

A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED

Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2013

Part I

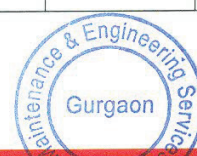
(Amount in Rs Lacs)

S. No.	Particulars	Standalone					
		Three months period ended			Nine months period ended		Year ended
		December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	(a) Net sales / income from operations	7,529.32	10,348.22	10,784.31	25,636.90	43,646.94	55,203.16
	(b) Other operating income	75.71	61.46	1.47	188.74	193.66	292.64
	Total revenue (1)	7,605.03	10,409.68	10,785.78	25,825.64	43,840.60	55,495.80
2	Expenses						
	(a) Cost of material consumed	3,896.95	5,765.37	7,486.91	14,851.52	24,845.44	31,922.26
	(b) Purchase of stock in trade	-	6.42	256.17	96.54	257.08	257.08
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	216.84	-	(256.17)	216.84	(256.17)	(17.61)
	(d) Sub contractor / erection charges	2,524.54	2,808.41	1,548.99	7,387.32	6,330.95	8,850.39
	(e) Employee benefits expense	891.10	1,018.17	1,240.41	3,013.80	3,953.40	5,122.54
	(f) Depreciation and amortisation expense	180.39	180.04	181.62	538.64	527.86	718.10
	(g) Other expenses	2,550.03	1,900.30	1,893.51	7,049.88	7,171.77	10,591.92
	Total expenses (2)	10,259.85	11,678.71	12,351.44	33,154.54	42,830.33	57,444.68
3	(Loss) / profit from operations before other income, finance costs and exceptional items (1-2)	(2,654.82)	(1,269.03)	(1,565.66)	(7,328.90)	1,010.27	(1,948.88)
4	Other income	302.11	67.77	192.41	600.21	842.05	1,011.01
5	(Loss) / profit before finance costs and exceptional items (3+4)	(2,352.71)	(1,201.26)	(1,373.25)	(6,728.69)	1,852.32	(937.87)
6	Finance costs	1,895.38	2,645.92	1,975.47	6,742.88	6,422.22	8,670.03
7	(Loss) / profit after finance costs but before exceptional items (5-6)	(4,248.09)	(3,847.18)	(3,348.72)	(13,471.57)	(4,569.90)	(9,607.90)
8	Exceptional items gain	159.46	522.72	600.99	682.18	600.99	1,016.56
9	(Loss) / profit before tax (7+8)	(4,088.63)	(3,324.46)	(2,747.73)	(12,789.39)	(3,968.91)	(8,591.34)
10	Tax (credit) / expense	(371.64)	5.03	(944.14)	(645.35)	(1,491.27)	(3,210.29)
11	Net (loss) / profit for the period (9-10)	(3,716.99)	(3,329.49)	(1,803.59)	(12,144.04)	(2,477.64)	(5,381.05)

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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

Part I

(Amount in Rs Lacs)

S. No.	Particulars	Standalone					
		Three months period ended			Nine months period ended		Year ended
		December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
12	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	7,417.77	7,417.77
13	Reserve excluding revaluation reserves	-	-	-	-	-	103,043.22
14	Earnings Per Share						
	(a) Basic earnings per share (Not annualised)	(5.01)	(4.49)	(2.43)	(16.37)	(3.34)	(7.25)
	(b) Diluted earnings per share (Not annualised)	(5.01)	(4.49)	(2.43)	(16.37)	(3.34)	(7.25)

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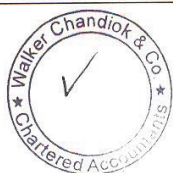
Select financial information for the quarter and nine months ended December 31, 2013

Part II

S. No.	Particulars	Standalone					
		Three months period ended			Nine months period ended		Year ended
		December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A	Particulars of shareholding						
1	Public Shareholding						
	- Number of shares	41,203,054	41,203,054	41,036,054	41,203,054	41,036,054	41,036,054
	- Percentage of shareholding	55.54%	55.54%	55.32%	55.54%	55.32%	55.32%
2	Promoters and promoter group shareholding						
	a) Pledged / encumbered						
	- Number of shares	14,936,000	14,936,000	15,103,000	14,936,000	15,103,000	15,103,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group).	45.30%	45.30%	45.57%	45.30%	45.57%	45.57%
	- Percentage of shares (as a % of the total share capital of the Company)	20.14%	20.14%	20.36%	20.14%	20.36%	20.36%
	b) Non-encumbered						
	- Number of shares	18,038,640	18,038,640	18,038,640	18,038,640	18,038,640	18,038,640
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	54.70%	54.70%	54.43%	54.70%	54.43%	54.43%
	- Percentage of shares (as a % of the total share capital of the Company)	24.32%	24.32%	24.32%	24.32%	24.32%	24.32%

	Particulars	Three months period ended December 31, 2013
B	Investor Complaints	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	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 February 13, 2014. The statutory auditors of the Company have reviewed the above financial results for the quarter and nine months ended December 31, 2013.

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

- a) The Company has incurred a net loss of Rs. 3,716.99 Lacs and Rs. 12,144.04 Lacs during the quarter and the nine months period ended December 31, 2013 respectively and is presently facing acute liquidity problems on account of delayed realisation of trade receivables coupled with delays in commencement of commercial production at its biomass based power generation plants. Management is evaluating various options and in addition to consolidation of business by focusing on core operations and disposing off the noncore assets, had also made reference to Corporate Debt Restructuring Cell ("CDR Cell") under the Master Circular on Corporate Debt Restructuring issued by Reserve Bank of India for restructuring of its existing debt obligations, including interest and other related terms and conditions (hereinafter referred to as the 'CDR scheme'). During the current quarter, the Company has received the provisional Letter of Approval (LoA) for the CDR scheme dated December 28, 2013 from the Corporate Debt Restructuring Empowered Group (CDR EG). The board of directors of the Company in its meeting held on December 30, 2013 approved the terms of the CDR scheme for implementation. The CDR EG has subsequently approved the provisional LOA in its meeting held on January 24, 2014. The Company is in the process of execution of Master Restructuring Agreement (MRA) by all the lenders and complying with the conditions precedent to the CDR scheme.

Management believes that the Company will be able to execute the MRA and comply with the conditions in the due course and in view of the proposed restructuring of debt obligations and other business plans, no adjustments are required in the financial results and accordingly, these have been prepared on a going concern basis

- b) The managerial remuneration paid to Managing Director as approved by shareholders in earlier year, for the year ended March 31, 2013 and for the nine months period ended December 31, 2013 was in excess of limits prescribed under the Companies Act, 1956. The Company's application for the approval from Central Government for the waiver of excess remuneration so paid was not approved pending the requisite details from the Company. The Company is in the process of filing the revision application with requisite information and pending approval from Central Government, the excess remuneration so paid is being held in trust by the Managing Director.
- c) Pursuant to the CDR scheme, the Company has entered into bi-lateral agreements with four of the CDR lending banks for conversion of interest expense into funded interest term loans and retrospective reduction in interest rates. The effect of such agreements have already been given in the bank statements by the respective lending banks and consequently, the Company has reversed interest expense amounting Rs 159.46 Lacs for the financial year ended March 31, 2013 and has booked the current period interest expense at reduced interest rate. The interest cost reversal for the previous financial year has been disclosed as an exceptional item in the above financial results. The Company is still in the process of complying with the conditions precedent as per aforementioned agreements and execution of Master Restructuring Agreement (MRA). Management is confident that all the conditions precedent will be complied with and accordingly, MRA will be executed.

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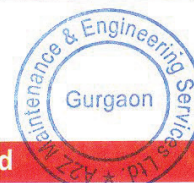
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2. The primary reporting of the Company is on the basis of business segments. Segments have been identified and reported based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. The Company is operating into following segments – (i) Engineering Service (ES), (ii) Power generation projects ("PGP") (iii) Others which primarily includes trading of goods and operation and maintenance services, etc.

(Amount in Rs Lacs)

Particulars	Standalone					
	Three months period ended			Nine months period ended		Year ended
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Segment – ES	7,067.60	9,896.76	10,564.16	23,782.36	43,067.55	53,995.41
(b) Segment – PGP	-	-	-	-	-	-
(c) Segment – Others	537.43	512.92	221.62	2,043.28	773.05	1,500.39
Total	7,605.03	10,409.68	10,785.78	25,825.64	43,840.60	55,495.80
Less: Inter segment revenue	-	-	-	-	-	-
Net sales / income from operations	7,605.03	10,409.68	10,785.78	25,825.64	43,840.60	55,495.80
2. Segment results [(Loss) / profit before tax and interest from each segment]						
(a) Segment – ES	(2,435.96)	(1,527.55)	(1,437.30)	(7,670.19)	1,513.96	(1,401.61)
(b) Segment – PGP	(0.27)	(4.47)	(2.56)	(12.48)	(9.59)	(12.12)
(c) Segment – Others	(25.14)	225.08	(62.27)	642.22	(71.69)	(53.39)
Total	(2,461.37)	(1,306.94)	(1,502.13)	(7,040.45)	1,432.68	(1,467.12)
Less: Inter segment results	-	-	-	-	-	-
Net segment results	(2,461.37)	(1,306.94)	(1,502.13)	(7,040.45)	1,432.68	(1,467.12)
Add: Interest income	108.66	93.23	128.88	299.30	417.60	527.21
Less:						
(i) Interest expense	1,675.92	2,402.49	1,600.29	5,927.76	5,152.97	7,024.43
(ii) Other unallocable expenditure net off unallocable income	60.00	(291.74)	(225.81)	120.48	666.22	627.00
Total (loss) / profit before tax	(4,088.63)	(3,324.46)	(2,747.73)	(12,789.39)	(3,968.91)	(8,591.34)
3. Capital employed						
(Segment assets – Segment liabilities)						
(a) Segment – ES	101,919.23	103,585.50	108,937.90	101,919.23	108,937.90	104,137.81
(b) Segment – PGP	43,836.74	43,185.02	39,165.43	43,836.74	39,165.43	40,499.17
(c) Segment – Others	719.88	731.33	1,317.39	719.88	1,317.39	925.76
(d) Unallocated	(48,158.90)	(45,467.91)	(36,056.32)	(48,158.90)	(36,056.32)	(35,101.75)
Total	98,316.95	102,033.94	113,364.40	98,316.95	113,364.40	110,460.99

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3. During the year ended March 31, 2013, pursuant to the Share Purchase Agreement executed by and between the Company, Weensure Asset Recovery Private Limited (formerly Sardana Recycling Private Limited) (the "buyer"), Weensure E Waste Limited (formerly A2Z E Waste Management Limited) and Dataserv APAC Limited (formerly A2Z Dataserv Limited) along with addendums thereto, the Company decided to dispose off the entire shareholding in the paid up Equity and Preference Share Capital to the buyer in multiple tranches at a total consideration of Rs. 2,300.00 lacs.

During the period ended December 31, 2013, equity shares comprising 22.81% of total paid up equity share capital of Weensure E Waste Limited have been transferred to the buyer and as a consequence, the Company's holding has reduced to 22.81% from existing 45.63% (as on March 31, 2013) in the paid up Equity Share Capital of Weensure E Waste Limited. Accordingly, the Company has recognized a profit of Rs. 522.72 lacs and classified this as an exceptional item as per the accepted accounting principles and practices.

4. Company is in the process of doing certain structural modifications in their power generation plants in Punjab to improve efficiency and hence, these are not considered ready for their intended effective use. Consequently, borrowing costs in relation to these plants is capitalized in accordance with the applicable accounting standards.
5. The members of the Company vide special resolution at the Annual general Meeting held on September 28, 2013 had approved the A2Z Employees Stock Option Plan, 2013. The ESOP Compensation Committee in its meeting held on February 3, 2014 has granted 1,695,000 stock options convertible into equivalent number of equity shares of Rs 10 each to the eligible employees / directors of the Company and its subsidiary companies at the exercise price of Rs 10.35 each which is NSE closing market price on January 31, 2014 (i.e previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable on the first anniversary of the grant date.
6. The above financial results are on standalone basis.
7. The figures of previous periods have been regrouped or recast wherever necessary to make them comparable with those of the current period.

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Place: Gurgaon
Date: February 13, 2014



For and on behalf of A2Z Maintenance & Engineering Services Limited




Amit Mittal
Managing Director

A2Z Maintenance & Engineering Services Limited

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Review Report

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

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of A2Z Maintenance & Engineering Services Limited ("the Company") for the quarter ended December 31, 2013 and the year to date results for the period April 1, 2013 to December 31, 2013, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) as per the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to:
 - (a) Note 1(a) to the accompanying Statement which describes that the Company has incurred a net loss of Rs. 3,716.99 lacs and Rs 12,144.04 lacs for the quarter and nine months period ended December 31, 2013 respectively. These conditions as set forth in the aforesaid note indicates the existence of a material uncertainty that may cast significant doubt on Company continuing as a going concern, However, as detailed in the note, management is evaluating various options and has obtained provisional Letter of Approval (LoA) for the CDR scheme on December 28, 2013. Our report is not qualified in respect of this matter.



Chartered Accountants

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

Walker, Chandiook & Co

- (b) Note 1(b) to the accompanying Statement, regarding pending matter relating to managerial remuneration for financial year March 31, 2013 and period ended December 31, 2013 paid in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 and is being held in trust by such managerial personnel. The Company is in the process of filing review application with the Central government for waiver of recovery of such excess remuneration. Our report is not qualified in respect of this matter.
- (c) Note 1(c) to the accompanying Statement, in respect of the accounting impact of the adjustments recorded on the basis of supplementary agreements with some of the lending banks, under the Corporate Debt Restructuring package, which is pending the execution of the "Master Restructuring Agreement" with the CDR Lenders and completion of other conditions precedent thereto. Our report is not qualified in respect of this matter.
5. We did not review the interim financial results of certain branches, included in the Statement, whose interim financial results reflect total revenues of Rs. 775.27 lacs and Rs. 3,086.94 lacs and net loss after tax of Rs. 151.71 lacs and net profit of Rs. 181.24 lacs for the quarter ended December 31, 2013 and the year to date results for the period April 1, 2013 to December 31, 2013 respectively. These financial results have been reviewed by the branch auditors whose reports have been furnished to us and our report in respect thereof is based solely on their reports. Our report is not qualified in respect of this matter.

Walker, Chandiook & Co.

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

Neeraj
Per **Neeraj Sharma**
Partner
Membership No. 502103

Place: Gurgaon
Date: February 13, 2014

