

AMESL/SE/2014-15/038

**BY E-FILING/FAX/COURIER**

30<sup>th</sup> May, 2014

To,  
Bombay Stock Exchange Limited  
PhirozeJeejeebhoy Towers  
Rotuda Building, Dalal Street,  
Mumbai-400 001

To,  
National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1 G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051

Fax-022-22722039

Fax- 022-26598237/38

BSE Code-533292

NSE Code-A2ZMES

**Sub: Outcome of Board Meeting held on 30<sup>th</sup> May, 2014**

Dear Sir

The decisions and outcome of the Meeting of Board of Directors of the Company held on Friday, the 30<sup>th</sup> day of May, 2014 are as follows:

1. The Financial Results have been reviewed by the Audit Committee and on the recommendations of committee, the Board of Director have approved the Standalone and Consolidated Audited Financial Results for the Quarter (Q4) and financial year ending on 31<sup>st</sup> March, 2014.

You are requested to take the above information on records.

Thanking you,

Yours Truly  
For A2Z Maintenance & Engineering Services Limited

(Atul Kumar Agarwal)  
Company Secretary cum Compliance Officer



# A2Z Maintenance & Engineering Services Limited

CIN No.: L74999HR2002PLC034805



## A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED

Statement of Audited Financial Results for the quarter and year ended March 31, 2014

Part I

(Amount in Rs Lacs)

S. No	Particulars	Standalone					Consolidated	
		Three months period ended			Year ended		Year ended	
		March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		(Refer note 9)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	<b>Revenue from operations</b>							
	(a) Net sales / income from operations	7,803.13	7,529.32	11,556.22	33,440.03	55,203.16	69,559.99	89,937.12
	(b) Other operating income	-	75.71	98.98	188.74	292.64	315.32	344.40
	<b>Total revenue (1)</b>	<b>7,803.13</b>	<b>7,605.03</b>	<b>11,655.20</b>	<b>33,628.77</b>	<b>55,495.80</b>	<b>69,875.31</b>	<b>90,281.52</b>
2	<b>Expenses</b>							
	(a) Cost of material consumed	4,017.84	3,896.95	7,076.82	18,869.36	31,922.26	23,142.63	33,138.96
	(b) Purchase of stock in trade	570.96	-	-	667.50	257.08	450.20	257.08
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	216.84	238.56	216.84	(17.61)	(231.49)	(702.79)
	(d) Sub contractor / erection charges	2,946.83	2,524.54	2,519.44	10,334.14	8,850.39	11,980.99	10,638.00
	(e) Employee benefits expense	829.70	891.10	1,169.14	3,843.50	5,122.54	25,503.42	29,794.16
	(f) Depreciation and amortisation expense	173.42	180.39	190.24	712.06	718.10	3,239.49	3,940.27
	(g) Other expenses	3,477.24	2,550.03	3,420.14	10,527.14	10,591.92	18,128.09	18,652.01
	<b>Total expenses (2)</b>	<b>12,015.99</b>	<b>10,259.85</b>	<b>14,614.34</b>	<b>45,170.54</b>	<b>57,444.68</b>	<b>82,213.33</b>	<b>95,717.69</b>
3	Loss from operations before other income, finance costs and exceptional items (1-2)	(4,212.86)	(2,654.82)	(2,959.14)	(11,541.77)	(1,948.88)	(12,338.02)	(5,436.17)
4	Other income	136.11	302.11	168.95	736.32	1,011.01	1,715.49	3,655.53
5	Loss before finance costs and exceptional items (3+4)	(4,076.75)	(2,352.71)	(2,790.19)	(10,805.45)	(937.87)	(10,622.53)	(1,780.64)
6	Finance costs	2,485.29	1,895.38	2,247.81	9,228.18	8,670.03	14,218.61	13,422.42
7	Loss after finance costs but before exceptional items (5-6)	(6,562.04)	(4,248.09)	(5,038.00)	(20,033.63)	(9,607.90)	(24,841.14)	(15,203.06)
8	Exceptional items gain	24.94	159.46	415.57	707.13	1,016.56	707.22	1,476.62

