

# A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805



REF. No. : - A2ZINFRA/SE/2018-19/018

## BY E-FILING

July 27, 2018

National Stock Exchange of India Limited

BSE Limited

Phiroze Jeejeebhoy Towers  
Rotuda Building, Dalal Street,  
Mumbai-400 001

Listing Department  
Exchange Plaza, 5th Floor  
Plot No. C/1 G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051

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Subject: Approval of One Time Settlement (OTS) with Lenders of A2Z Green Waste Management Limited (previously known as A2Z Infrastructure Ltd.) ("A2Z Green") a subsidiary of A2Z Infra Engineering Ltd. towards Debt settlement of INR 275.94 Cr, for a Total Consideration of INR 70.0 Cr.

Effect on Consolidated Balance Sheet Debt: Reduction of INR 465.49 Cr of Debt has been achieved. No fresh equity to be issued by the parent A2Z Infra Engineering Ltd. as a part of this Settlement.

Cumulative Total Consolidated Debt Reduction (including the one presently being announced vide this communication) achieved so far: INR 1,001.14 Cr. (Details below)

Consolidated debt remaining now stands at INR. 996.0 Cr. approx.

Dear Sir/Madam,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, We, **A2Z INFRA ENGINEERING LTD.** (hereinafter referred as "Company") wish to inform you that:

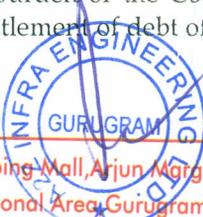
### i. Facts

A2Z Green had availed financial assistance from the "Lenders", as per books and accounts of A2Z Green, present total outstanding is INR 275.94 Crs. (including interest) and A2Z Green has not been able to serve interest on the said loan since long time.

A2Z Green was in discussion with lenders and the said Settlement amounts have been agreed by all the lenders.

### ii. Debt Reduction Plan and Reasons for OTS

Over the past 2 years, the Company has been working assiduously to turn the Company around by addressing and reducing the debt burden of the Company and its subsidiary companies. In this reference Company had earlier announced settlement of debt of BCOM Ltd, Edelweiss Asset Reconstruction Company



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

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Limited as representative of EARC Trust SC 299 for loan assigned by Yes Bank Ltd., Standard Chartered Bank and HSBC Ltd.

In continuation of disclosure submitted with the Stock Exchanges on 4<sup>th</sup> April,, 2018 on the OTS matter, now a subsidiary Company, A2Z Green has reached a One Time Settlement (OTS) agreement with its Lenders.

## Details of Consolidated Debt Reduction achieved so far:

The company has up to now, achieved total consolidated debt reduction of INR 1,001.14 Cr., detailed as hereunder:

With the OTS of lenders of A2Z Green debt of INR 275.94 Cr, the total debt addressed and settled by the Company at Group level comes to as hereunder:

Lender	Total Debt Amount	Total OTS Consideration (INR in Cr.)
SICOM Ltd	114.28	42.50
Edelweiss ARC -Yes Bank	130.83	57.50
Standard Chartered Bank	279.21	99.00
HSBC Ltd.	11.33	2.80
Lenders ("A2Z Green")	275.94	70.00
Earth Environment Management Services Pvt. Ltd ("EEMPSL")	189.55	--
<b>Total</b>	<b>1,001.14</b>	<b>271.80</b>

Total Remaining Group Consolidated Debt INR 996.0 Cr.

No new equity capital in A2Z Infra Engineering Ltd. (parent) is to be issued as part of the said OTS with the lenders of A2Z Green.

*Fully diluted numbers of equity shares of the Company post all debt settlements to date: 17,61,19,858*

The above said OTS with the lenders of A2Z Green will improve the Company's consolidated balance sheet and its overall solvency.

## iii. Summary Details of the OTS with the Lenders of A2Z Green Waste:

Total outstanding of Lenders of A2Z Green: INR 275.94 Cr.

One Time Settlement scheme: Total Consideration to be paid towards OTS: INR 70.0 Cr.

Following are the details of outstanding amount towards the A2Z Green as follows:

Name of Borrower	Amount Outstanding (INR Cr.)	OTS amount (INR Cr.)
Standard Chartered Bank	62.41	21.00
Yes Bank Limited	36.05	12.00
Axis Bank	54.65	17.25
Barclays Bank	33.95	4.75
IDBI Bank	69.05	15.00
IFIN	19.83	---
<b>Total</b>	<b>275.94</b>	<b>70.00</b>



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## The "Kanpur project" shareholding being transferred via EEMPSL to IL&FS

1. In addition to above, it has been agreed that immediately subsequent to transfer of "Kanpur Project" to EEMPSL, Energy Development Corporation Ltd., IL&FS Employee Welfare Trust and IIDC FUND, shall acquire 100% of the equity shareholding of Earth Environment Management Services Ltd. (EEMSPL), a wholly owned subsidiary of A2Z Green at a consideration of INR 5.0 lakh. Details as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached herewith as *Annexure-1*.

