

# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



REF. No.:- A2ZINFRA/SE/2024-25/013

## BY E-FILING

May 15, 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, 5<sup>th</sup> 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 Wednesday, May 15, 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 May 15, 2024, have reviewed and approved the **Audited Standalone & Consolidated Financial Results for the Quarter (Q4) and year ended on March 31, 2024 along with the Auditor's reports thereon, issued by the Statutory Auditors.**

Copies of the Statement of Audited Standalone and Consolidated Financial Results along with the Auditor's reports, 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 Audited Standalone & Consolidated financial results shall be published in the prescribed format within the stipulated timelines.

Further as required the Statement on impact of Audit Qualifications (in respect of modified opinion on standalone and consolidated Audited Results) for the year ended March 31, 2024 is enclosed herewith as **Annexure-I.**

The said outcome and results will be uploaded on the website of the Stock Exchanges and on the website of the Company at [www.a2zgroup.co.in](http://www.a2zgroup.co.in).

The Board meeting commenced at 06:05 p.m. and concluded at 08:15 p.m.

This is for your information & records purpose.

Thanking you,  
Yours truly,

FOR A2Z INFRA ENGINEERING LTD.

(Atul K. Agarwal)  
Company Secretary  
FCS-6453

Add: - Ground Floor, Plot No. 58, Sector-44,  
Gurugram-122003, Haryana





**Independent Auditor's Report on the Standalone Annual 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**

**Disclaimer of Opinion**

1. We have audited the accompanying standalone annual financial results of **A2Z Infra Engineering Limited** ('the Company') for the year ended March 31, 2024 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), including relevant circulars issued by the SEBI from time to time.
2. We do not express an opinion on the accompanying statement of the company, because of the significance of the matters described in the "Basis for Disclaimer Opinion" section of our report. We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement.

**3. Basis for Disclaimer of Opinion**

1. As stated in note 8 to the accompanying Statement, the Company has incurred a net loss after tax of Rs. 871.27 lakhs during the period ended 31<sup>st</sup> March 2024, and as of that date, the Company's accumulated losses amount to Rs. 1,07,546.89 lakhs, which have resulted in substantial erosion of its net worth, and the current liabilities exceed current assets by Rs. 15,546.05 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 8. 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 7. As confirmed by the management, the Company has been in discussions with the lenders regarding settlement of their outstanding borrowings/dues. 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 8, 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 settlement of outstanding borrowings/dues 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 9 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 31<sup>st</sup> March 2023 dated 19<sup>th</sup> May 2023, our review report for the quarter ended 31<sup>st</sup> Dec 2023 dated 12<sup>th</sup> Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

2. As stated in note 7 to the accompanying Statement, the Company has outstanding 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 31<sup>st</sup> March 2024 aggregating to



Rs. 605.90 lakhs (accumulated interest as at 31<sup>st</sup> March 2024 being Rs. 5,279.89 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 31<sup>st</sup> March 2023 dated 19<sup>th</sup> May 2023, our review report for the quarter ended 31<sup>st</sup> Dec 2023 dated 12<sup>th</sup> Feb 2024 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 and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 31<sup>st</sup> March 2024. 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 31<sup>st</sup> March 2023 dated 19<sup>th</sup> May 2023, our review report for the quarter ended 31<sup>st</sup> Dec 2023 dated 12<sup>th</sup> Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

#### **Emphasis of Matters**

4. We draw attention to:

- i. 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 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.
- ii. 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.



### **Responsibilities of the Management and Those Charged with Governance for the Statement**

5. This Statement has been prepared on the basis of the standalone annual audited financial results and has been approved by the Company's Board of Directors. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including IND AS prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Statement**

8. Our responsibility is to conduct an audit of the Statement in accordance with the Standards on Auditing, specified under section 143(10) of the Act, and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial results. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

### **Other Matters**

9. The statement includes the financial results for the quarter ended 31 March 2024, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.
10. We did not audit the financial statements of one branch included in the Statement, whose financial information reflects total assets of Rs. 527.76 lakhs as at 31 March 2024, total revenues of Rs. Nil, total net loss after tax of Rs. 9.74 lakhs, total comprehensive loss of Rs. 9.74 lakhs and cash flows (net) of Rs. Nil for



the year then ended, as considered in the Statement. These financial statements have been audited by the branch auditor, whose reports have been furnished to us by the management.

