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BY E-MAIL/FAX/COURIER

23rd August, 2012

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Rotunda Building, Dalal Street,
Mumbai-400 001

Fax-022-22722039

BSE Code-533292

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor
Plot No. C/1 G Block, Bandra Kurla Complex,
Bandra (E), Mumbai-400051
Fax- 022-26598237/38

NSE Code-A2ZMES

Sub: Outcome of Adjourned Board Meeting held on 23rd August, 2012

Dear Sir,

The decisions and the outcome of the Adjourned Meeting of the Board of Directors of the Company held on Thursday, the 23rd August, 2012 are as follow:


1. The Financial results have been reviewed by the Audit Committee and on their recommendation the Board of Directors have approved the Audited Standalone and Consolidated Financial Results for the Year ended 31st March, 2012.
2. The board decided book closure of Register of Members and Share Transfer Books of the Company from 24th September, 2012 to 29th September, 2012(both days inclusive) for the purpose of ensuing Annual General Meeting.
3. The 11th Annual General Meeting of Shareholders of the Company will be convened on Saturday, the 29th September, 2012 at Gurgaon.

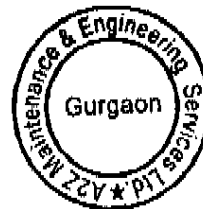
Please take the above information on your records.

Thanking you,

Yours Truly

For A2Z Maintenance & Engineering Services Limited


(Atul Kumar Agarwal)
Company Secretary cum Compliance Officer
FCS-6453



A2Z Maintenance & Engineering Services Limited

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

Corporate Office : Plot No. B-38, Sector 32, Institutional Area, Gurgaon - 122001, Haryana (INDIA),
Tel: 0124 4517600, Fax 0124-4380014, Website: www.a2zgroup.co.in

A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED

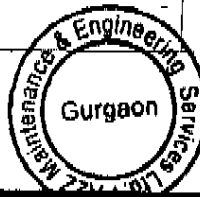
Statement of audited financial results for the year ended March 31, 2012

Part I

(Amount in Rs Lacs)

S. No.	Particulars	Standalone		Consolidated	
		For the year ended		For the year ended	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		(Audited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations				
	(a) Net sales / income from operations	95,512.13	110,314.56	133,856.24	134,466.10
	(b) Other operating income	1,310.95	419.85	1,373.52	446.86
	Total revenue (1)	96,823.08	110,734.41	135,229.76	134,912.96
2	Expenses				
	(a) Cost of material consumed	50,372.56	56,380.19	52,713.97	58,791.71
	(b) Purchase of stock in trade	232.77	1,931.32	835.62	1,931.32
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	686.48	(925.04)	(1,098.56)	(1,427.98)
	(d) Sub contractor / erection charges	16,334.48	14,825.35	19,677.03	16,561.38
	(e) Employee benefits expense	5,959.19	5,087.13	32,742.91	20,145.12
	(f) Depreciation and amortisation expense	699.03	1,118.40	1,927.90	1,947.10
	(g) Other expenses	12,708.22	11,598.67	20,144.43	15,827.43
	Total expenses (2)	86,992.73	90,016.02	126,943.30	113,776.08
3	Profit from operations before other income, finance costs and exceptional items (1-2)	9,830.35	20,718.39	8,286.46	21,136.88
4	Other income	835.53	898.63	1,051.16	1,056.06
5	Profit before finance costs and exceptional items (3+4)	10,665.88	21,617.02	9,337.62	22,192.94
6	Finance costs	7,411.53	7,444.20	9,820.83	8,402.19
7	Profit / (loss) after finance costs but before exceptional items (5-6)	3,254.35	14,172.82	(483.21)	13,790.75
8	Exceptional items	-	-	-	-
9	Profit / (loss) from ordinary activities before tax (7+8)	3,254.35	14,172.82	(483.21)	13,790.75
10	Tax expense	1,280.92	4,769.36	1,306.23	4,982.72
11	Net profit / (loss) from ordinary activities after tax (9-10)	1,973.43	9,403.46	(1,789.44)	8,808.03
12	Prior period item			(20.53)	

