

A2Z INFRA ENGINEERING LTD.

CIN NO. L74999HR2002PLC034805

(Previously Known as A2Z Maintenance & Engineering Services Limited)



REF. No. :- A2ZINFRA/SE/2015-16/030

BY E-FILING/FAX/COURIER

26th May, 2015

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

Fax-022-22722039

BSE Code-533292

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

Fax- 022-26598237/38

NSE Code-A2ZMES

Sub: Outcome of Board Meeting held on 26th May, 2015

Dear Sir

The decisions and outcome of the Meeting of Board of Directors of the Company held on Tuesday, the 26th day of May, 2015 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 Audited Standalone Financial Results for the Quarter (Q4) and year ending on 31st March, 2015, along with Audited Consolidated Financial for the financial year ending on 31st March, 2015.

You are requested to take the above information on records.

Thanking you,

Yours Truly

For A2Z Infra Engineering Ltd.

(Formerly known as A2Z Maintenance & Engineering Services Ltd.)

(Atul Kumar Agarwal)

Company Secretary cum Compliance Officer
FCS-6453



Add: - Plot No. B-38, Institutional area,
Sector-32, Gurgaon-122001, Haryana

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

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

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A2Z INFRA ENGINEERING LTD

(FORMERLY KNOWN AS A2Z MAINTENANCE & ENGINEERING SERVICES LIMITED)

Statement of Audited Financial Results for the quarter and year ended March 31, 2015

Part I

(Amount in Rs Lacs)

S. No.	Particulars	Standalone					Consolidated	
		Three months period ended			Year ended		Year ended	
		March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		(Refer note 9)	(Unaudited)	(Refer note 9)	(Audited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations							
	(a) Net sales / income from operations	6,316.14	5,350.05	7,803.13	21,639.88	33,440.03	59,147.58	69,559.99
	(b) Other operating income	89.62	72.22	-	276.83	188.74	296.30	315.32
	Total revenue (1)	6,405.76	5,422.27	7,803.13	21,916.71	33,628.77	59,443.88	69,875.31
2	Expenses							
	(a) Cost of material consumed	5,247.83	2,632.05	4,017.84	12,599.03	18,869.36	17,123.99	23,142.63
	(b) Purchase of stock in trade	7.38	-	570.96	7.38	667.50	7.38	450.20
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	31.95	-	-	31.95	216.84	112.38	(231.49)
	(d) Sub contractor / erection charges	2,160.46	1,292.61	2,946.83	6,636.37	10,334.14	8,351.82	11,980.99
	(e) Employee benefits expense	774.11	838.99	829.70	3,220.80	3,843.50	25,804.81	25,503.42
	(f) Depreciation and amortisation expense	330.07	175.48	173.42	1,028.43	712.06	4,057.46	3,239.49
	(g) Other expenses	3,123.26	2,010.44	3,477.24	8,620.90	10,527.14	17,067.47	18,128.09
	Total expenses (2)	11,675.06	6,949.57	12,015.99	32,144.86	45,170.54	72,525.31	82,213.33
3	Loss from operations before other income, finance costs and exceptional items (1-2)	(5,269.30)	(1,527.30)	(4,212.86)	(10,228.15)	(11,541.77)	(13,081.43)	(12,338.02)
4	Other income	221.25	179.10	136.11	946.53	736.32	2,352.96	1,715.49
5	Loss before finance costs and exceptional items (3+4)	(5,048.05)	(1,348.20)	(4,076.75)	(9,281.62)	(10,805.45)	(10,728.47)	(10,622.53)
6	Finance costs	3,142.90	2,874.23	2,485.29	11,753.51	9,228.18	18,581.61	14,218.61
7	Loss after finance costs but before exceptional items (5-6)	(8,190.95)	(4,222.43)	(6,562.04)	(21,035.13)	(20,033.63)	(29,310.08)	(24,841.14)
8	Exceptional items gain	-	-	24.94	453.63	707.13	456.55	707.22
9	Loss before tax (7+8)	(8,190.95)	(4,222.43)	(6,537.10)	(20,581.50)	(19,326.50)	(28,853.53)	(24,133.92)
10	Tax (credit) / expense	2,763.25	(1,466.51)	815.17	(8,193.16)	169.82	(7,908.29)	540.93
11	Net (loss) for the period/year (9-10)	(10,954.20)	(2,755.92)	(7,352.27)	(12,388.34)	(19,496.32)	(20,945.24)	(24,674.85)
12	Prior period item	-	-	-	-	-	-	-
13	Net (loss) for the period/year (11-12)	(10,954.20)	(2,755.92)	(7,352.27)	(12,388.34)	(19,496.32)	(20,945.24)	(24,674.85)
14	Minority interest	-	-	-	-	-	(72.06)	30.53
15	Net (Loss) after minority interest (13-14)	(10,954.20)	(2,755.92)	(7,352.27)	(12,388.34)	(19,496.32)	(20,873.18)	(24,705.38)