## Detailed Analysis and Presentation of Debt Settlement of A2Z Green Waste Management Ltd:

2. A2Z Green has signed a Business Transfer Agreement on 27<sup>th</sup> July, 2018 to transfer Kanpur Project consisting of 1500 TPD of P&D Unit along with 15MW Power Plant located in Kanpur city to Earth Environment Management Services Pvt. Ltd. (EEMSPL) (a WOS of A2Z Green) at a consideration of INR 203.75 Cr by way of a slump sale on a going concern basis along with all its assets and liabilities. Liabilities include the aggregate outstanding of INR 34.00 Cr. including of Axis Bank (INR 17.25 Cr.), Barclays Bank (INR 4.75 Cr.) Yes Bank (INR 12.0 Cr) transferred to EEMPSL through respective Novation Agreements.
3. IL&FS Financial Services Limited ("IFIN") has invoked the pledge on 1,00,31,013 equity shares of A2Z Green Waste Management Ltd. held by A2Z Infra Engineering Ltd ("A2Z Infra") towards the loan/interest payable by EEMPSL to IFIN. Now as a part of said transaction IFIN has agreed to transfer back the said invoked equity shares of A2Z Green at a nominal consideration of INR 1.0 lakh to A2Z Infra, which will increase the stake of A2Z Infra in A2Z Green to 91.98 % from existing shareholding of 47.89 %. Details as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached herewith as *Annexure-2*.
4. Out of consideration to be received for transferring of Kanpur Project along with other fund, A2Z Green will settle their outstanding liabilities through One Time Settlement (OTS) with Standard Chartered Bank (INR 21.0 Cr) and IDBI Bank (INR 15.0 Cr.)  
Further outstanding liability in the books of A2Z Green amounting to INR 19.83 Cr regarding the Fully Convertible Debentures (FCD) issued to IL&FS Financial Services Limited shall also be written off by IFIN as a part of said transaction. EEMSPL shall also be transferred to Energy Development Corporation Ltd., IL&FS Employee Welfare Trust and IIDC FUND as a part of Business Transfer Agreement executed between A2Z Green, EEMSPL and IFIN, and eventually the outstanding liability amounting to INR 188.02 Cr of IFIN shall also be extinguished in the books of EEMPSL.

This is for your information & records purpose.  
Thanking you

Yours truly

FOR A2Z INFRA ENGINEERING LTD.

  
(Atul Kumar Agarwal)  
Company Secretary  
FCS-6453



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## Sale of EEMSPSL

S. No.	Particulars	Details
1	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	NIL
2	Date on which the agreement for sale has been entered into	27 <sup>th</sup> July , 2018
3	The expected date of completion of sale/ disposal	On or before 31 <sup>st</sup> August, 2018
4	Consideration received from such sale/ disposal	INR 5.0 lakhs
5	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof	N.A
6	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	No
7	Details of the transferor	A2Z Green Waste Management Limited ("Green Waste") a subsidiary of A2Z Infra Engineering Limited and having its registered office in Delhi, India. Green Waste is currently engaged in the business of municipal solid waste management.
8	Rationale for the Transfer of EEMPSL:	EEMPSL is a step down subsidiary of the company.  EEMPSL is being transferred to Energy Development Corporation Ltd., IL&FS Employee Welfare Trust and IIDC FUND for the above mentioned amount as a part of Business Transfer Agreement executed between A2Z Green, EEMPSL and IFIN.



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## Annexure-2 Acquisition of Shares of A2Z Green Waste Management Limited

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S. No.	Particulars	Details
1	Name of the target entity, details in brief such as size, turnover etc.;	A2Z Green Waste Management Limited Turnover as per last audited balance sheet on 31 <sup>st</sup> March, 2018 INR 7.65 Cr.
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length"	No
3	Industry to which the entity being acquired belongs	Waste Management
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	IL&FS Financial Services Limited ("IFIN") has invoked the pledge on 1,00,31,013 equity shares of A2Z Green Waste Management Ltd. held by A2Z Infra Engineering Ltd ("A2Z Infra") towards the loan/interest payable by EEMPSL to IFIN. Now as a part of said transaction IFIN has agreed to transfer back the said invoked equity shares of A2Z Green at a nominal consideration of INR .01 Cr to A2Z Infra, which will increase the stake of A2Z Infra in A2Z Green to 91.98 % from existing shareholding of 47.89 %.
5	Brief details of any governmental or regulatory approvals required for the acquisition;	NA
6	Indicative time period for completion of the acquisition	On or before 31 <sup>st</sup> August, 2018
7	Nature of consideration - whether cash consideration or share swap and details of the same	Cash
8	Cost of acquisition or the price at which the shares are acquired	INR 1.0 lakh
9	Percentage of shareholding / control acquired and / or number of shares acquired	1,00,31,013 equity shares has been acquired, increasing the stake from 47.89% to 91.98%
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Green Waste currently engaged in the business of municipal solid waste management. <b>Date of Incorporation:</b> 22/03/2007 <b>Turnover for last three years:</b> 2017-18- INR 7.65 Cr. 2016-17 - INR 23.30 Cr. 2015-16 - INR 25.04 Cr.



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