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A2Z Maintenance & Engineering Services Limited

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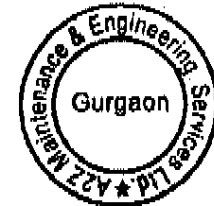
Part I

(Amount in Rs Lacs)

S. No.	Particulars	Standalone		Consolidated	
		For the year ended		For the year ended	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		(Audited)	(Audited)	(Audited)	(Audited)
13	Extraordinary item (Previous year - Rs 1,300.16 Lacs, net of deferred tax credit of Rs 431.88 Lacs)	-	868.28	-	868.28
14	Net profit / (loss) for the year (11-12-13)	1,973.43	8,535.18	(1,768.91)	7,939.75
15	Minority interest	-	-	25.78	227.95
16	Profit / (loss) after minority interest (14-15)	1,973.43	8,535.18	(1,794.69)	7,711.80
17	Paid-up equity share capital (Face value of the share - Rs 10 each)	7,417.77	7,417.77	7,417.77	7,417.77
18	Reserve excluding revaluation reserves	108,424.27	106,450.84	103,452.16	107,791.99
19	Earnings per share (before extraordinary / prior period items)				
	(a) Basic earnings per share	2.66	15.12	(2.45)	13.79
	(b) Diluted earnings per share	2.66	15.12	(2.45)	13.79
	Earnings per share (after extraordinary / prior period items)				
	(a) Basic earnings per share	2.66	13.72	(2.42)	12.40
	(b) Diluted earnings per share	2.66	13.72	(2.42)	12.40



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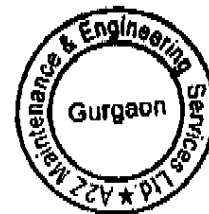
Select financial information for the year ended March 31, 2012

Part II

S. No.	Particulars	For the year ended	
		March 31, 2012	March 31, 2011
		(Audited)	(Audited)
A	Particulars of shareholding		
1	Public Shareholding		
	- Number of shares	41,036,054	41,072,054
	- Percentage of shareholding	55.32%	55.37%
2	Promoters and promoter group shareholding		
	a) Pledged / encumbered		
	- Number of shares	10,081,000	11,280,113
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group).	30.42%	34.07%
	- Percentage of shares (as a % of the total share capital of the Company)	13.59%	15.21%
	b) Non-encumbered		
	- Number of shares	23,060,640	21,825,527
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	69.58%	65.93%
	- Percentage of shares (as a % of the total share capital of the Company)	31.09%	29.42%

	Particulars	For the year ended March 31, 2012
B	Investor complaints	
	Pending at the beginning of the year	Nil
	Received during the year	8
	Disposed off during the year	8
	Remaining unresolved at the end of the year	Nil

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Notes:

1. The above 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 August 23, 2012. The statutory auditors of the Company have audited the above standalone and consolidated financial results for the year ended March 31, 2012.

The auditors in their audit report have qualified / drawn attention to the following matters:

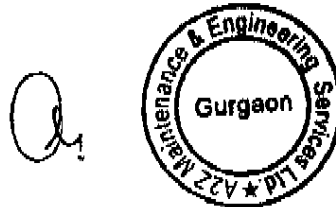
- a) During the year, the subsidiary company, AZZ Infrastructure Limited, has raised Rs 4,680.82 Lacs as external commercial borrowings (ECB) from banks for municipal solid waste projects to be executed in the district of Amravati (Maharashtra) and in Ghaziabad (Uttar Pradesh). However, pending the execution of these projects Rs 4,484.73 Lacs has been utilised by the subsidiary company for other corporate / business purposes. This has resulted into the utilisation of ECB which is not as per the guidelines issued by Reserve Bank of India.

The subsidiary company intends to take necessary steps to ensure the compliances with the said guidelines.

