunity to thank you and all the stakeholders for their continued support to your Company. We remain grateful and wish you all the best!

I invite Atul K. Agarwal, Company Secretary to proceed further with the agenda items of this 19th Annual general Meeting

☆ **MR. ATUL KUMAR AGARWAL**

Thank You Sir!!

With the permission of Chairman, I now take up the resolutions as set forth in the Notice.

ITEM NO.1

To receive, consider and adopt the Standalone and Consolidated Audited financial statements of the Company consisting of the Standalone and Consolidated Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date along with the reports of board of directors and the auditors' thereon.

The financial statements of the Company including the consolidated financial statements for the financial year ended on 31st March, 2020 including the reports of the Board of Director's and Auditors' have already been provided to all the members.

ITEM NO.2

To appoint a director in place of Dr. Ashok Kumar Saini (DIN 03593179), who is liable to retire by rotation in terms of Section 152(6) of the companies act, 2013 and being eligible, offers himself for re-appointment.

ITEM NO.3

To consider and re-appoint Mr. Rajesh Jain (DIN: 07015027) as Whole Time Director of the Company and if thought fit, to pass with or without modification(s), the resolution as an ORDINARY RESOLUTION.

ITEM NO.4

To consider and re-appoint Mr. Amit Mittal (DIN 00058944) as Managing Director of the Company and if thought fit, to pass with or without modification(s), the resolution as an ORDINARY RESOLUTION.

ITEM NO.5

To consider and appoint Branch Auditors for branch offices of the Company outside India and if thought fit, to pass, with or without modification(s), the resolution as an ORDINARY RESOLUTION.

ITEM NO.6

To consider and confirm remuneration payable to M/s. JSN & Co., Cost Accountants appointed as Cost Auditors of the Company for financial year ending 31st March, 2021, and if thought fit, to pass, with or without modification(s), the resolution as an ORDINARY RESOLUTION.

The Company had provided the facility to all the Members to express their views and ask questions during the AGM. All the queries received by us shall be addressed and answered in the sensible manner.

Now, I would like to invite Mr. S.K. Tuteja to conclude this meeting.

☆ MR. SURENDER KUMAR TUTEJA

Thank You Atul!!

I take opportunity to thank you all the members for their continued support, presence today and being part of the success story that we are trying to build. I also express my grateful hope to God that all of you remain healthy and safe.

Now those Members, who have not voted through remote e-voting may cast their votes during next 15 minutes.

Vote of Thanks!

First of all, I wish to convey my deep sense of appreciation to the members of the Board of Directors and other dignitaries, for their dedication and inspirational leadership and outstanding contributions to the Company, particularly Mr. Amit Mittal.

I wish to take this opportunity of placing on record our deep sense of appreciation to M/s Walker Chandiok & Co. LLP, Auditors of the Company and Mr. Suchitta Koley, partner of D. R. Associates, Secretarial Auditor for providing their significant services.

Thank you very much and this concludes the meeting!