

A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



REF. No.:- A2ZINFRA/SE/2023-24/59

BY E-FILING

February 12, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Rotuda Building, Dalal Street,
Mumbai-400 001

To,
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-022-22722039
BSE Code- 533292

Fax- 022-26598237/38
NSE Code- A2ZINFRA

Subject: Outcome of Board Meeting held on Monday, February 12, 2024

Dear Sir/Madam,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, A2Z INFRA ENGINEERING LTD. (hereinafter referred as "Company") wish to inform you that on the recommendations of the members of the Audit Committee, the members of the Board of Directors of A2Z Infra Engineering Ltd. at its meeting duly held on February 12, 2024, have reviewed and approved the **Unaudited Standalone & Consolidated Financial Results for the Quarter (Q3) and nine months ended on December 31, 2023 along with the Limited review report issued by the Statutory Auditors.**

Copies of the Statement of Unaudited Standalone and Consolidated Financial Results along with the Limited Review Report for the Quarter (Q3) and nine months ended December 31, 2023, approved by the Board pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are attached herewith. In terms of Regulation 47 of SEBI (LODR), the extract of the Unaudited Standalone & Consolidated financial results shall be published in the prescribed format within the stipulated timelines.

The said outcome and results have been uploaded on the website of the Stock Exchanges and on the website of the Company at www.a2zgroup.co.in.

The Board meeting commenced at 06:15 p.m. and concluded at 07:15 p.m.

This is for your information & records purpose.

Thanking you,
Yours truly,

FOR A2Z INFRA ENGINEERING LTD.



(Atul Kumar Agarwal)
Company Secretary
FCS-6453
Add: - Ground Floor, Plot No. 58, Sector-44,
Gurugram - 122003, Haryana



Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of A2Z Infra Engineering Limited

1. We were engaged to review the accompanying statement of standalone unaudited financial results ('the Statement') of A2Z Infra Engineering Limited ('the Company') for the quarter and nine months ended 31st December 2023, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We have taken into account the requirements of 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement.

Basis for Disclaimer of Conclusion

1. As stated in note 6 to the accompanying Statement, the Company has incurred a net loss after tax of Rs. 884.42 lakhs during the period ended 31st Dec 2023, and as of that date, the Company's accumulated losses amount to Rs. 1,07,535.07 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 14,623.30 lakhs and is presently facing acute liquidity problems on account of delayed realization of trade receivables. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in note 6. The Company has also delayed in repayment of borrowings and payment of statutory dues and dues payable to other lenders, as further detailed in note 5. As confirmed by the management, the Company has been in discussions with the lenders regarding restructuring of these borrowings, the resolution for which is yet to be finalised. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Company is in discussions is uncertain in the absence of any confirmations from such customers. Such events & conditions and the possible impact of the associated uncertainties on management's assumptions, and other matters as set forth in the note 6, cast significant doubt on the Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the management's assessment with respect to restructuring of borrowings and availability of funds, we are unable to comment on the ability of the



Company to continue as a going concern. Further, as stated in note 7 to the accompanying Statement, management indicates that a material uncertainty exists that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.

Our audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th Sept 2023 dated 6th Nov 2023 and our review report for the quarter ended 31st Dec 2022 dated 14th Feb 2023 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

2. As stated in note 5 to the accompanying Statement, the Company has borrowings from certain banks which have been classified as non-performing assets ('NPA borrowings') (referred to as 'the Lenders'), the Company has not recognised interest for the quarter ended 31st Dec 2023 aggregating to Rs. 601.26 lakhs (accumulated interest as at 31st Dec 2023 being Rs. 4,673.99 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.

Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying Statement.

Our audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th Sept 2023 dated 6th Nov 2023 and our review report for the quarter ended 31st Dec 2022 dated 14th Feb 2023 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

3. As stated in note 3 to the accompanying Statement, the Company's non-current investment (net of impairment) amounting to Rs. 7,992.84 lakhs in its associate company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 31st Dec 2023. During the previous year, Company has provided provision of Rs. 9,058.00 lakhs on preference shares of Greeneffect Waste Management Limited. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints. Based upon the valuation report of an independent valuer, arbitration awarded in favour of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying Statement.

Our audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th Sept 2023 dated 6th Nov 2023 and our review report for the quarter ended 31st Dec 2022 dated 14th Feb 2023 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.



Disclaimer of Conclusion

1. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether anything has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we do not express our conclusion on the Statement.

Emphasis of Matters

We draw attention to:

1. Note 2(a) to the accompanying Statement, which describes the uncertainties relating to the outcome of the various pending litigations in respect of three cogeneration power plants of the Company located at Punjab, for which the Company has filled petitions and appeals at various forums. The final outcome of these matters is presently unascertainable. Further, during the previous year, the management has recorded impairment of Rs. 35,665.04 lakhs in the present value of the power plant.
2. Note 2(b) to the accompanying Statement, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.
3. Note 2(c) to the accompanying Statement, which describes the uncertainty relating to utilisation/ recovery of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Company will be able to avail the input tax credit for aforementioned matter.