- b) The Company has outstanding recoverable of Rs 643.82 Lacs and Rs 830.72 Lacs being deductions proposed/ made by the respective customers on invoices raised by Company for services rendered, price escalations on certain supply items and certain other items. In one of the cases, involving amount of Rs 643.82 Lacs, the Company had filed an application with the High Court for appointment of arbitrator in response to which the high court had appointed an arbitrator to settle the dispute. In the other case, involving outstanding receivables of Rs 830.72 Lacs, the Company has filed a Special leave petition with the Hon'ble Supreme Court against the hon'ble High Court's order for appointment of arbitrator, accordingly the Hon'ble Supreme Court has given stay on the proceedings of the arbitrator appointed by the customer. In the latter case, subsequent to March 31, 2012, the Company has recovered Rs 224.33 Lacs from the customer, however, no settlement has been arrived at with the customer.
- c) One of the subsidiary company, AZZ Infrastructure Limited, has outstanding recoverable of Rs 762.66 Lacs, being receivable from a customer for collection and transportation of municipal solid waste. The subsidiary company has filed a writ petition with High Court of Patna for recovery of dues. An interim order was passed directing the customer to release 75% of the amount recoverable. Against the interim order the customer has filed Letters Patent Appeal (LPA) which has been dismissed, confirming the interim order. Subsequently, the writ petition has been allowed by the Court and customer has been directed to pay the entire amount along with the interest at the rate of 8% p.a from the due date.

The management, based on legal advice, believes that the outcome of above legal matters is likely to be in its favor and has thus classified the said amounts as recoverable in the books and no adjustments have been made with respect of the same in the above financial results.

2. Consolidation of financial statements of the Company and its subsidiaries has been done in accordance with the Accounting Standard (AS) – 21 "Consolidated financial statements" prescribed by the Companies (Accounting Standards) Rules, 2006.

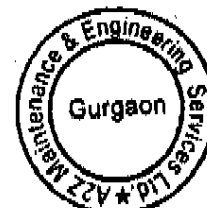


3. Statement of Assets and Liabilities

(Amount in Rs Laacs)

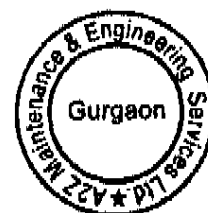
Particulars	Standalone		Consolidated	
	As at		As at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(Audited)	(Audited)	(Audited)	(Audited)
EQUITY AND LIABILITIES				
Shareholders' fund				
Share capital	7,417.77	7,417.77	7,417.77	7,417.77
Reserves and surplus	108,424.27	106,450.84	103,452.16	107,791.99
Minority interest	-	-	1,548.30	2,498.61
Non current liabilities				
Long-term borrowings	13,676.72	7,567.24	51,998.58	16,044.58
Long-term provisions	415.96	327.36	2,924.75	335.95
Current liabilities				
Short-term borrowings	45,660.74	24,131.02	53,735.16	28,849.50
Trade payables	27,501.08	20,290.33	33,478.41	27,363.02
Other current liabilities	15,193.86	12,846.38	28,581.44	19,001.57
Short-term provisions	354.86	3,386.80	270.88	1,759.73
Total	218,645.26	182,417.74	283,407.45	211,062.72
ASSETS				
Non current assets				
Fixed assets	34,848.33	15,581.64	90,400.24	44,185.82
Non current investment	29,717.39	16,817.73	-	-
Deferred tax asset	529.18	959.54	873.99	1,202.21
Long-term loans and advances	4,745.86	5,703.93	9,661.55	6,999.44
Other non-current assets	7,803.64	7,507.85	10,977.93	8,887.15
Current assets				
Current investments	-	5,000.00	-	5,000.00
Inventories	1,978.31	2,795.12	5,285.40	3,766.15
Trade receivables	77,843.86	78,879.47	92,889.27	87,684.27
Cash and bank balances	1,642.97	6,455.61	8,419.54	7,944.18
Short-term loans and advances	11,583.00	13,014.12	14,897.83	13,567.80
Other current assets	47,952.72	29,702.73	50,001.70	31,825.70
Total	218,645.26	182,417.74	283,407.45	211,062.72

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4. The primary reporting of the group has been performed on the basis of business segment. Segments have been identified and reported based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. The group is operating into following segments – (i) Engineering Service (ES), (ii) Facility Management Services (FMS), (iii) Municipal Solid Waste Management (MSW), (iv) Power Generation Projects ("PGP") (v) Others which primarily includes trading of goods, renting of equipments, manufacturing of electrical equipment and operation and maintenance services, etc.