Further, all such branches are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditors under audit standards specified in Annexure-1 applicable in their respective countries. The Company's management has converted the financial statements 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. This report, in so far as it relates to the balances and affairs of these branches is based on the audit report of branch auditors, and the conversion adjustments prepared by the management of the company and audited by us.

11. The Statement includes the financial information of two branches, which has not been audited, and whose financial information reflects total revenues of Rs. 48.25 lakhs, total net loss after tax of Rs. 24.17 lakhs and total comprehensive loss of Rs. 24.17 lakhs for the year ended 31<sup>st</sup> March 2024, as considered in the Statement. This report, in so far as it relates to the balances and affairs of this branch, is based solely on such financial information, as certified and provided by the management. According to the information and explanations given to us by the management, this financial information is not material to the Company.

**For MRKS AND ASSOCIATES**  
Chartered Accountants  
(ICAI Registration No. 023711N)



**Saurabh Kuchhal**  
Partner  
Membership No. 512362



Date: 15.05.2024  
Place: Gurgaon  
UDIN: 24512362BKFCQ2511

**Annexure 1:**

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





# A2Z INFRA ENGINEERING LIMITED

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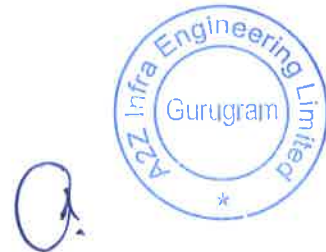


## A2Z INFRA ENGINEERING LIMITED

Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2024

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1	<b>Income</b>					
	Revenue from operations	2,807.61	1,961.15	1,480.12	8,599.77	6,958.65
	Other income	148.95	27.28	121.56	1,096.95	3,068.54
	<b>Total income</b>	<b>2,956.56</b>	<b>1,988.43</b>	<b>1,601.68</b>	<b>9,696.72</b>	<b>10,027.19</b>
2	<b>Expenses</b>					
	Cost of material consumed	2,657.48	1,516.97	1,323.79	7,231.63	5,157.90
	Employee benefit expenses	51.38	96.11	42.94	395.28	311.85
	Finance costs	21.63	19.92	100.82	277.95	700.77
	Depreciation and amortization expenses	27.48	29.27	118.86	116.14	482.90
	Other expenses	2,291.18	2,478.42	180.70	5,617.29	4,573.72
	<b>Total expenses</b>	<b>5,049.15</b>	<b>4,140.69</b>	<b>1,767.11</b>	<b>13,638.29</b>	<b>11,227.14</b>
3	<b>Loss before exceptional items and tax</b>	<b>(2,092.59)</b>	<b>(2,152.26)</b>	<b>(165.43)</b>	<b>(3,941.57)</b>	<b>(1,199.95)</b>
4	Exceptional items – gain/(loss) (Refer note 6)	2,112.35	2,096.87	(5,587.78)	3,085.61	(5,312.58)
5	<b>Profit/(loss) before tax</b>	<b>19.76</b>	<b>(55.39)</b>	<b>(5,753.21)</b>	<b>(855.96)</b>	<b>(6,512.53)</b>
	Current tax	8.70	-	0.54	8.70	0.54
	Deferred tax charge/(credit)	6.61	-	2,641.07	6.61	2,641.07
6	<b>Profit/(loss) for the period/year</b>	<b>4.45</b>	<b>(55.39)</b>	<b>(8,394.82)</b>	<b>(871.27)</b>	<b>(9,154.14)</b>
7	Other comprehensive income					
	Items that will not be reclassified to profit and loss	(25.31)	-	(7.21)	(25.31)	(7.21)
8	<b>Total Other Comprehensive income for the period/year</b>	<b>(25.31)</b>	<b>-</b>	<b>(7.21)</b>	<b>(25.31)</b>	<b>(7.21)</b>
9	<b>Total Comprehensive income for the period/year</b>	<b>(20.86)</b>	<b>(55.39)</b>	<b>(8,402.03)</b>	<b>(896.58)</b>	<b>(9,161.35)</b>
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
11	Other equity				(16,774.89)	(15,955.37)
12	<b>Profit/loss per equity share:</b>					
	(a) Basic (in INR)	0.01	(0.03)	(4.77)	(0.49)	(5.20)
	(b) Diluted (in INR)	0.01	(0.03)	(4.77)	(0.49)	(5.20)



# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



## Notes:

- 1) The above standalone financial results for the year ended on March 31, 2024 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting duly held on May 15, 2024 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The standalone financial results have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India. The statutory auditor have issued a disclaimer of conclusion in respect of the matters described in note 3, 7, 8 and 9 in standalone financial results for the quarter and year ended March 31, 2024.