SIGNED FOR IDENTIFICATION PURPOSES ONLY



# A2Z Maintenance & Engineering Services Limited

CIN No.: L74999HR2002PLC034805



Part I (Amount in Rs Lacs)

S. No	Particulars	Standalone					Consolidated	
		Three months period ended			Year ended		Year ended	
		March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		(Refer note 9)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
9	Loss before tax (7+8)	(6,537.10)	(4,088.63)	(4,622.43)	(19,326.50)	(8,591.34)	(24,133.92)	(13,726.44)
10	Tax credit	815.17	(371.64)	(1,719.02)	169.82	(3,210.29)	540.93	(3,114.19)
11	<b>Net loss for the period (9-10)</b>	<b>(7,352.27)</b>	<b>(3,716.99)</b>	<b>(2,903.41)</b>	<b>(19,496.32)</b>	<b>(5,381.05)</b>	<b>(24,674.85)</b>	<b>(10,612.25)</b>
12	Prior period item	-	-	-	-	-	-	-
13	Net loss for the period (11-12)	(7,352.27)	(3,716.99)	(2,903.41)	(19,496.32)	(5,381.05)	(24,674.85)	(10,612.25)
14	Minority interest	-	-	-	-	-	30.53	(25.41)
15	<b>Loss after minority interest (13-14)</b>	<b>(7,352.27)</b>	<b>(3,716.99)</b>	<b>(2,903.41)</b>	<b>(19,496.32)</b>	<b>(5,381.05)</b>	<b>(24,705.38)</b>	<b>(10,586.84)</b>
16	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	7,417.77
17	Reserve excluding revaluation reserves	-	-	-	83,546.91	103,043.22	68,451.24	93,032.85
18	Earnings Per Share							
	(a) Basic earnings per share (Not annualised)	(9.91)	(5.01)	(3.91)	(26.28)	(7.25)	(33.31)	(14.27)
	(b) Diluted earnings per share (Not annualised)	(9.91)	(5.01)	(3.91)	(26.28)	(7.25)	(33.31)	(14.27)

*H*

SIGNED FOR IDENTIFICATION PURPOSES ONLY

*Q*



(This space has been left blank intentionally)

Select financial information for the quarter and year ended March 31, 2014

Part II

S. No	Particulars	Standalone				Consolidated		
		Three months period ended			Year ended		Year ended	
		March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		(Refer note 9)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>A</b>	<b>Particulars of shareholding</b>							
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%	



SIGNED FOR  
IDENTIFICATION  
PURPOSES ONLY




	Particulars	Three months period ended March 31, 2014
<b>B</b>	<b>Investor Complaints</b>	
	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

**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 May 30, 2014. The statutory auditors of the Company have audited the above standalone and consolidated financial results for the year ended March 31, 2014.
2. The Statutory auditors have qualified their report in respect of non-reversal of opening deferred tax asset amounting to Rs 3,960.72 Lacs. Management based on the current pipeline of projects and development on certain projects, believes that virtual certainty is established in respect of sufficient future taxable income for realisation of these assets.
3. The auditors in their audit report have drawn attention to the following matters:
  - a) The Company has incurred a net loss of Rs. 19,496.32 Lacs during the year ended March 31, 2014 and is presently facing 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") for restructuring of its existing debt obligations, including interest and other related terms and conditions (hereinafter referred to as the 'CDR scheme'). Management believes that the approved CDR scheme (refer note 1(b) for further details on the same) of the Company and the aspects like inviting strategic investors, disposal of non-core assets would also bring in the additional cash flows into the system, no adjustments are required in the financial results and accordingly, these have been prepared on a going concern basis.
  - b) The Corporate debt restructuring (CDR) proposal to re-structure existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme") of the Company, having January 01, 2013 as the "cut-off date", was approved by the CDR Cell vide its Letter of Approval (LOA) dated December 28, 2013 as further modified dated February 03, 2014. Out of sixteen lenders, twelve lenders (herein after termed as 'CDR lenders') agreed to be part of the CDR scheme.

One of the non CDR lenders filed a civil suit in the Hon'ble High Court of Delhi on the Company against creation of second charge on power plants under the CDR scheme inter alia other matters. The hon'ble High Court vide its Order dated March 20, 2014 has permitted the signing of MRA keeping the hearing in the suit adjourned to August 21, 2014. Upon execution of the Master Restructuring Agreement (MRA) with ten CDR lenders Company started the process of fulfilling the others conditions precedent. Pursuant to the CDR Scheme, inter alia other conditions, the promoters were required to bring in Promoter contribution out of which substantial contribution has been brought in. On the basis of MRA executed with the CDR lenders, the Company has accounted for impact of the CDR scheme (reclassifications and interest calculations) in the financial results for the year ended March 31, 2014 up to the extent agreed with those CDR lenders. From the "cut-off date" the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR Scheme. Interest reversal of Rs. 184.40 Lacs pertaining to period from cut-off dates to March 31, 2013 has been shown as an exceptional item during the year. Reclassification and other adjustments as recorded above are subject to reconciliation with the lender banks.

Management is confident that all the conditions precedents are in the process of being complied with and are at advance stage.



SIGNED FOR  
IDENTIFICATION  
PURPOSES ONLY




- c) One of the subsidiary company, A2Z 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 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.
4. Consolidation of financial statements of the Company and its subsidiaries has been done in accordance with the Accounting Standard (AS) – 21 "Consolidated financial statements", AS-23 "Accounting for investments in associates and (AS) – 27 "Financial reporting of interest in joint ventures" in Consolidated financial statements prescribed by the Companies (Accounting Standards) Rules, 2006.
5. The primary reporting of the Group 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 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, manufacturing of electrical equipment and operation and maintenance services, etc.



*(This space has been left blank intentionally)*

SIGNED FOR  
IDENTIFICATION  
PURPOSES ONLY

# A2Z Maintenance & Engineering Services Limited

CIN No.: L74999HR2002PLC034805



(Amount in Rs Lacs)

Particulars	Standalone					Consolidated	
	Three months period ended			Year ended		Year ended	
	March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	(Refer note 9)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>1. Segment revenue</b>							
(a) Segment – ES	7,291.13	7,067.60	10,927.86	31,073.49	53,995.41	34,249.21	55,388.72
(b) Segment – FMS	-	-	-	-	-	24,798.09	25,548.93
(c) Segment – MSW	-	-	-	-	-	7,864.57	8,445.92
(d) Segment – PGP	-	-	-	-	-	-	-
(e) Segment – Others	512.00	537.43	727.34	2,555.28	1,500.39	4,052.14	3,724.82
<b>Total</b>	<b>7,803.13</b>	<b>7,605.03</b>	<b>11,655.20</b>	<b>33,628.77</b>	<b>55,495.80</b>	<b>70,964.01</b>	<b>93,108.39</b>
<b>Less: Inter segment revenue</b>	-	-	-	-	-	1,088.70	2,826.87
<b>Net sales / income from operations</b>	<b>7,803.13</b>	<b>7,605.03</b>	<b>11,655.20</b>	<b>33,628.77</b>	<b>55,495.80</b>	<b>69,875.31</b>	<b>90,281.52</b>
<b>2. Segment results [(Loss) / profit before tax and interest from each segment]</b>							
(a) Segment – ES	(4,317.03)	(2,435.96)	(2,915.56)	(11,478.53)	(1,401.61)	(10,826.59)	(791.73)
(b) Segment – FMS	-	-	-	-	-	1,513.79	1,233.64
(c) Segment – MSW	-	-	-	-	-	(1,368.37)	(1,887.95)
(d) Segment – PGP	(5.47)	(0.27)	(2.53)	(17.95)	(12.12)	(268.21)	(86.25)
(e) Segment – Others	28.89	(25.14)	18.30	162.42	(53.39)	(131.08)	(951.90)
<b>Total</b>	<b>(4,293.61)</b>	<b>(2,461.37)</b>	<b>(2,899.79)</b>	<b>(11,334.06)</b>	<b>(1,467.12)</b>	<b>(11,080.46)</b>	<b>(2,484.19)</b>
<b>Less: Inter segment results</b>	-	-	-	-	-	(143.61)	2.64
<b>Net segment results</b>	<b>(4,293.61)</b>	<b>(2,461.37)</b>	<b>(2,899.79)</b>	<b>(11,334.06)</b>	<b>(1,467.12)</b>	<b>(10,936.85)</b>	<b>(2,486.83)</b>
Add: Interest income	122.33	108.66	109.61	421.63	527.21	217.93	674.35
Less:							
(i) Interest expense	2,294.19	1,675.92	1,871.46	8,221.95	7,024.43	12,138.51	10,732.60
(ii) Other unallocable expenditure net off unallocable income	71.63	60.00	(39.21)	192.12	627.00	1,276.49	1,181.36
<b>Total (loss) / profit before tax</b>	<b>(6,537.10)</b>	<b>(4,088.63)</b>	<b>(4,622.43)</b>	<b>(19,326.50)</b>	<b>(8,591.34)</b>	<b>(24,133.92)</b>	<b>(13,726.44)</b>
<b>3. Capital employed</b> (Segment assets – Segment liabilities)							
(a) Segment – ES	98,772.73	102,196.83	104,137.81	98,772.73	104,137.81	99,769.06	104,234.39
(b) Segment – FMS	-	-	-	-	-	6,825.12	6,759.34
(c) Segment – MSW	-	-	-	-	-	56,137.93	43,046.08
(d) Segment – PGP	42,914.05	43,836.74	40,499.17	42,914.05	40,499.17	57,349.32	55,317.24
(e) Segment – Others	515.67	442.28	925.76	515.67	925.76	3,677.72	4,776.58
(d) Unallocated	(51,237.77)	(48,158.90)	(35,101.75)	(51,237.77)	(35,101.75)	(134,242.84)	(113,683.02)
<b>Total</b>	<b>90,964.68</b>	<b>98,316.95</b>	<b>110,460.99</b>	<b>90,964.68</b>	<b>110,460.99</b>	<b>89,516.31</b>	<b>100,450.61</b>