Particulars	(Amount in Rs Lacs)			
	Standalone		Consolidated	
	For the year ended		For the year ended	
	March 31, 2012 (Audited)	March 31, 2011 (Audited)	March 31, 2012 (Audited)	March 31, 2011 (Audited)
1. Segment revenue				
(a) Segment – ES	94,829.89	106,317.22	98,433.50	108,445.34
(b) Segment – FMS	-	-	27,998.83	21,336.38
(h) Segment – MSW	-	-	7,558.03	2,199.01
(b) Segment – PGP	-	-	-	-
(c) Segment – Others	1,993.19	4,417.19	4,840.96	3,201.57
Total	96,823.08	110,734.41	138,831.32	135,182.30
Less: Inter segment revenue	-	-	3,601.56	269.34
Net sales / revenue from operations	96,823.08	110,734.41	135,229.76	134,912.96
2. Segment results Profit / (Loss) before tax and interest from each segment)				
(a) Segment – ES	9,433.79	19,711.59	10,080.79	19,781.66
(b) Segment – FMS	-	-	760.74	1,409.95
(b) Segment – MSW	-	-	(2,403.17)	(777.43)
(b) Segment – PGP	(6.63)	(108.15)	(146.96)	(291.43)
(c) Segment – Others	441.67	1,159.53	85.81	1,078.91
Total	9,868.83	20,762.97	8,377.21	21,201.66
Less: Inter segment results	-	-	7.06	-
Net segment results	9,868.83	20,762.97	8,370.15	21,201.66
Add: Interest income	758.12	715.05	791.89	852.29
Less:				
(i) Interest expense	5,597.51	5,301.50	7,453.43	6,182.76
(ii) Other unallocable expenditure net off unallocable income	1,775.09	2,003.70	2,191.82	2,080.44
Total profit before tax	3,254.35	14,172.82	(483.21)	13,790.75
3. Capital employed (Segment assets – Segment liabilities)				
(a) Segment – ES	113,516.65	111,227.48	116,191.18	118,229.03
(b) Segment – FMS	-	-	10,761.66	11,130.75
(b) Segment – MSW	-	-	41,662.06	18,899.46
(b) Segment – PGP	32,390.49	14,407.43	46,183.46	10,583.34
(c) Segment – Others	1,399.83	3,216.14	5,260.89	4,629.43
(d) Unallocated	(31,464.93)	(14,982.44)	(109,189.32)	(48,262.25)
Total	115,842.04	113,868.61	110,869.93	115,209.76

5. During the year ended March 31, 2011, the Company had made an Initial Public Offer (IPO) and allotted 16,845,189 equity shares of face value Rs. 10 each, at a premium of Rs. 390 per equity share and has also allotted 31,380 equity shares of face value Rs. 10, at a premium of Rs. 370 per equity share to employees, aggregating to Rs. 67,500 Lacs.

On August 30, 2011, the resolution was passed through postal ballot process to vary and / or revise the utilization of the proceeds from the initial public offering of equity shares. Pursuant to the provisions of Clause 43 of listing Agreement with the Exchanges, the utilization of the net proceeds are as follows:

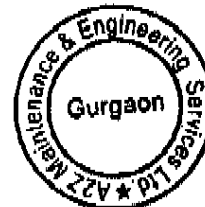
(Amount in Rs Lacs)

Particulars of funds utilised for	Objects as per prospectus#	Actual utilisation till March 31, 2012	Unutilised funds
Investment in three biomass (bagasse)-based power cogeneration projects of 15 MW each in the State of Punjab	6,803.10	6,803.10	-
Investment in five biomass-based power generation projects of 15 MW each in the State of Rajasthan	1,015.40	1,015.40	-
Investment in two biomass-based power generation projects of 10 MW each in the States of Uttar Pradesh and Madhya Pradesh	3,445.60	1,358.94	2,086.66
Investment in subsidiaries			
Share capital in A2Z Infrastructure Limited for the 15 MW biomass-based power generation project in Kanpur, for 10 MW biomass-based power plant at Ramraj in Uttar Pradesh and MSW projects being undertaken by A2Z Infrastructure Limited and its Subsidiaries	17,823.76	17,823.76*	-
Share capital in Mansi Bijlee and Rice Mills Limited, the subsidiary that will implement rice mill and associated rice-husk based biomass-based power generation project in the state of Punjab	2,582.60	1,499.80	1,082.80
Repayment of loan granted by L&T Infrastructure Finance to the Company	4,166.70	4,166.70	-
Acquisition of stake held by Infrastructure Leasing & Financial Services Limited (IL&FS) in A2Z Infraservices Limited and Imatek Solutions Private Limited	4,100.00	4,100.00	-
Working capital requirements	12,500.00	12,500.00	-
General corporate purposes	12,177.70	12,177.70	-
Share issue related expenses	2,885.14	2,885.14	-
Total	67,500.00	64,330.54	3,169.46

revised pursuant to the resolution passed on August 30, 2011

* represents share capital invested in A2Z Infrastructure Limited, a subsidiary Company. A part of the said amount is yet to be spent by A2Z Infrastructure Limited and its Subsidiaries on relevant projects.

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Pending utilization, net proceeds of the IPO have been used as mentioned herein below:

(Amount in Rs Lacs)	
Particulars	Amount
Utilised for reducing availment in working capital facilities with banks	3,169.46
Total	3,169.46

6. Subsequent to the year ended March 31, 2012, the Income tax authorities conducted a search and survey at certain premises of the Company and few of its subsidiaries under section 132 and 133 of the Income Tax Act, 1961. Pending receipt of further communication from the authorities, management is of the opinion that the income tax provision carried in the books is adequate.
7. During the year, the Company has acquired (i) 100% stake in A2Z Disaster Management and Innovative Response Education Private Limited, Pioneer Waste Management Private Limited, (ii) 48% stake in A2Z Waste Management (Nainital) Private Limited, (iii) additional 20% stake in A2Z Infraservices Limited and Imatek Solutions Private Limited and (iv) the Company has sold its 2% stake in Star Transformers Limited.

Further, one of the subsidiaries, A2Z Singapore Waste Management Holdings Private Limited has acquired 100% stake in A2Z Waste Management Private Limited.

Also, one of the subsidiaries, A2Z Infrastructure Limited has acquired (i) 100% stake in A2Z Waste Management (Haridwar) Private Limited and A2Z Waste Management (Dhanbad) Private Limited and (ii) 26% stake in A2Z Waste Management (Nainital) Private Limited.

Also, one of the subsidiaries, Imatek Solutions Private Limited has acquired an additional stake of 49% in its subsidiary CNCS Facility Solutions Private Limited.

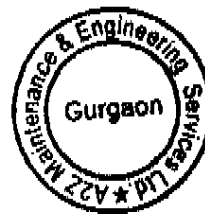
8. The Board of Directors of A2Z Infraservices Limited in its meeting held on January 21, 2012 pursuant to Section 391 & 394 of the Companies Act, 1956 (the "Act") approved the Scheme of Arrangement for the Amalgamation ("the Scheme") of A2Z Infra Management & Services Limited, Imatek Solutions Private Limited and CNCS Facility Solutions Private Limited ("Transferor Companies") with A2Z Infraservices Limited (i.e. Transferee Company) on a going concern basis.

The Hon'ble High Court of Punjab and Haryana vide its order dated July 19, 2012 has approved the Scheme with effect from April 1, 2011 (i.e. the appointed date). The order has been filed with Registrar of Companies on August 6, 2012 (i.e. the effective date). As the amalgamation was in process as on March 31, 2012, therefore, no effect of the amalgamation has been given in above financial results in accordance with the Accounting Standard -14 "Accounting for amalgamations" of the Companies (Accounting Standard) Rule 2006.