The figures for the quarter ended March 31, 2024 and March 31, 2023 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2024 and March 31, 2023 respectively and the unaudited published year to date figures upto December 31, 2023 and December 31, 2022 respectively, being the end of the third quarter of the financial year which were subject to a limited review.

Basic and Diluted Earnings Per Share is not annualized for the quarters ended March 31, 2024, December 31, 2023 and March 31, 2023.

- 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.

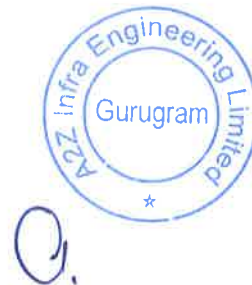
Considering the facts explained above, management has decided to fully impair three cogeneration power plants in its books of accounts set up with respective sugar mills on Build, Own, Operate and Transfer (BOOT) basis. Hence, the management has recorded an impairment of Rs. 35,665.04 lakhs in the present value of the power plant as at March 31, 2024.

Out of the aforementioned impairment as at March 31, 2024 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.

- 3) The Company, as at March 31, 2024, 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 ('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 March 31, 2024 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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# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



## 4) Standalone Statement of Assets and Liabilities

(Amount in Rs. Lakhs)

Particulars	As at March 31 , 2024	As at March 31 , 2023
	(Audited)	(Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	978.06	1,074.74
Right to use of assets	18.55	33.57
Capital work-in-progress	968.38	678.47
Financial assets		
Investments	14,253.66	14,330.04
Other financial assets	654.61	720.67
Deferred tax assets (net)	6.29	12.90
Non-current tax assets (net)	1,562.70	2,469.42
Other non-current assets	0.79	0.90
<b>Total</b>	<b>18,443.04</b>	<b>19,320.71</b>
<b>Current assets</b>		
Financial assets		
Trade receivables	11,083.90	25,105.25
Cash and cash equivalents	61.60	514.01
Loans	1,402.00	1,384.78
Other financial assets	12,975.53	22,741.90
Other current assets	5,735.43	6,471.74
<b>Total</b>	<b>31,258.46</b>	<b>56,217.68</b>
<b>Total Assets</b>	<b>49,701.50</b>	<b>75,538.39</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	17,611.99	17,611.99
Other equity	(16,774.89)	(15,955.37)
<b>Total equity</b>	<b>837.10</b>	<b>1,656.62</b>



# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



## Standalone Statement of Assets and Liabilities (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at March 31 , 2024	As at March 31 , 2023
	(Audited)	(Audited)
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		300.00
Borrowings	7.70	19.63
Lease liability	2,052.19	3,003.20
Provisions	2,059.89	3,322.83
<b>Total</b>		
<b>Current liabilities</b>		
Financial liabilities	17,318.01	25,898.37
Borrowings	11.92	14.48
Lease liability		
Trade payable	8.95	11.32
- Total outstanding dues of micro enterprises and small enterprises	19,893.38	27,595.85
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,507.72	6,322.62
Other financial liabilities	6,063.81	10,684.06
Other current liabilities	0.72	32.24
Provisions	46,804.51	70,558.94
<b>Total</b>	48,864.40	73,881.77
<b>Total Liabilities</b>	49,701.50	75,538.39
<b>Total Equity and Liabilities</b>		

## 5) Standalone Cash flow statement

(Amount in Rs. Lakhs)

Particulars	As at March 31 , 2024	As at March 31 , 2023
	(Audited)	(Audited)
<b>A Cash flows from operating activities:</b>		
Loss before tax (after exceptional items)	(855.96)	(6,512.53)
<b>Adjustments:</b>	(3,085.61)	5,312.58
Exceptional items	116.14	482.90
Depreciation and amortisation expense	(0.10)	4.74
(Gain)/Loss on disposal of property, plant and equipment (net)	243.73	638.80
Interest expense	(3.68)	(9.01)
Interest income	256.49	1,328.78
Provision for contract revenue in excess of billing		



**Registered Office:** O-116, First Floor, Shopping Mall, Arjun Marg, DLF City, Phase-1, Gurugram-122 002, Haryana (INDIA)