Other Matters

1. We did not review the interim financial statement of three branches included in the Statement, where such interim financial information reflects total revenues of Rs. 5.04 lakhs, total net loss after tax of Rs. 6.26 lakhs and total comprehensive loss of Rs. 6.26 lakhs for the period ended on 31st Dec 2023 as considered in the Statement. Such interim financial information of the aforesaid branches have been prepared by the management and this report, in so far as it relates to the balances and affairs of these branches, is based solely on such unreviewed financial information, as certified and provided by the management. According to the information and explanations given to us by the management, interim financial information of all three branches is not material to the Company.

Further, all such branches are located outside India whose interim financial statement have been prepared in accordance with accounting principles generally accepted in their respective countries under the



generally accepted review standards specified in Annexure 1 to the Statement, as applicable in their respective countries. The Company's management has converted the financial information of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management.

For MRKS AND ASSOCIATES

Chartered Accountants

(ICAI Registration No. 023711N)



Saurabh Kuchhal

Partner

Membership No. 512362

Date: 12.02.2024

Place: Gurgaon

UDIN:- 24512362BKFBXN2000

Annexure 1:

S.No.	Name	Country of Operations	Name of auditing Standard
1	A2Z Infra Engineering Limited (Tanzania Branch)	Tanzania	International Standards on Review Engagements (ISRE) 2410
2	A2Z Infra Engineering Limited (Nepal Branch)	Nepal	International Standards on Review Engagements (ISRE) 2410
3	A2Z Infra Engineering Limited (Uganda Branch)	Uganda	International Standards on Review Engagements (ISRE) 2410



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A2Z INFRA ENGINEERING LIMITED

Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2023

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Nine months period ended		Year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	1,961.15	1,965.86	1,489.17	5,792.16	5,478.53	6,958.65
	Other income	27.28	752.90	16.59	948.00	2,946.98	3,068.54
	Total income	1,988.43	2,718.76	1,505.76	6,740.16	8,425.51	10,027.19
2	Expenses						
	Cost of material consumed	1,516.97	1,545.52	1,159.08	4,574.15	3,834.11	5,157.90
	Employee benefit expenses	96.11	104.24	103.13	343.90	268.91	311.85
	Finance costs	19.92	119.45	142.94	256.32	599.95	700.77
	Depreciation and amortization expenses	29.27	29.65	121.22	88.66	364.04	482.90
	Other expenses	2,478.42	630.52	353.33	3,326.11	4,393.02	4,573.72
	Total expenses	4,140.69	2,429.38	1,879.70	8,589.14	9,460.03	11,227.14
3	(Loss)/profit before exceptional items and tax	(2,152.26)	289.38	(373.94)	(1,848.98)	(1,034.52)	(1,199.95)
4	Exceptional items – (loss)/gain (Refer note 6)	2,096.87	(1,123.61)	275.20	973.26	275.20	(5,312.58)
5	Loss before tax	(55.39)	(834.23)	(98.74)	(875.72)	(759.32)	(6,512.53)
	Current tax	-	8.70	-	8.70	-	0.54
	Deferred tax charge/(credit)	-	-	-	-	-	2,641.07
6	Loss for the period/year	(55.39)	(842.93)	(98.74)	(884.42)	(759.32)	(9,154.14)
7	Other comprehensive income						
	Items that will not be reclassified to profit and loss	-	-	-	-	-	(7.21)
8	Total Other Comprehensive income for the period/year	-	-	-	-	-	(7.21)
9	Total Comprehensive income for the period/year	(55.39)	(842.93)	(98.74)	(884.42)	(759.32)	(9,161.35)
10	Paid-up equity share capital (Face value of the share = Rs 10/- each)	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99
11	Other equity						(15,955.37)
12	Loss per equity share:						
	(a) Basic (in INR)	(0.03)	(0.48)	(0.05)	(0.50)	(0.43)	(5.20)
	(b) Diluted (in INR)	(0.03)	(0.48)	(0.05)	(0.50)	(0.43)	(5.20)



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Notes:

- 1) The above standalone financial results for the quarter and nine months ended on December 31, 2023 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting duly held on February 12, 2024 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory auditor have issued a disclaimer of conclusion in respect of the matters described in note 3, 5, 6, and 7 in standalone financial results for the quarter and nine months ended December 31, 2023.

Basic and Diluted Earnings Per Share is not annualized for the quarters ended December 31, 2023, September 30, 2023 and December 31, 2022 and nine months ended December 31, 2023 and December 31, 2022.

The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India.

- 2) The auditors in their audit report have drawn attention to the following matters:

- a. In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Company had filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that "there appears to be force in the submissions and the issue requires scrutiny".

Further during the year ended March 31, 2021, the Company had also challenged the mandate of the arbitrator under section 34 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc amounting to Rs. 7,234.73 lakhs and interest thereon. The Company has challenged aforementioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has filed police complaint against the same.

Considering the facts explained above, management has decided to fully impair three cogeneration power plants in its books of accounts set up with respective sugar mills on Build, Own, Operate and Transfer (BOOT) basis. Hence, the management has recorded an impairment of Rs. 35,665.04 lakhs in the present value of the power plant as at December 31, 2023.