SIGNED FOR IDENTIFICATION PURPOSES ONLY

## 6. Statement of Assets and Liabilities

(Amount in Rs Lacs)

Particulars	Standalone		Consolidated	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	(Audited)	(Audited)	(Audited)	(Audited)
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' fund</b>				
Share capital	7,417.77	7,417.77	7,417.77	7,417.77
Reserves and surplus	83,546.91	103,043.22	68,451.24	93,032.85
Share application money pending allotment	2,210.00	-	2,210.00	-
Minority interest	-	-	1,233.27	1,202.80
<b>Non current liabilities</b>				
Subsidy	-	-	13,647.30	13,387.04
Long-term borrowings	32,988.97	19,277.75	53,393.92	56,289.79
Long-term provisions	455.68	447.19	2,904.74	2,917.90
<b>Current liabilities</b>				
Short-term borrowings	53,626.12	48,574.04	63,316.20	57,143.96
Trade payables	18,583.69	20,983.93	25,209.54	26,562.11
Other current liabilities	9,567.07	15,738.25	43,007.05	27,660.36
Short-term provisions	32.76	33.00	334.16	284.37
<b>Total</b>	<b>208,428.97</b>	<b>215,515.15</b>	<b>281,125.19</b>	<b>285,898.95</b>
<b>ASSETS</b>				
<b>Non current assets</b>				
Fixed assets (including capital work in progress)	48,029.83	46,815.45	117,178.06	114,671.86
Non current investment	29,362.49	29,505.39	-	-
Deferred tax asset	3,960.72	3,958.98	4,807.28	4,477.27
Long-term loans and advances	3,011.82	2,325.09	11,068.49	9,021.57
Other non-current assets	1,860.20	2,147.96	2,395.71	3,745.89
<b>Current assets</b>				
Current investments	231.28	233.56	231.28	233.56
Inventories	1,368.19	1,628.28	5,763.86	6,038.22
Trade receivables	68,191.58	69,009.72	80,941.07	81,054.82
Cash and cash equivalents	852.14	1,221.99	2,430.84	2,744.07
Short-term loans and advances	14,382.23	12,078.44	14,684.50	12,614.47
Other current assets	37,178.49	46,590.29	41,624.10	51,297.22
<b>Total</b>	<b>208,428.97</b>	<b>215,515.15</b>	<b>281,125.19</b>	<b>285,898.95</b>



SIGNED FOR  
IDENTIFICATION  
PURPOSES ONLY



Regd. Office: O-116, First Floor, DLF Shopping Mall, DLF City, Phase-1, Arjun Marg, Gurgaon-122002

Corporate Office: Plot No. B-38, Institutional Area, Near Jharsa chowk, Sector-32, Gurgaon-122001 Haryana (INDIA)

Tel: +91-124-4517600 Fax: +91-124-4380014 Website: www.a2zgroup.co.in, E-mail: info@a2zemail.com

# A2Z Maintenance & Engineering Services Limited

CIN No.: L74999HR2002PLC034805



7. 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 year ended March 31, 2014, 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.

8. 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.
9. The figures for the quarters ended March 31, 2014 and March 31, 2013 are the balancing figures between audited figures in respect of the full financial years ended March 31, 2014 and March 31, 2013 respectively and the unaudited published year to date figures up to December 31, 2013 and December 31, 2012 respectively, being the end of the third quarter of the previous financial years which were subject to a limited review.
10. The figures of previous periods/year have been regrouped or recast wherever necessary to make them comparable with those of the current period/year.



SIGNED FOR  
IDENTIFICATION  
PURPOSES ONLY

For and on behalf of A2Z Maintenance & Engineering Services Limited



  
Amit Mittal  
Managing Director

Place: Gurgaon  
Date: May 30, 2014

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
21st Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurgaon 122002  
India

T +91 124 462 8000  
F +91 124 462 8001

## Auditors' Report on Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

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

1. We have audited the financial results ("the Statement") of A2Z Maintenance & Engineering Services Limited (the Company) for the year ended March 31, 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement 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 has been prepared on the basis of the financial statements of the Company for the year ended March 31, 2014, which are the responsibility of the Company's management. Our responsibility is to express an opinion on this Statement based on our audit of financial statements, which have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") 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.
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 Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. *As detailed in note 2 to the statement, the Company continues to carry deferred tax assets of Rs. 3,960.72 lacs on items comprising unabsorbed losses and other timing differences between the accounting and taxable income, which, in view of the management, shall be realized on generation of taxable income in future years. However, in the absence of virtual certainty supported by convincing evidence of availability of sufficient future taxable income, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Accounting Standard 22, "Accounting for Taxes on Income" as notified under the Companies (Accounting Standards) Rules 2006. Had the Company reversed these deferred tax assets, the loss after tax for the year ended March 31, 2014 would have been higher and reserves and surplus as at March 31, 2014 would have been lower by Rs.3,960.72, and deferred tax assets as at March 31, 2014 would have been lower by the same amount.*



# Walker Chandiook & Co LLP

4. In our opinion and to the best of our information and according to the explanations given to us this Statement:
  - i. is presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
  - ii. gives a true and fair view of the net loss and other financial information for the year to date financial results for the year ended March 31, 2014 *except for the effect of qualification as described in the previous paragraph.*
5. Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.
6. We draw attention to note 3 (a) to the financial statement which describes that the Company has incurred a net loss of Rs. 19,496.32 lacs for the year ended March 31, 2014 and is currently facing liquidity problems. Management is evaluating various options and these conditions as set forth in the aforesaid note coupled with situation relating to Corporate Debt Restructuring Scheme, described in note 3 (b) indicates the existence of a material uncertainty that may cast doubt on Company continuing as a going concern. Our opinion is not qualified in respect of this matter.
7. As stated in Note 9 to the statement, figures for the quarter ended March 31, 2014 are balancing figures between audited figures for full financial year ended March 31, 2014 and the published unaudited figures for nine months ended December 31, 2013, which were subject to limited review.
8. We did not audit the financial results of certain branches, included in the Statement, whose financial results reflect total assets (after eliminating intra-group transactions) of Rs. 2,628.16 lacs as at March 31, 2014; as well as the total revenue (after eliminating intra-group transactions) of Rs. 3,850.78 lacs for the year ended March 31, 2014 (year to date). These financial results and other financial information have been audited by other auditors whose audit reports have been furnished to us, and our opinion on the Statement, to the extent they have been derived from such financial results is based solely on the audit reports of such other auditors. Our opinion is not qualified in respect of this matter

*Walker Chandiook & Co LLP*

For **Walker Chandiook & Co LLP**

*(formerly Walker, Chandiook & Co)*

Chartered Accountants

Firm Registration No.: 001076N

*Neeraj*  
per **Neeraj Sharma**

Partner

Membership No. 502103

Gurgaon

May 30, 2014



# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
21st Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurgaon 122002  
India

T +91 124 462 8000  
F +91 124 462 8001

## Auditors' Report on Consolidated Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

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

1. We have audited the consolidated financial results ("the Statement") of A2Z Maintenance & Engineering Services Limited ("the Company"), its subsidiaries and joint ventures (collectively referred to as "the Group") for the year ended March 31, 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement 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 has been prepared on the basis of the consolidated financial statements for the year ended March 31, 2014, which are the responsibility of the Company's management. Our responsibility is to express an opinion on this Statement based on our audit of consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") 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.
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 Statement is free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



# Walker Chandiok & Co LLP

3. *As detailed in note 2 to the statement, the Company continues to carry deferred tax assets of Rs. 3,960.72 lacs on items comprising unabsorbed losses and other timing differences between the accounting and taxable income, which, in view of the management, shall be realized on generation of taxable income in future years. However, in the absence of virtual certainty supported by convincing evidence of availability of sufficient future taxable income, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Accounting Standard 22, "Accounting for Taxes on Income" as notified under the Companies (Accounting Standards) Rules 2006. Had the Company reversed these deferred tax assets, the loss after tax for the year ended March 31, 2014 would have been higher and reserves and surplus as at March 31, 2014 would have been lower by Rs.3,960.72, and deferred tax assets as at March 31, 2014 would have been lower by the same amount.*
4. In our opinion and to the best of our information and according to the explanations given to us, and upon consideration of reports of other auditors, this Statement:
  - (i) includes the financial results of the consolidating entities as at and for the year ended March 31, 2014;
  - (ii) has been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
  - (iii) gives a true and fair view of the consolidated net loss and other financial information for the year to date results for the year ended March 31, 2014 *except for the effect of qualification as described in the previous paragraph.*
5. Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.
6. We draw attention to:
  - a) Note 3(a) to the financial statement which describes that the Company has incurred a net loss of Rs. 19,496.32 lacs for the year ended March 31, 2014 and is currently facing liquidity problems. Management is evaluating various options and these conditions as set forth in the aforesaid note coupled with situation relating to Corporate Debt Restructuring Scheme, described in note 3(b) indicates the existence of a material uncertainty that may cast doubt on Company continuing as a going concern. Our opinion is not qualified in respect of this matter.
  - b) Note 3(c) to the statement where the statutory auditor of one of the subsidiary company in his report has drawn attention regarding outstanding recoverable of Rs. 762.66 lacs from a customer which is presently under litigation. 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 the statement. Our opinion is not qualified in respect of this matter.
7. We did not audit the financial statements of some consolidated entities included in the statement, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs 111,094.41 lacs as at March 31, 2014, the total revenue (after eliminating intra-group transactions) of Rs 41,619.77 lacs for the year ended March 31, 2014 and net losses after tax and prior period items (after eliminating intra-group transactions) of Rs 5,357.52 lacs for the year ended March 31, 2014. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the Statement, to the extent they have been derived from such financial statements, is based solely on the reports of such other auditors. Our opinion is not qualified in respect of this matter.



# Walker Chandiok & Co LLP

8. As stated in Note 9 to the statement, figures for the quarter ended March 31, 2014 are balancing figures between audited figures for full financial year ended March 31, 2014 and the published unaudited figures for nine months ended December 31, 2013, which were subject to limited review.

*Walker Chandiok & Co LLP*

For **Walker Chandiok & Co LLP**  
(formerly *Walker, Chandiok & Co*)  
Chartered Accountants  
Firm Registration No: 001076N

*Neeraj*

per **Neeraj Sharma**  
Partner  
Membership No. 502103  
Gurgaon  
May 30, 2014