**Corporate Office:** Ground Floor, Plot No. 58, Sector – 44, Gurugram – 122003, Haryana (INDIA)

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

# A2Z INFRA ENGINEERING LIMITED

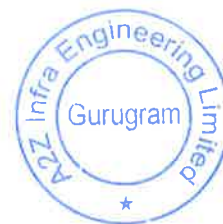
CIN No.: L74999HR2002PLC034805



## Standalone Cash flow statement (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at March 31 , 2024	As at March 31 , 2023
	(Audited)	(Audited)
Provision for bad and doubtful debts / advances	4,012.87	1,013.16
Liability/provision written back	(1,043.25)	(2,920.91)
Provision for warranty	112.28	273.49
Provision for employee benefits	3.70	3.10
Account written off	309.10	-
Recognition of share based payments at fair value	153.43	55.68
Unwinding of interest on security deposits	-	(2.85)
Gain on modification of lease contract	-	(61.68)
<b>Operating profit before working capital changes</b>	<b>219.14</b>	<b>(393.75)</b>
<b>Net changes in working capital</b>		
Changes in trade receivables	6,726.10	7,861.98
Changes in loans	(63.88)	96.70
Changes in other financial assets	(1,398.06)	(333.31)
Changes in other assets	(716.48)	(1,192.96)
Changes in trade payables	2,597.00	277.70
Changes in provisions	(1,136.74)	(1,157.78)
Changes in financial liabilities	(2,369.71)	(3.93)
Changes in other liabilities	1,500.05	(2,224.70)
<b>Net changes in working capital</b>	<b>5,138.28</b>	<b>3,323.70</b>
<b>Cash flow from operations</b>	<b>5,357.42</b>	<b>2,929.95</b>
Current taxes (paid)/refund	898.02	303.51
<b>Net cash flow from operating activities (A)</b>	<b>6,255.44</b>	<b>3,233.46</b>
<b>B Cash flows from investing activities:</b>		
Payment for property, plant and equipment	(295.11)	(505.58)
Proceeds from sale of property, plant and equipment	0.10	122.18
Fixed deposits matured - (net)	-	3.53
Interest received	3.68	9.01
<b>Net cash (used in)/ flow from investing activities (B)</b>	<b>(291.33)</b>	<b>(370.86)</b>
<b>C Cash flows from financing activities:</b>		
Repayments of long-term borrowings	(3,544.66)	(1,160.25)
Repayments of short term borrowings (net)	(2,775.36)	(1,189.35)
Payment of lease liabilities	(14.49)	(60.71)
Interest payment of lease liabilities	(2.80)	(87.58)
Interest paid	(79.21)	(59.01)
<b>Net cash used in financing activities (C)</b>	<b>(6,416.52)</b>	<b>(2,556.90)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(452.41)</b>	<b>305.70</b>
Cash and cash equivalents at the beginning of the year	514.01	208.31
<b>Cash and cash equivalents at the end of the year</b>	<b>61.60</b>	<b>514.01</b>



Registered Office: O-116, First Floor, Shopping Mall, Arjun Marg, DLF City, Phase-1, Gurugram-122 002, Haryana (INDIA)

Corporate Office: Ground Floor, Plot No. 58, Sector - 44, Gurugram - 122003, Haryana (INDIA)

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



# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



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

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
One time settlement (OTS) with banks and financial institutions	-	2,425.00	-	2,425.00	2,775.44
Loan settled on behalf of subsidiary and associate on account of corporate guarantee	-	-	-	6,347.55	-
Liabilities written back	7,153.09	-	9,598.99	16,819.44	9,598.99
Provision on debtors written back	435.00	-	-	435.00	-
<b>Exceptional gain (A)</b>	<b>7,588.09</b>	<b>2,425.00</b>	<b>9,598.99</b>	<b>26,026.99</b>	<b>12,374.43</b>
Unbilled provision/write off	-	328.13	-	7,998.13	2,500.24
Capital assets impaired/written off (Refer note- 2(a))	-	-	6,128.77	-	6,128.77
Provision on loans and advances from associates and subsidiary	-	-	-	9,467.51	-
Investment provision	-	-	9,058.00	-	9,058.00
Trade receivable written off	4,332.05	-	-	4,332.05	-
Loans and advances provision	1,143.69	-	-	1,143.69	-
<b>Exceptional loss (B)</b>	<b>5,475.74</b>	<b>328.13</b>	<b>15,186.77</b>	<b>22,941.38</b>	<b>17,687.01</b>
<b>Net Exceptional gain/(loss)(A-B)</b>	<b>2,112.35</b>	<b>2,096.87</b>	<b>(5,587.78)</b>	<b>3,085.61</b>	<b>(5,312.58)</b>

7) 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. 605.90 lakhs, Rs. 2,983.20 lakhs and Rs. 5,279.89 lakhs for the quarter ended March 31, 2024, year ended March 31, 2024 and as at March 31, 2024 respectively (Rs. 601.26 lakhs, Rs. 822.41 lakhs and Rs. 3,374.33 lakhs for the quarter ended December 31, 2023, March 31, 2023 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.



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# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



- 8) The Company has incurred a net loss after tax of Rs. 871.27 lakhs for the year ended March 31, 2024 and has accumulated losses amounting Rs. 1,07,546.89 lakhs as at March 31, 2024. 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 March 31, 2024. 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.
- 9) 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 Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution of transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondoa and Mpwapwa districts) on a Turnkey basis for Lot 2. Lot -01 districts Bahi, Kongwa and Chemba are completed as on 21st April 2022, 10th April 2022 and 31st August 2022 and defect liability period is applicable for next 12 months. Lot -02 districts Chamwino, Kondoa and Mpwapwa are completed as on 2nd August 2023 and defect liability period is applicable for next 12 months. The contract allows 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.
- 10) During the year ended March 31, 2024, the company has entered into one time settlement (OTS) with Kotak Mahindra Bank, Edelweiss Asset Reconstruction Company Limited (for the loan assigned by ICICI Bank) and Axis Bank for a settlement amount of Rs. 1,500.00 lakhs, Rs. 1,100.00 lakhs and Rs. 1,700.00 lakhs respectively on the terms as mentioned therein in the respective sanction/approval letter.
- 11) 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.
- 12) 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 A2Z Infra Engineering Ltd.



Place: Gurugram  
Date: May 15, 2024



Amit Mittal  
Managing Director & CEO  
DIN: 00058944

# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



## ANNEXURE I

### Statement on Impact of Audit Qualifications (for audit report with modified/disclaimer opinion) submitted along with Annual Audited Financial Results - Standalone

#### I. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Amount in Rs. Lakhs)

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
1.	Turnover / Total income	9,696.72	9,696.72
2.	Total Expenditure	13,638.29	13,638.29
3.	Net (Loss)	(871.27)	(871.27)
4.	Earnings Per Share (in Rs.)	(0.49)	(0.49)
5.	Total Assets	49,701.50	49,701.50
6.	Total Liabilities	48,864.40	48,864.40
7.	Net Worth	837.10	837.10
8.	Any other financial item(s) (as felt appropriate by the)	NA	NA

Note: The impact of the qualification given below in point II(a)(1), II(a)(2) and II(a)(3) is not ascertainable.

#### II. Audit Qualification (each audit qualification separately):

##### a. Details of Audit Qualification (Disclaimer of Opinion):

1)	As stated in note 8 to the accompanying Statement, the Company has incurred a net loss after tax of Rs. 871.27 lakhs during the period ended 31 <sup>st</sup> March 2024, and as of that date, the Company's accumulated losses amount to Rs. 1,07,546.89 lakhs, which have resulted in substantial erosion of its net worth, and the current liabilities exceed current assets by Rs. 15,546.05 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 8. 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 7. As confirmed by the management, the Company has been in discussions with the lenders regarding settlement of their outstanding borrowings/dues. 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 8, 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 settlement of outstanding borrowings/dues 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 9 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 31 <sup>st</sup> March 2023 dated 19 <sup>th</sup> May 2023, our review report for the quarter ended 31 <sup>st</sup> Dec 2023 dated 12 <sup>th</sup> Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.
2)	As stated in note 7 to the accompanying Statement, the Company has outstanding 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 31 <sup>st</sup> March 2024 aggregating to Rs. 605.90 lakhs (accumulated interest as at 31 <sup>st</sup> March 2024 being Rs. 5,279.89 lakhs), payable under the





	<p>terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.</p> <p>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 31<sup>st</sup> March 2023 dated 19<sup>th</sup> May 2023, our review report for the quarter ended 31<sup>st</sup> Dec 2023 dated 12<sup>th</sup> Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.</p>
3)	<p>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 and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 31<sup>st</sup> March 2024. 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 31<sup>st</sup> March 2023 dated 19<sup>th</sup> May 2023, our review report for the quarter ended 31<sup>st</sup> Dec 2023 dated 12<sup>th</sup> Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.</p>

**b. Type of Audit Qualification:** Disclaimer of Opinion

**c. Frequency of qualification:**

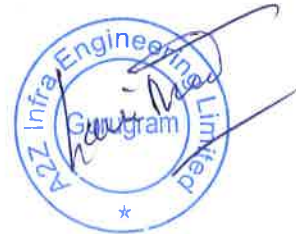
Disclaimer (ii)(a)(1), (2) and (3) were reported as disclaimer since our review report for the quarter/period ended 30 September 2021.

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not quantified by the auditor

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**

Not ascertainable
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(ii) If management is unable to estimate the impact, reasons for the same:

	<p><b><u>With respect to mentioned disclaimer 1</u></b></p> <p>The Company has incurred a net loss after tax of Rs. 871.27 lakhs for the year ended March 31, 2024 and has accumulated losses amounting Rs. 1,07,546.89 lakhs as at March 31, 2024. 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 March 31, 2024. 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.</p>
	<p><b><u>With respect to mentioned disclaimer 2</u></b></p> <p>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. 605.90 lakhs, Rs. 2,983.20 lakhs and Rs. 5,279.89 lakhs for the quarter ended March 31, 2024, year ended March 31, 2024 and as at March 31, 2024 respectively (Rs. 601.26 lakhs, Rs. 822.41 lakhs and Rs. 3,374.33 lakhs for the quarter ended December 31, 2023, March 31, 2023 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.</p>
	<p><b><u>With respect to mentioned disclaimer 3</u></b></p> <p>The Company, as at March 31, 2024, 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 ("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 March 31, 2024 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.</p>



# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



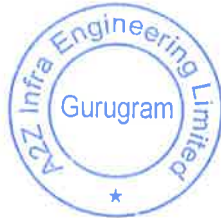
(iii) **Auditors' Comments on (i) or (ii) above:** Included in details of auditor's qualification (Disclaimer of Opinion) stated above.

**iii. Signatories:**

**Amit Mittal**  
Managing Director cum CEO

**Lalit Kumar**  
Chief Financial Officer

**Atima Khanna**  
Audit Committee Chairperson



**Date:** May 15, 2024

**Place:** Gurugram

**Saurabh Kuchhal**  
Partner  
MRKS & Associates  
Statutory Auditor



**Date:** May 15, 2024

**Place:** Gurugram



**Independent Auditor's Report on Consolidated Annual 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**

**Disclaimer of Opinion**

1. We were engaged to audit the accompanying consolidated annual 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 year ended 31 March 2024, 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. We do not express an opinion on the accompanying statement of the Group and its Associates, because of the significance of the matters described in the "Basis for Disclaimer Opinion" section of our report. We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement.

**3. Basis for Disclaimer of Opinion**

- a) As stated in note 9 to the accompanying Statement, the Holding Company has incurred a net loss after tax of Rs. 871.27 lakhs for the period ended 31st March 2024, and as of that date, the Holding Company's accumulated losses amount to Rs. 1,07,546.89 lakhs, which have resulted in substantial erosion of its net worth, and the current liabilities exceed current assets by Rs. 15,546.05 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 9. 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 8. As confirmed by the management, the Holding Company has been in discussions with the lenders regarding settlement of their outstanding borrowings/dues. 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 9, 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 settlement of outstanding borrowings/dues 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 and our review report for the quarter ended 31st Dec 2023 dated 12th Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.





- b) As stated in note 8 to the accompanying Statement, the Holding Company has outstanding 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 March 2024 aggregating to Rs. 605.90 lakhs (accumulated interest as at 31st March 2024 being Rs. 5,279.89 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 and our review report for the quarter ended 31st Dec 2023 dated 12th Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

- c) 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 and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 31st March 2024. 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 and our review report for the quarter ended 31st Dec 2023 dated 12th Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

#### Emphasis of Matters

4. We draw attention to:

- i. 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 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.





- ii. 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.

#### **Responsibilities of the Management and Those Charged with Governance for the Statement**

5. This Statement has been prepared on the basis of the consolidated annual audited financial results and has been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Group including its associates in accordance with the accounting principles generally accepted in India, including IND AS prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, and its associates, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the statement by the Directors of the Holding Company, as aforesaid.
6. In preparing the Statement, the respective Board of Directors of the companies included in the group and its associates, are responsible for assessing the ability of the group and of its associates, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the group and of its associates, are responsible for overseeing the Company's financial reporting process of the companies in the group and of its associates.

#### **Auditor's Responsibilities for the Audit of the Statement**

8. Our responsibility is to conduct an audit of the Statement in accordance with the Standards on Auditing, specified under section 143(10) of the Act, and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial results. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act



and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

#### Other Matters

9. We did not audit the annual financial statements of Twelve subsidiaries (as specified in Annexure 1) included in the Statement and three branches included in the standalone audited financial results of the Holding company, whose financial information reflects total assets of Rs. 37,201.67 lakhs, total revenues of Rs. 30,297.28 lakhs, total net profit after tax of Rs. 866.42 lakhs, total comprehensive income of Rs. 764.30 lakhs and cash flows (net) of Rs. (572.46) lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 3,421.85 lakhs and total comprehensive loss of Rs. 3,421.85 lakhs for the year ended 31<sup>st</sup> March 2024, as considered in the Statement, in respect of 18 associates (as specified in Annexure-1), whose annual financial statements have not been audited by us. These annual financial statements have been reviewed by other auditors and branch auditors except two branches whose audit 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, branches and associates is based solely on the audit reports of such other auditors and branch auditors and the procedures performed by us.

Further, all such branches referred above are located outside India, whose annual financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by their respective branch auditors except two branches under the generally accepted review standards, as specified in Annexure 2 to the Statement. The Holding 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 audited these conversion adjustments made by the Holding Company's management. This report, in so far as it relates to the balances and affairs of these branches, is based solely on the review report of such branch auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

10. The statement includes the consolidated financial results for the quarter ended 31<sup>st</sup> March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

#### For MRKS AND ASSOCIATES

Chartered Accountants

(ICAI Registration No. 023711N)

**Saurabh Kuchhal**  
Partner  
Membership No. 512362

Date: 15.05.2024

Place: Gurgaon

UDIN: 24512362BKFCDR7136



**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 <sup>th</sup> Dec 2022
13.	Vsapients Techno Services Private Limited	Subsidiary with effect from 21 <sup>st</sup> Feb 2023
14.	Greeneffect 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 (Balua) 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	Audited/Management Certified	Name of auditing standard
1.	A2Z Infra Engineering Limited(Tanzania Branch)	Tanzania	Management Certified	International Standards on Review Engagements (ISRE) 2410
2.	A2Z Infra Engineering Limited (Nepal Branch)	Nepal	Management Certified	International Standards on Review Engagements (ISRE) 2410
3.	A2Z Infra Engineering Limited (Uganda Branch)	Uganda	Audited	International Standards on Review Engagements (ISRE) 2410





# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



## A2Z INFRA ENGINEERING LIMITED

Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2024

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
1	<b>Income</b>					
	Revenue from operations	9,797.25	9,445.47	9,070.97	38,848.80	34,944.16
	Other income	2,812.79	63.88	252.25	3,777.01	3,261.41
	<b>Total income</b>	<b>12,610.04</b>	<b>9,509.35</b>	<b>9,323.22</b>	<b>42,625.81</b>	<b>38,205.57</b>
2	<b>Expenses</b>					
	Cost of material consumed	5,004.35	4,161.34	2,657.49	16,965.08	13,386.48
	Changes in inventories of Finished goods, Stock -in-trade and Work- in- progress	-	-	84.03	439.76	(5.88)
	Employee benefit expenses	4,170.36	4,058.55	4,254.78	16,907.65	15,522.37
	Finance costs	132.50	72.32	302.74	622.54	1,329.49
	Depreciation and amortization expenses	124.18	130.78	233.22	518.39	883.24
	Other expenses	4,398.71	3,011.09	317.66	9,973.20	5,899.81
	<b>Total expenses</b>	<b>13,830.10</b>	<b>11,434.08</b>	<b>7,849.92</b>	<b>45,426.62</b>	<b>37,015.51</b>
3	<b>(Loss)/profit before exceptional items, share of net profit/(loss) of investments accounted for using equity method and tax</b>	<b>(1,220.06)</b>	<b>(1,924.73)</b>	<b>1,473.30</b>	<b>(2,800.81)</b>	<b>1,190.06</b>
	Share of net (loss)/profit of investments accounted for using equity method	(1,015.30)	(191.92)	1,264.11	(3,421.85)	396.16
4	<b>(Loss)/profit before exceptional items and tax</b>	<b>(2,235.36)</b>	<b>(2,116.65)</b>	<b>2,737.41</b>	<b>(6,222.66)</b>	<b>1,586.22</b>
	Exceptional items – gain/(loss) (Refer note 7)	2,112.34	2,096.87	(5,587.78)	5,763.24	(12,204.13)
5	<b>Loss before tax</b>	<b>(123.02)</b>	<b>(19.78)</b>	<b>(2,850.37)</b>	<b>(459.42)</b>	<b>(10,617.91)</b>
	Current tax	118.32	121.27	(82.45)	498.32	61.40
	Deferred tax charge/(credit)	(195.00)	43.52	3,600.28	(221.26)	1,926.17
6	<b>Loss for the period/year</b>	<b>(46.34)</b>	<b>(184.57)</b>	<b>(6,368.20)</b>	<b>(736.48)</b>	<b>(12,605.48)</b>
	Other comprehensive income					
	Items that will not be reclassified to profit and loss	(127.43)	-	96.16	(127.43)	96.16
7	<b>Total Other Comprehensive income for the period/year (net of tax)</b>	<b>(127.43)</b>	<b>-</b>	<b>96.16</b>	<b>(127.43)</b>	<b>96.16</b>
8	<b>Total Comprehensive income for the period/year</b>	<b>(173.77)</b>	<b>(184.57)</b>	<b>(6,272.04)</b>	<b>(863.91)</b>	<b>(12,509.32)</b>
9	<b>(Loss) / profit for the period/year attributable to:</b>					
	Equity holders of the Company	(121.16)	(145.93)	(6,356.76)	(569.18)	(12,292.03)
	Non-controlling interests	74.82	(38.64)	(11.44)	(167.30)	(313.45)
10	<b>Other comprehensive income is attributable to:</b>					
	Equity holders of the Company	(94.94)	-	75.59	(94.94)	75.59
	Non-controlling interests	(32.49)	-	20.57	(32.49)	20.57
11	<b>Total comprehensive income is attributable to:</b>					
	Equity holders of the Company	(216.10)	(145.93)	(6,281.17)	(664.12)	(12,216.44)
	Non-controlling interests	42.33	(38.64)	9.13	(199.79)	(292.88)
12	<b>Paid-up equity share capital (Face value of the share - Rs 10/- each)</b>	<b>17,611.99</b>	<b>17,611.99</b>	<b>17,611.99</b>	<b>17,611.99</b>	<b>17,611.99</b>
13	<b>Other equity</b>				<b>(14,394.04)</b>	<b>(13,806.98)</b>
14	<b>Loss per equity share:</b>					
	(a) Basic (in INR)	(0.07)	(0.08)	(3.61)	(0.32)	(6.98)
	(b) Diluted (in INR)	(0.07)	(0.08)	(3.61)	(0.32)	(6.98)

Registered Office: O-116, First Floor, Shopping Mall, Arjun Marg, DLF City, Phase-1, Gurugram-122 002, Haryana (INDIA)

Corporate Office: Ground Floor, Plot No. 58, Sector – 44, Gurugram – 122003, Haryana (INDIA)

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 year ended on March 31, 2024 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting duly held on May 15, 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, 8, 9 and 10 in consolidated financial results for the quarter and year ended on March 31, 2024.

Basic and Diluted Earnings Per Share is not annualized for the quarters ended March 31, 2024, December 31, 2023 and March 31, 2023.

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.

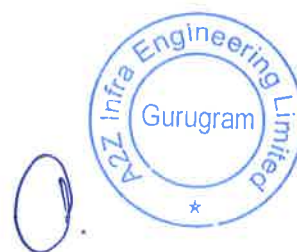
Out of the aforementioned impairment as at March 31, 2024 Rs. 26,788.49 lakhs pertain to two power plants, which were yet to be capitalised and Rs. 8,876.56 lakhs are for power plant which has already been capitalised.

- 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.



# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805

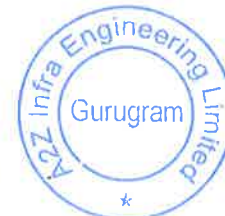


- 3) The Holding Company, as at March 31, 2024, has non-current investments (net of impairment) amounting to Rs. 7,992.84 lakhs and current financial assets-loan amounting to Rs. 84.67 lakhs in its associate company Greeneffect Waste Management Limited ('GWML') which has holding in various SPVs under 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 March 31, 2024 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 year ended March 31, 2024

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
<b>1. Segment revenue</b>					
(a) Segment – ES	2,807.61	1,961.15	1,480.12	8,599.77	6,940.80
(b) