

A2Z INFRA ENGINEERING LTD.

(Previously Known as A2Z Maintenance & Engineering Services Limited)

CIN NO. L74999HR2002PLC034805



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A2Z INFRA ENGINEERING LIMITED

(FORMERLY KNOWN AS A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED)

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

(Amount in Rs Lacs)

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

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

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

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Notes:

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

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

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

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

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

- (c) The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the Assessment Orders for the assessment years 2007-08 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability of Rs. 1,992.17 Lacs. The Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority has granted partial relief to the Company. The company and the income tax authorities have further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the Orders for these assessment years.

Based on their assessment and upon consideration of advice from the independent legal counsel, the management believes that the Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending final decision on these matters no adjustments have been made in the financial statements.

3. The financial results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013.
4. The Company has adopted Ind AS from April 1, 2016 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act 2013, read with relevant rules issued thereunder. The date of transition to Ind AS is April 1, 2015. The impact of transition has been accounted for in the opening reserves and the comparative period results have been restated accordingly. The opening balance sheet as at April 1, 2015 and the results for the subsequent periods would be finalised and will be subject to audit at the time of annual financial statements for the year end March 31, 2017.
5. In terms of the accounting policy for revenue recognition, estimates of projects costs and revenues are reviewed periodically by the management and the impact of any changes in such estimates are recognized in the period in which such changes are determined.

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