9. The figures of previous year have been regrouped or recast wherever necessary to make them comparable with those of the current year.

For and on behalf of A2Z Maintenance & Engineering Services Limited

Place: Gurgaon
Date: August 23, 2012




Amit Mittal
Managing Director

21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

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E GURGAON@ln.gt.com

Auditors' Report

To the Members of A2Z Maintenance & Engineering Services Limited

1. We have audited the attached Balance Sheet of A2Z Maintenance & Engineering Services Limited ('the Company'), as at March 31, 2012, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. We did not audit the financial statements of a branch, included in these financial statements, whose financial statements reflect total assets of Rs. 192,074,450 as at March 31, 2012, total revenues of Rs 496,020,017 and cash outflows of Rs 9,227,717 for the year ended March 31, 2012. These financial statements have been audited by the branch auditor whose report has been furnished to us and our opinion in respect thereof is based solely on his report.
5. Without qualifying our opinion, we draw attention to Note 20.2 to the financial statements regarding outstanding recoverable of Rs 64,381,729 and Rs 60,639,340, being deductions proposed/ made by the respective customers on invoices raised by the Company for services rendered, price escalations on certain supply items and certain other items. There exists however material uncertainty in respect of the collectability of the above receivables. Pending the final outcome of the matter, no adjustments have been made in these financial statements.
6. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;



Chartered Accountants

Offices in Bangalore, Chandigarh, Chennai, Gurgaon, Hyderabad, Mumbai, New Delhi and

Walker, Chandiook & Co

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us. The branch auditors' report has been forwarded to us and has been appropriately dealt with;
- (c) The financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branch not visited by us;
- (d) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (e) In our opinion and on consideration of report of the other auditor on the branch's separate financial statements and on the other financial information and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act and give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
- (i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

Walker Chandiook & Co

For Walker, Chandiook & Co
Chartered Accountants
Firm Registration No.: 001076N

Rajesh Jain

per Rajesh Jain
Partner
Membership No.: 81203



Place: Gurgaon
Date: August 23, 2012

Chartered Accountants

Walker, Chandiook & Co

Annexure to the Auditors' Report of even date to the members of A2Z Maintenance & Engineering Services Limited, on the financial statements for the year ended March 31, 2012

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted unsecured loans to three parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is Rs. 632,500,000 and the year-end balance is Rs. Nil.
 - (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.
 - (c) In respect of loans given, the principal and interest amounts are repayable on demand and since the repayment of such loans and interest thereon has been made whenever demanded, in our opinion, repayment of the principal and interest amounts is regular.
 - (d) There is no overdue amount in respect of loans granted to such companies.
 - (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

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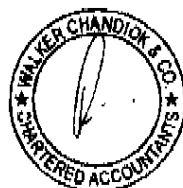
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Annexure to the Auditors' Report of even date to the members of AZZ Maintenance & Engineering Services Limited, on the financial statements for the year ended March 31, 2012 (Cont'd)

- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) According to the information and explanations provided to us, the Companies (Cost Accounting Records) Rules 2011 have become applicable to the Company during the current year; however, no specific formats for the maintenance of the cost records have been prescribed under the said rules. The management believes that the cost records currently maintained by the Company provide the information required under the said rules. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. No undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Gross amount of dispute (Rs)	Amount deposited (Rs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Works Contract tax	5,874,275	5,000,000	2009-10	Joint Commissioner, Sales Tax
West Bengal Value Added Tax Act, 2003	Works Contract tax	40,718,046	17,500,000	2010-11	Joint Commissioner, Sales Tax
Bihar Value Added Tax Act, 2005	Bihar Value Added Tax	8,354,879	2,160,881	2010-11	Joint commissioner, commercial tax (Appeal), Bihar
Jharkhand Value Added Tax Act, 2005	Jharkhand Value Added Tax	10,650,909	-	2008-09 to 2011-12	Commissioner, Commercial tax, Ranchi, Jharkhand
Andhra Pradesh Value Added Tax Act, 2005	Andhra Pradesh Value Added Tax	6,294,816	1,335,764	2010-11	Appellate Deputy commissioner (CT), Vishakhapatnam

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to a financial institution or a bank or debenture-holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.