Out of the aforementioned impairment as at December 31, 2023 Rs. 26,788.49 lakhs pertain to two power plants, which were yet to be capitalised and Rs. 8,876.56 lakhs are for power plant which has already been capitalised.

- b. The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability. During the year ended March 31, 2015 the Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Company. The Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters, where the CIT(A) has not accepted the Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Company.

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Further, during the year ended March 31, 2018, the Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of Rs. 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Company.

During the year ended March 31, 2019, the Company has received orders from CIT (Appeals) quashing the penalty orders aggregating Rs. 477.71 lakhs out of the aforementioned and upholding the rest. During the previous year, the company has received order from ITAT quashing the penalty order and quantum order is still pending at ITAT level.

Based on their assessment, the management believes that the Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending the final decision on the matter, no further adjustment has been made in the standalone financial results.

- c. During the financial year ended March 31, 2017, the Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities (the Authority) regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Company received response to its application wherein the Authority opined that entire project is covered within the ambit of the service tax. Accordingly, the Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.
- 3) The Company, as at December 31, 2023, has non-current investments (net of impairment) amounting to Rs. 7,992.84 lakhs and current financial assets-loan amounting to Rs. 84.67 lakhs in its associate company Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). During the previous year, Company has provided provision of Rs. 9,058.00 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at December 31, 2023 has been completely eroded. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.

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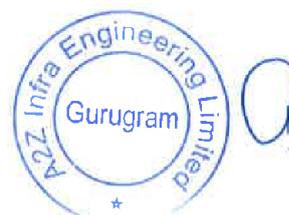


4) Following exceptional items (net) have been recorded:

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Nine months period ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
One time settlement (OTS) with banks and financial institutions	2,425.00	-	2,775.44	2,425.00	2,775.44	2,775.44
Loan settled on behalf of subsidiary and associate on account of corporate guarantee	-	6,347.55	-	6,347.55	-	-
Liabilities written back	-	9,666.35	-	9,666.35	-	9,598.99
Exceptional gain (A)	2,425.00	16,013.90	2,775.44	18,438.90	2,775.44	12,374.43
Unbilled provision/write off	328.13	7,670.00	2,500.24	7,998.13	2,500.24	2,500.24
Capital assets impaired/written off (Refer note- 2(a))	-	-	-	-	-	6,128.77
Provision on loans and advances from associates and subsidiary	-	9,467.51	-	9,467.51	-	-
Investment provision/written off	-	-	-	-	-	9,058.00
Exceptional loss (B)	328.13	17,137.51	2,500.24	17,465.64	2,500.24	17,687.01
Net Exceptional gain/(loss)(A-B)	2,096.87	(1,123.61)	275.20	973.26	275.20	(5,312.58)

- 5) The loan accounts of the Company have been classified as Non- Performing Assets by certain banks and no interest has been charged on the said accounts. Further, the Company has also not charged any interest on the said borrowings, therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to Rs. 601.26 lakhs, Rs. 2,377.31 lakhs and Rs. 4,673.99 lakhs for the quarter ended December 31, 2023, nine months ended December 31, 2023 and as at December 31, 2022 respectively (Rs. 923.34 lakhs, Rs. 757.54 lakhs, Rs. 2,551.92 lakhs and Rs. 3,374.33 lakhs for the quarter ended September 30, 2023, December 31, 2022, nine months ended December 31, 2022 and year ended March 31, 2023 respectively). The Company has made one time settlement with certain lenders or already in discussion with the said banks for settlement of their dues.
- 6) The Company has incurred a net loss after tax of Rs. 884.42 lakhs for the period ended December 31, 2023 and has accumulated losses amounting Rs. 1,07,535.07 lakhs as at December 31, 2023. At present, company is facing acute liquidity issues on account of delayed realization of trade receivables from the clients. Also, certain lenders have filed an application with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal and other judicial authorities for recovery of its dues for which management believes that no additional liability shall devolve on the Company in addition to the carrying value of such liability as at December 31, 2023. Further, two parties have also filed applications with the National Company Law Tribunal (NCLT) for recovery of their dues. The said outstandings are disputed in nature, and Company is pursuing the same before the NCLT hence at present the said matters are sub-judice. Further, during the year ended March 31, 2020, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Company amounting to Rs. 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business in future. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders, including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the standalone financial result and accordingly, these have been prepared on a going concern basis.



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- 7) The Tanzania branch has a contract with Rural Energy Agency (REA) for supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Bahi, Kongwa and Chemba districts) on a Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondo and Mpwapwa districts) on Turnkey basis for Lot 2. The Tanzania branch is expecting to complete the works by March 2024. The contract allows for a further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued and the contract will expire. This condition indicates that a material uncertainty exists, that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.
- 8) During the period ended December 31, 2023, the company has entered into one time settlement (OTS) with Kotak Mahindra Bank and Edelweiss Asset Reconstruction Company Limited (for the loan assigned by ICICI Bank) for a settlement amount of Rs. 1,500 lakhs and Rs. 1,100 lakhs respectively on the terms as mentioned therein in the respective sanction/approval letter.
- 9) In line with the provisions of Ind AS 108 — Operating Segments and on the basis of review of operations being done by the management of the company, the operations of the company falls under Engineering services, which is considered to be the only reportable segment by the management.
- 10) Previous period/ year figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period/ year's classification.

For and behalf of AZZ Infra Engineering Ltd.



Amit Mittal
Managing Director & CEO
DIN: 00058944

Place: Gurugram

Date: February 12, 2024





Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of A2Z Infra Engineering Limited

1. We were engaged to review the accompanying statement of consolidated unaudited financial results ('the Statement') of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates (refer Annexure 1 for the list of subsidiaries and associates included in the Statement) for the quarter and nine months period ended 31st Dec 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We have taken into account the requirements of 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement. We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Basis for Disclaimer of Conclusion

1. As stated in note 7 to the accompanying Statement, the Holding Company has incurred a net loss after tax of Rs. 884.42 lakhs for the period ended 31st Dec 2023, and as of that date, the Holding Company's accumulated losses amount to Rs. 1,07,535.07 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 16,789.23 lakhs. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in note 7. The Holding Company has also delayed in repayment of borrowings and payment of statutory dues and dues payable to other lenders, as further detailed in note 6. As confirmed by the management, the Holding Company has been in discussions with the lenders regarding restructuring of these borrowings, the resolution for which is yet to be finalised. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Holding Company is in discussions is uncertain in the absence of any confirmations from such customers. Such events & conditions and the possible impact of the associated uncertainties on management's assumptions, and other matters as set forth in the note 7, cast significant doubt on the Holding Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the management's assessment with respect to restructuring of borrowings and availability of funds, we are unable to comment on the ability of the Holding Company to continue as a going concern. Further, as stated in note 8 to the accompanying Statement, management indicates that a material uncertainty exists that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.

Our Audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th Sept 2023 dated 6th Nov 2023 and our review report for the quarter ended 31st Dec 2022 dated 14th Feb 2023 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

2. As stated in note 6 to the accompanying Statement, the Holding Company has borrowings from certain banks (referred to as 'the Lenders') which have been classified as non-performing assets ('NPA borrowings'), the Holding Company has not recognised interest for the quarter ended 31st Dec 2023 aggregating to Rs. 601.26 lakhs (accumulated interest as at 31st Dec 2023 being Rs. 4,673.99 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.

Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment



on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying Statement.

Our Audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th Sept 2023 dated 6th Nov 2023 and our review report for the quarter ended 31st Dec 2022 dated 14th Feb 2023 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

3. As stated in note 3 to the accompanying Statement, the Holding Company's non-current investment (net of impairment) amounting to Rs. 7,992.84 lakhs in its associate company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 31st Dec 2023. During the previous year, Company has provided provision of Rs. 9,058.00 lakhs on preference shares of Greeneffect Waste Management Limited. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints. Based upon the valuation report of an independent valuer, arbitration awarded in favour of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying Statement.

Our Audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th Sept 2023 dated 6th Nov 2023 and our review report for the quarter ended 31st Dec 2022 dated 14th Feb 2023 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

Disclaimer of Conclusion

1. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether anything has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Act, and



other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we do not express our conclusion on the Statement.

Emphasis of Matters

We draw attention to:

1. Note 2(a) to the accompanying Statement, which describes the uncertainties relating to the outcome of the various pending litigations in respect of three cogeneration power plants of the Holding Company located at Punjab, for which the Holding Company has filed petitions and appeals at various forums. The final outcome of these matters is presently unascertainable. Further, during the previous year, the management has recorded impairment of Rs. 35,665.04 lakhs in the present value of the power plant.
2. Note 2(b) to the accompanying Statement, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Holding Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.
3. Note 2(c) to the accompanying Statement, which describes the uncertainty relating to utilisation/ recovery of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Holding Company will be able to avail the input tax credit for aforementioned matter.

Other Matters

1. We did not review the interim financial statements of Twelve subsidiaries (as specified in Annexure 1) included in the Statement, whose financial statements reflects total revenues of Rs. 23,259.38 lakhs, total net loss after tax of Rs. 58.64 lakhs, total comprehensive loss of Rs. 58.64 lakhs for the period ended as on 31st Dec 2023 as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 2,406.55 lakhs for the period ended as on 31st Dec 2023, as considered in the Statement, in respect of 18 associates (as specified in Annexure 1), whose interim financial statements have not been reviewed by us. These interim financial statements have been reviewed by other auditors whose review reports have been furnished to us by the management. This report, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the review reports of such other auditors and the procedures performed by us.



2. We did not review the interim financial statement of three branches included in the Statement, where such interim financial information reflects total revenues of Rs. 5.04 lakhs, total net loss after tax of Rs. 6.26 lakhs and total comprehensive loss of Rs. 6.26 lakhs for the period ended on 31st Dec 2023 as considered in the Statement. Such interim financial information of the aforesaid branches have been prepared by the management and this report, in so far as it relates to the balances and affairs of these branches, is based solely on such unreviewed financial information, as certified and provided by the management. According to the information and explanations given to us by the management, interim financial information of all three branches is not material to the Company.

Further, all such branches are located outside India whose interim financial statement have been prepared in accordance with accounting principles generally accepted in their respective countries under the generally accepted review standards specified in Annexure 2 to the Statement, as applicable in their respective countries. The Company's management has converted the financial information of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management.

For MRKS AND ASSOCIATES

Chartered Accountants
(ICAI Registration No. 023711N)


Saurabh Kuchhal
Partner
Membership No. 512362



Date: 12.02.2024
Place: Gurgaon
UDIN:- 24512362BKFBXO5619

Annexure 1

List of entities included in the Statement

S. No.	Name	Relation
1.	A2Z Infraservices Limited	Subsidiary
2.	A2Z Powercom Limited	Subsidiary
3.	Rishikesh Waste Management Limited (formerly known as A2Z Powertech Limited)	Subsidiary
4.	Mansi Bijlee & Rice Mills Limited	Subsidiary
5.	Magic Genie Services Limited	Subsidiary
6.	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Subsidiary
7.	Ecogreen Envirotech Solutions Limited	Subsidiary
8.	Blackrock Waste Processing Private Limited	Subsidiary
9.	A2Z Waste Management (Aligarh) Limited	Subsidiary
10.	A2Z Waste Management (Ludhiana) Limited	Subsidiary
11.	Magic Genie Smartech Solutions Limited	Subsidiary
12.	Vswach Environment (Aligarh) Private Limited	Subsidiary with effect from 9 th Dec 2022
13.	Vsapients Techno Services Private Limited	Subsidiary with effect from 21 st Feb 2023
14.	Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited)	Associate
15.	A2Z Waste Management (Nainital) Private Limited	Associate
16.	A2Z Waste Management (Moradabad) Limited	Associate
17.	A2Z Waste Management (Meerut) Limited	Associate
18.	A2Z Waste Management (Varanasi) Limited	Associate
19.	A2Z Waste Management (Jaunpur) Limited	Associate
20.	A2Z Waste Management (Badaun) Limited	Associate
21.	A2Z Waste Management (Sambhal) Limited	Associate
22.	A2Z Waste Management (Mirzapur) Limited	Associate
23.	A2Z Waste Management (Balai) Limited	Associate
24.	A2Z Waste Management (Fatehpur) Limited	Associate
25.	A2Z Waste Management (Ranchi) Limited	Associate
26.	A2Z Waste Management (Dhanbad) Private Limited	Associate
27.	Shree Balaji Pottery Private Limited	Associate
28.	Shree Hari Om Utensils Private Limited	Associate
29.	A2Z Waste Management (Jaipur) Limited	Associate
30.	A2Z Waste Management (Ahmedabad) Limited	Associate
31.	Earth Environment Management Services Private Limited	Associate



Annexure 2

S.No.	Name	Country of Operations	Name of auditing Standard
1	A2Z Infra Engineering Limited (Tanzania Branch)	Tanzania	International Standards on Review Engagements (ISRE) 2410
2	A2Z Infra Engineering Limited (Nepal Branch)	Nepal	International Standards on Review Engagements (ISRE) 2410
3	A2Z Infra Engineering Limited (Uganda Branch)	Uganda	International Standards on Review Engagements (ISRE) 2410



A2Z INFRA ENGINEERING LIMITED

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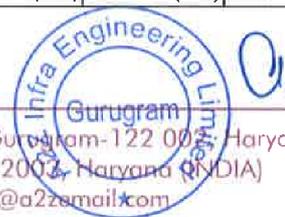