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S. No.	Particulars	Standalone					Consolidated	
		Three months period ended			Year ended		Year ended	
		March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		(Refer note 9)	(Unaudited)	(Refer note 9)	(Audited)	(Audited)	(Audited)	(Audited)
16	Paid-up equity share capital (Face value of the share - Rs 10/- each)	8,651.77	8,651.77	7,417.77	8,651.77	7,417.77	8,651.77	7,417.77
17	Reserve excluding revaluation reserves	-	-	-	71,023.79	83,546.91	47,841.64	68,451.24
18	Earnings Per Share							
	(a) Basic earnings per share (Not annualised)	(12.66)	(3.58)	(9.91)	(15.91)	(26.28)	(26.81)	(33.31)
	(b) Diluted earnings per share (Not annualised)	(12.66)	(3.58)	(9.91)	(15.91)	(26.28)	(26.81)	(33.31)

Select financial information for the quarter and year ended March 31, 2015

Part II

S. No.	Particulars	Standalone					Consolidated	
		Three months period ended			Year ended		Year ended	
		March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		(Refer note 9)	(Unaudited)	(Refer note 9)	(Audited)	(Audited)	(Audited)	(Audited)
A	Particulars of shareholding							
1	Public Shareholding							
	- Number of shares	41,203,054	41,203,054	41,203,054	41,203,054	41,203,054	41,203,054	41,203,054
	- Percentage of shareholding	47.63%	47.63%	55.54%	47.63%	55.54%	47.63%	55.54%
2	Promoters and promoter group shareholding							
	a) Pledged / encumbered							
	- Number of shares	42,138,301	29,798,301	14,936,000	42,138,301	14,936,000	42,138,301	14,936,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group).	92.99%	65.76%	45.30%	92.99%	45.30%	92.99%	45.30%
	- Percentage of shares (as a % of the total share capital of the Company)	48.70%	34.44%	20.14%	48.70%	20.14%	48.70%	20.14%
	b) Non-encumbered							
	- Number of shares	3,176,339	15,516,339	18,038,640	3,176,339	18,038,640	3,176,339	18,038,640
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	7.01%	34.24%	54.70%	7.01%	54.70%	7.01%	54.70%
	- Percentage of shares (as a % of the total share capital of the Company)	3.67%	17.93%	24.32%	3.67%	24.32%	3.67%	24.32%



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	Particulars	Three months period ended March 31, 2015
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

Notes:

- 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 26, 2015. The statutory auditors of the Company have audited the above standalone and consolidated financial results for the year ended March 31, 2015.
- Pursuant to the approval of Corporate Debt Restructuring scheme (CDR) during the last year, the Company has complied with majority of the conditions precedent and is in advanced stages of complying with the remaining conditions. The resultant impact of the scheme amounting to Rs Nil and Rs 453.63 Lacs, for the quarter ended March 31, 2015 and year ended March 31, 2015 respectively have been disclosed as an exceptional item.
- The auditors in their audit report have drawn attention to the following matters:
 - The Management has performed impairment assessment of three cogeneration power plants set up in collaboration with certain sugar mills on Built, Own, Operate and Transfer (BOOT) basis for a period of 15 years. As at March 31, 2015 such plants have a power generation capacity of 15 MW each. The assessment has been done on the basis of assumptions of useful life of assets, discounted cash flows with significant underlying assumptions, achievement of certain operating capacity and the ability of new technology to perform on a consistent basis.
Based on the assessment and advice from an independent legal counsel on the availability of concession period, including renewal period, for thirty years, and the intent of the management for exercising the option for renewal/extension of the concession period, the management believes there exists reasonable certainty that arrangement shall be extended for another term of fifteen years. Accordingly, the management believes that the estimates of the useful lives are reasonable and no impairment exists in the carrying value of power generation plants.
 - Unbilled revenue amounting Rs 196 crores, pertains to revenue recognized by the Company during earlier years, representing amounts billable to, and receivable from the customers towards work done on certain EPC contracts under execution by the Company in accordance with the terms implicit in the contract. The delay in billing these amounts is on account of conclusion of reconciliations with the customers, pending joint measurement/ survey of the work done till date and non-achievement of milestones as per the contractual terms. Management is in discussions with the customers and expects to bill these amounts at the earliest, and believes that whilst it may take sometime to bill and recover the amounts owing to completion of certain administrative and contractual matters, no adjustments are required in respect of these unbilled receivables.
 - The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During quarter ended March 31, 2015, the Company received the Assessment Orders for the assessment years 2007-08 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT). The Company has filed Appeals with Commissioner of Income Tax (CIT) (Appeals) challenging the Orders for last five assessment years.
Based on their assessment and upon consideration of advice from the independent legal counsel, the management believes that the Company has reasonable chances of succeeding before the CIT Appeals and does not foresee any material liability. Pending the final decision on the matter, no adjustment has been made in the financial statements.