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Annexure to the Auditors' Report of even date to the members of A2Z Maintenance & Engineering Services Limited, on the financial statements for the year ended March 31, 2012 (Cont'd)

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. The management of the Company has disclosed the end use of monies raised by public issue in the previous year / earlier years in the current year financial statements and the same has been verified by us.
- (xxi) We have been informed that *theft by unidentified individuals of materials amounting to Rs. 38,560,431 and of cash amounting to Rs. 21,500 has been reported during the year as referred to in Note No. 23.1 of the financial statements.* Other than this, based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Walker Chandio & Co

For Walker, Chandio & Co
Chartered Accountants
Firm Registration No.: 001076N

Rajesh Jain
per Rajesh Jain
Partner
Membership No.: 81203



Place: Gurgaon
Date: August 23, 2012

Chartered Accountants

Walker, Chandiook & Co

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Jacaranda Marg, DLF Phase II
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Auditors' Report

To the Board of Directors of A2Z Maintenance & Engineering Services Limited

1. We have audited the attached Consolidated Balance Sheet of A2Z Maintenance & Engineering Services Limited ('the Company'), its subsidiaries and joint ventures, (hereinafter collectively referred to as 'the Group'), as at March 31, 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on the date annexed thereto (collectively referred as the 'Consolidated Financial Statements'). These Consolidated Financial Statements are the responsibility of the Group's management and have been prepared by the Group's management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
 - (a) the Consolidated Financial Statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard 21 on 'Consolidated Financial Statements' and Accounting Standard 27 on 'Financial Reporting of interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006.
 - (b) We did not audit the financial statements of certain subsidiaries and a branch, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs 6,322,552,538 as at March 31, 2012; total revenues (after eliminating intra-group transactions) of Rs 4,082,642,322 and net cash flows aggregating to Rs 368,868,561 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion is based solely on the reports of the other auditors.



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Offices in Bangalore, Chandigarh, Chennai, Gurgaon, Hyderabad, Mumbai, New Delhi and Pune

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- (c) the Consolidated Financial Statements also include the unaudited financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs 596,924 as at March 31, 2012, the total revenues of Rs Nil and net cash flows aggregating to Rs 422,365 for the year then ended. These financial statements have been certified by the management.
4. As explained in note 45 to the consolidated financial statements, we report that AZZ Infrastructure Limited, a subsidiary of the Company, has utilized external commercial borrowings (ECB) amounting to Rs. 448,473,173 for the purposes, which in our opinion are not in compliance with the guidelines issued by the Reserve Bank of India (the 'RBI') in relation to utilization of ECB. The said subsidiary is in the process of taking necessary steps to ensure the compliances with the RBI guidelines. The impact of such non compliances, if any, on the financial statements is presently not ascertainable and accordingly, no adjustment has been made in the consolidated financial statements.
5. Without further qualifying our opinion, we draw attention to Notes 19.2 and 19.3 to the consolidated financial statements regarding outstanding recoverable of Rs 201,286,886, being deductions proposed/ made by the respective customers on invoices raised by the Company for services rendered, price escalations on certain supply items and certain other items. There exists however material uncertainty in respect of the collectability of the above receivables. Pending the final outcome of the matter, no adjustments have been made in these consolidated financial statements.
6. Based on our audit and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the subsidiaries, and to the best of our information and according to the explanations given to us, in our opinion, *subject to our comments in para 4 above*, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in case of:
- (a) the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (b) the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Walker Chandiook & Co

For Walker, Chandiook & Co
Chartered Accountants
Firm Registration No: 001076N

Rajesh Jain
per Rajesh Jain
Partner
Membership No.: 81203



Place: Gurgaon
Date: August 23, 2012

Chartered Accountants