A2Z INFRA ENGINEERING LIMITED

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2023

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Nine Months Period ended		Year ended
		December 31 , 2023	September 30, 2023	December 31 , 2022	December 31 , 2023	December 31 , 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	9,445.47	10,196.09	8,354.82	29,051.55	25,873.19	34,944.16
	Other income	63.88	711.30	63.71	964.22	3,009.16	3,261.41
	Total income	9,509.35	10,907.39	8,418.53	30,015.77	28,882.35	38,205.57
2	Expenses						
	Cost of material consumed	4,161.34	3,810.87	3,382.53	11,960.73	10,728.99	13,386.48
	Changes in inventories of Finished goods, Stock -in-trade and Work- in- progress	-	106.51	-	439.76	(89.91)	(5.88)
	Employee benefit expenses	4,058.55	4,420.03	4,006.88	12,737.29	11,267.59	15,522.37
	Finance costs	72.32	233.14	274.80	490.04	1,026.75	1,329.49
	Depreciation and amortization expenses	130.78	134.57	198.71	394.21	650.02	883.24
	Other expenses	3,011.09	2,045.94	792.62	5,574.49	5,582.15	5,899.81
	Total expenses	11,434.08	10,751.06	8,655.54	31,596.52	29,165.59	37,015.51
3	(Loss)/profit before exceptional items, share of net profit/(loss) of investments accounted for using equity method and tax	(1,924.73)	156.33	(237.01)	(1,580.75)	(283.24)	1,190.06
	Share of net (loss)/profit of investments accounted for using equity method	(191.92)	(1,940.51)	(216.93)	(2,406.55)	(867.95)	396.16
4	(Loss)/profit before exceptional items and tax	(2,116.65)	(1,784.18)	(453.94)	(3,987.30)	(1,151.19)	1,586.22
	Exceptional items – gain/(loss) (Refer note 5)	2,096.87	1,554.03	(6,616.35)	3,650.90	(6,616.35)	(12,204.13)
5	Loss before tax	(19.78)	(230.15)	(7,070.29)	(336.40)	(7,767.54)	(10,617.91)
	Current tax	121.27	216.77	67.85	380.00	143.85	61.40
	Deferred tax charge/(credit)	43.52	(98.69)	(1,702.78)	(26.26)	(1,674.11)	1,926.17
6	Loss for the period/year	(184.57)	(348.23)	(5,435.36)	(690.14)	(6,237.28)	(12,605.48)
	Other comprehensive income						
	Items that will not be reclassified to profit and loss	-	-	-	-	-	96.16
7	Total Other Comprehensive income for the period/year (net of tax)	-	-	-	-	-	96.16
8	Total Comprehensive income for the period/year	(184.57)	(348.23)	(5,435.36)	(690.14)	(6,237.28)	(12,509.32)
9	(Loss) / profit for the period/year attributable to:						
	Equity holders of the Company	(145.93)	(214.61)	(5,114.41)	(448.02)	(5,935.27)	(12,292.03)
	Non-controlling interests	(38.64)	(133.62)	320.95	(242.12)	(302.01)	(313.45)
10	Other comprehensive income is attributable to:						
	Equity holders of the Company	-	-	-	-	-	75.59
	Non-controlling interests	-	-	-	-	-	20.57
11	Total comprehensive income is attributable to:						
	Equity holders of the Company	(145.93)	(214.61)	(5,114.41)	(448.02)	(5,935.27)	(12,216.44)
	Non-controlling interests	(38.64)	(133.62)	320.95	(242.12)	(302.01)	(292.88)
12	Paid-up equity share capital (Face value of the share - Rs 10/- each)	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99
13	Other equity	-	-	-	-	-	(13,806.98)
14	Loss per equity share:						
	(a) Basic (in INR)	(0.08)	(0.12)	(2.90)	(0.25)	(3.37)	(6.98)
	(b) Diluted (in INR)	(0.08)	(0.12)	(2.90)	(0.25)	(3.37)	(6.98)



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Tel.: +91-124-472-3383, Website : www.a2zgroup.co.in, Email : info@a2zemail.com

A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



Notes:

- 1) The above consolidated financial results for the quarter and nine months ended on December 31, 2023 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting duly held on February 12, 2024 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory auditor have issued a disclaimer of conclusion in respect of the matters described in note 3, 6, 7 and 8 in consolidated financial results for the quarter and nine months ended December 31, 2023.

Basic and Diluted Earnings Per Share is not annualized for the quarters ended December 31, 2023, September 30, 2023 and December 31, 2022 and nine months ended December 31, 2023 and December 31, 2022.

The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India.

- 2) The auditors in their audit report have drawn attention to the following matters:

- a. In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Holding Company had filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that "there appears to be force in the submissions and the issue requires scrutiny".

Further during the year ended March 31, 2021, the Holding Company had also challenged the mandate of the arbitrator under section 34 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Holding Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc amounting to Rs. 7,234.73 lakhs and interest thereon. The Holding Company has challenged aforementioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has filed police complaint against the same.

Considering the facts explained above, management has decided to fully impair three cogeneration power plants in its books of accounts set up with respective sugar mills on Build, Own, Operate and Transfer (BOOT) basis.

Hence, the management has recorded an impairment of Rs. 35,665.04 lakhs in the present value of the power plant as at December 31, 2023.

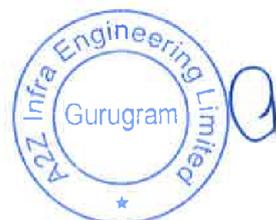
Out of the aforementioned impairment as at December 31, 2023 Rs. 26,788.49 lakhs pertain to two power plants, which were yet to be capitalised and Rs. 8,876.56 lakhs are for power plant which has already been capitalised.

- b. The Income tax authorities conducted a search and survey at certain premises of the Holding Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Holding Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability. During the year ended March 31, 2015 the Holding Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Holding Company. The Holding Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters, where the CIT(A) has not accepted the Holding Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Holding Company.

Further, during the year ended March 31, 2018, the Holding Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of Rs. 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Holding Company.

During the year ended March 31, 2019, the Holding Company has received orders from CIT (Appeals) quashing the penalty orders aggregating Rs. 477.71 lakhs out of the aforementioned and upholding the rest. During the previous year, the holding company has received order from ITAT quashing the penalty order and quantum order is still pending at ITAT level.

Based on their assessment, the management believes that the Holding Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending the final decision on the matter, no further adjustment has been made in the consolidated financial results.



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- c. During the financial year ended March 31, 2017, the Holding Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities ('the Authority') regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Holding Company received response to its application wherein the Authority opined that entire project is covered within the ambit of the service tax. Accordingly, the Holding Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Holding Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Holding Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.
- 3) The Holding Company, as at December 31, 2023, has non-current investments (net of impairment) amounting to Rs. 7,992.84 lakhs and current financial assets-loan amounting to Rs. 84.67 lakhs in its associate company Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). During the previous year, Holding Company has provided provision of Rs. 9,058.00 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at December 31, 2023 has been completely eroded. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.
- 4) The Group has reported segment information as per Indian Accounting Standard 108 'Operating Segments' (Ind AS 108). The Group is operating into following segments – (i) Engineering Service (ES), (ii) Facility Management Services (FMS), (iii) Municipal Solid Waste (MSW) (iv) Power generation projects (PGP) and (v) Others which primarily includes trading of goods and operation and maintenance services etc.

Unaudited group segment wise revenue, results, assets and liabilities for the quarter and nine months ended December 31, 2023

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Nine Months Period ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Segment – ES	1,961.15	1,965.86	1,489.17	5,792.16	5,460.68	6,940.80
(b) Segment – FMS	5,344.51	6,023.17	2,373.95	16,736.31	12,423.27	17,862.76
(c) Segment – MSW	2,139.81	2,207.06	2,197.74	6,523.08	6,433.51	8,220.26
(d) Segment – PGP	-	-	-	-	-	-
(e) Segment – Others	-	-	-	-	17.85	17.85
Total	9,445.47	10,196.09	6,060.86	29,051.55	24,335.31	33,041.67
Less: Inter segment revenue	-	-	-2,293.96	-	(1,537.88)	(1,902.49)
Revenue from operations	9,445.47	10,196.09	8,354.82	29,051.55	25,873.19	34,944.16
2. Segment results [Profit / (Loss) before tax and interest from each segment]						
(a) Segment – ES	(2,138.34)	392.53	(168.16)	(1,617.46)	(273.71)	(279.51)
(b) Segment – FMS	370.62	570.81	191.56	1,454.27	950.36	2,961.35
(c) Segment – MSW	(109.98)	(514.85)	71.46	(892.08)	231.22	36.11
(d) Segment – PGP	(2.57)	(3.25)	(69.11)	(8.78)	(203.80)	(270.73)
(e) Segment – Others	(0.11)	(0.17)	-	(0.58)	17.48	17.37
Total	(1,880.38)	445.07	25.75	(1,064.63)	721.55	2,464.59
Less: Inter segment results	-	-	-	-	-	-
Net segment results	(1,880.38)	445.07	25.75	(1,064.63)	721.55	2,464.59
Add: Interest income	27.97	(55.63)	12.04	(26.11)	21.96	54.96
Less:	-	-	-	-	-	-
(i) Interest expense	66.02	179.79	256.77	413.69	943.96	1,195.55
(ii) Other unallocable expenditure net of unallocable income	198.22	1,993.83	234.96	2,482.87	950.74	(262.22)
(Loss)/profit before exceptional item and tax	(2,116.65)	(1,784.18)	(453.94)	(3,987.30)	(1,151.19)	1,586.22



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A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805

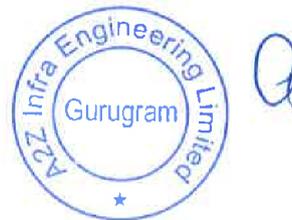


Unaudited group segment wise revenue, results, assets and liabilities for the quarter and nine months ended December 31, 2023 (Cont'd)

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Nine Months Period ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Exceptional (loss)/ gain						
(a) Segment – ES	(328.13)	1,996.35	(2,500.24)	1,668.22	(2,500.24)	7,098.75
(b) Segment – FMS	-	-	(6,891.55)	-	-	(6,891.55)
(c) Segment – PGP	-	-	-	-	-	(6,128.76)
(d) Unallocable items	2,425.00	(442.32)	2,775.44	1,982.68	(4,116.11)	(6,282.57)
Loss after exceptional item and before tax	(19.78)	(230.15)	(7,070.29)	(336.40)	(7,767.54)	(10,617.91)
Less : Tax expenses						
(i) Current tax	121.27	216.77	67.85	380.00	143.85	61.40
(ii) Deferred tax	43.52	(98.69)	(1,702.78)	(26.26)	(1,674.11)	1,926.17
Loss for the period / year	(184.57)	(348.23)	(5,435.36)	(690.14)	(6,237.28)	(12,605.48)
3. Segment assets						
(a) Segment – ES	41,331.26	42,343.59	62,496.06	41,331.26	62,496.06	56,055.55
(b) Segment – FMS	8,916.01	9,858.48	13,677.09	8,916.01	13,677.09	10,274.88
(c) Segment – MSW	13,120.44	13,688.43	16,675.34	13,120.44	16,675.34	15,273.11
(d) Segment – PGP	589.99	588.59	7,202.24	589.99	7,202.24	994.20
(e) Segment – Others	4,234.81	4,192.80	4,709.26	4,234.81	4,709.26	5,505.15
(f) Unallocated	10,434.91	10,428.95	19,636.12	10,434.91	19,636.12	10,970.19
Total Assets	78,627.42	81,100.84	1,24,396.11	78,627.42	1,24,396.11	99,073.08
4. Segment liabilities						
(a) Segment – ES	35,242.78	30,531.60	51,382.46	35,242.78	51,382.46	36,708.16
(b) Segment – FMS	7,175.76	8,987.27	13,686.16	7,175.76	13,686.16	9,452.36
(c) Segment – MSW	11,629.13	11,430.63	13,213.43	11,629.13	13,213.43	12,024.60
(d) Segment – PGP	23.73	21.10	132.84	23.73	132.84	137.91
(e) Segment – Others	2,622.31	2,584.18	7,013.36	2,622.31	7,013.36	7,800.74
(f) Unallocated	19,686.66	25,135.77	29,835.16	19,686.66	29,835.16	30,076.00
Total Liabilities	76,380.37	78,690.55	1,15,263.41	76,380.37	1,15,263.41	96,199.77