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- d) 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.



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(Amount in Rs Lacs)

Particulars	Standalone					Consolidated	
	Three months period ended			Year ended		Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Refer note 9)	(Unaudited)	(Refer note 9)	(Audited)	(Audited)	(Audited)	(Audited)
1. Segment revenue							
(a) Segment – ES	6,097.38	5,189.13	7,291.13	20,929.97	31,073.49	23,164.80	34,249.21
(b) Segment – FMS	-	-	-	-	-	27,750.29	24,798.09
(c) Segment – MSW	-	-	-	-	-	5,971.74	7,864.57
(d) Segment – PGP	-	-	-	-	-	-	-
(e) Segment – Others	308.38	233.14	512.00	986.74	2,555.28	3,150.74	4,052.14
Total	6,405.76	5,422.27	7,803.13	21,916.71	33,628.77	60,037.57	70,964.01
Less: Inter segment revenue	-	-	-	-	-	593.69	1,088.70
Net sales / income from operations	6,405.76	5,422.27	7,803.13	21,916.71	33,628.77	59,443.88	69,875.31
2. Segment results [Profit / (Loss) before tax and interest from each segment]							
(a) Segment – ES	(5,066.14)	(1,300.51)	(4,317.03)	(9,439.64)	(11,478.53)	(9,127.76)	(10,826.59)
(b) Segment – FMS	-	-	-	-	-	1,837.92	1,513.79
(c) Segment – MSW	-	-	-	-	-	(3,463.34)	(1,368.37)
(d) Segment – PGP	(288.22)	(71.92)	(5.47)	(376.92)	(17.95)	(429.06)	(268.21)
(e) Segment – Others	43.58	(90.04)	28.89	(101.67)	162.42	(223.12)	(131.08)
Total	(5,310.78)	(1,462.47)	(4,293.61)	(9,918.23)	(11,334.06)	(11,405.36)	(11,080.46)
Less: Inter segment results	-	-	-	-	-	(3.26)	(143.61)
Net segment results	(5,310.78)	(1,462.47)	(4,293.61)	(9,918.23)	(11,334.06)	(11,402.10)	(10,936.85)
Add: Interest income	31.32	114.26	122.33	403.20	421.63	292.06	217.93
Less:							
(i) Interest expense	2,896.61	2,663.65	2,294.19	10,853.27	8,221.95	17,003.38	12,138.51
(ii) Other unallocable expenditure net off unallocable income	14.88	210.57	71.63	213.20	192.12	740.11	1,276.49
Total loss before tax	(8,190.95)	(4,222.43)	(6,537.10)	(20,581.50)	(19,326.50)	(28,853.53)	(24,133.92)
3. Capital employed (Segment assets – Segment liabilities)							
(a) Segment – ES	84,481.33	91,316.61	98,772.73	84,481.33	98,772.73	84,919.63	99,769.06
(b) Segment – FMS	-	-	-	-	-	8,906.72	6,825.12
(c) Segment – MSW	-	-	-	-	-	52,846.40	56,137.93
(d) Segment – PGP	43,300.70	43,479.62	42,914.05	43,300.70	42,914.05	58,065.70	57,349.32
(e) Segment – Others	1,719.00	1,621.22	515.67	1,719.00	515.67	5,134.99	3,677.72
(d) Unallocated	(47,605.47)	(43,567.70)	(49,027.77)	(47,605.47)	(49,027.77)	(138,694.96)	(132,032.84)
Total	81,895.56	92,849.75	93,174.68	81,895.56	93,174.68	71,178.48	91,726.31



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5. Statement of Assets and Liabilities

Particulars	(Amount in Rs Lacs)			
	Standalone		Consolidated	
	As at March 31, 2015 (Audited)	As at March 31, 2014 (Audited)	As at March 31, 2015 (Audited)	As at March 31, 2014 (Audited)
EQUITY AND LIABILITIES				
Shareholders' fund				
Share capital	8,651.77	7,417.77	8,651.77	7,417.77
Reserves and surplus	71,023.79	83,546.91	47,841.64	68,451.24
Share application money pending allotment	2,220.00	2,210.00	2,220.00	2,210.00
Minority interest	-	-	1,140.11	1,233.27
Non current liabilities				
Subsidy	-	-	12,465.07	13,647.30
Long-term borrowings	31,937.64	32,988.97	62,357.00	53,393.92
Long-term provisions	445.84	455.68	465.38	2,904.74
Current liabilities				
Short-term borrowings	50,129.39	53,626.12	64,245.18	63,316.20
Trade payables	20,896.53	18,583.69	27,008.19	25,209.54
Other current liabilities	25,187.67	9,567.07	51,395.25	43,007.05
Short-term provisions	97.51	32.76	645.94	334.16
Total	210,590.14	208,428.97	278,435.53	281,125.19
ASSETS				
Non current assets				
Fixed assets	47,430.80	48,029.83	113,851.00	117,178.06
Non current investment	29,430.00	29,362.49	1.00	-
Deferred tax asset	12,228.11	3,960.72	13,212.08	4,807.28
Long-term loans and advances	3,227.07	3,011.82	11,563.86	11,068.49
Other non-current assets	1,995.73	1,860.20	2,406.11	2,395.71
Current assets				
Current investments	231.28	231.28	231.28	231.28
Inventories	1,163.86	1,368.19	5,605.22	5,763.86
Trade receivables	66,610.79	68,191.58	79,648.69	80,941.07
Cash and cash equivalents	246.24	852.14	1,367.46	2,430.84
Short-term loans and advances	13,611.31	14,382.23	15,095.80	14,684.50
Other current assets	34,414.95	37,178.49	35,453.03	41,624.10
Total	210,590.14	208,428.97	278,435.53	281,125.19



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6. In accordance with the requirements of Schedule II of the Companies Act, 2013, management has re-assessed the useful lives of the fixed assets and accordingly, the depreciation charge was higher by Rs 9.79 lacs and Rs 173.76 lacs, for the quarter ended March 31, 2015 and year ended March 31, 2015 respectively due to change in useful lives. Further, an amount of Rs 88.96 lacs (net of deferred tax) has been adjusted to the retained earnings whose reassessed remaining useful life is nil as at April 1, 2014.
7. 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 July 3, 2014 has granted 1,905,000 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 19.95 each which is BSE closing market price on July 2, 2014 (i.e previous trading day of the grant date). The entire granted stock options shall vest and will be exercisable 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date till completion of four years since then.
8. During the year ended March 31 2015, the Company has secured EPC contracts worth approx. Rs 240,000 lacs, basis which it has recognized deferred tax asset on unabsorbed depreciation and business losses and other timing differences, to the extent there is virtual certainty with convincing evidence of taxable income in future years in accordance with the requirements of AS 22 Accounting for taxes on income prescribed by the Companies (Accounting Standards) Rules, 2006.
9. The figures for the quarters ended March 31, 2015 and March 31, 2014 are the balancing figures between audited figures in respect of the full financial years ended March 31, 2015 and March 31, 2014 respectively and the unaudited published year to date figures up to December 31, 2014 and December 31, 2013 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.

For and on behalf of A2Z Infra Engineering Ltd
(Formerly Known As A2Z Maintenance & Engineering Services Limited)



Place: Gurgaon
Date: May 26, 2015




Amit Mittal
Managing Director
DIN: 00058944