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5) Following exceptional items (net) have been recorded:

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Nine Months Period ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
One time settlement (OTS) with banks and financial institutions	2,425.00	2,563.93	2,775.44	4,988.93	2,775.44	2,775.44
Loan settled on behalf of associate	-	3,783.62	-	3,783.62	-	-
Liabilities written back	-	9,666.35	-	9,666.35	-	9,598.99
Exceptional gain (A)	2,425.00	16,013.90	2,775.44	18,438.90	2,775.44	12,374.43
Unbilled provision/write off	328.13	7,670.00	2,500.24	7,998.13	2,500.24	2,500.24
Capital assets impaired/written off (Refer note- 2(a))	-	-	-	-	-	6,128.77
Loans and advances provision	-	6,789.87	6,891.55	6,789.87	6,891.55	6,891.55
Investment provision/written off	-	-	-	-	-	9,058.00
Exceptional loss (B)	328.13	14,459.87	9,391.79	14,788.00	9,391.79	24,578.56
Net Exceptional gain/(loss)(A-B)	2,096.87	1,554.03	(6,616.35)	3,650.90	(6,616.35)	(12,204.13)

6) The loan accounts of the Holding Company have been classified as Non- Performing Assets by certain banks and no interest has been charged on the said accounts. Further, the Holding Company has also not charged any interest on the said borrowings, therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to Rs. 601.26 lakhs, Rs. 2,377.31 lakhs and Rs. 4,673.99 lakhs for the quarter ended December 31, 2023, nine months ended December 31, 2023 and as at December 31, 2023 respectively (Rs. 923.34 lakhs, Rs. 757.54 lakhs, Rs. 2,551.92 lakhs and Rs. 3,374.33 lakhs for the quarter ended September 30, 2023, December 31, 2022, nine months ended December 31, 2022 and year ended March 31, 2023 respectively). The Holding Company has made one time settlement with certain lenders or already in discussion with the said banks for settlement of their dues.

7) The Holding Company has incurred a net loss after tax of Rs. 884.42 lakhs for the period ended December 31, 2023 and has accumulated losses amounting Rs. 1,07,535.07 lakhs as at December 31, 2023. At present, holding company is facing acute liquidity issues on account of delayed realization of trade receivables from the clients. Also, certain lenders have filed an application with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal and other judicial authorities for recovery of its dues for which management believes that no additional liability shall devolve on the Holding Company in addition to the carrying value of such liability as at December 31, 2023. Further, two parties have also filed applications with the National Company Law Tribunal (NCLT) for recovery of their dues. The said outstandings are disputed in nature, and Holding Company is pursuing the same before the NCLT hence at present the said matters are sub-judice. Further, during the year ended March 31, 2020, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Holding Company amounting to Rs. 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Holding Company's ability to continue as a going concern due to which the Holding Company may not be able to realise its assets and discharge its liabilities in the normal course of business in future. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders, including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Holding Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the consolidated financial result and accordingly, these have been prepared on a going concern basis.



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- 8) The Tanzania branch has a contract with Rural Energy Agency (REA) for supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Bahi, Kongwa and Chemba districts) on a Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondoa and Mpwapwa districts) on Turnkey basis for Lot 2. The Tanzania branch is expecting to complete the works by March 2024. The contract allows for a further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued and the contract will expire. This condition indicates that a material uncertainty exists, that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.
- 9) During the period ended December 31, 2023, the holding company has entered into one time settlement (OTS) with Kotak Mahindra Bank and Edelweiss Asset Reconstruction Company Limited (for the loan assigned by ICICI Bank) for a settlement amount of Rs. 1,500 lakhs and Rs. 1,100 lakhs respectively on the terms as mentioned therein in the respective sanction/approval letter.
- 10) Previous period/year figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period / year's classification.

Place: Gurugram
Date: February 12, 2024



For and behalf of A2Z Infra Engineering Ltd.

Amit Mittal
Managing Director & CEO
(DIN 00058944)

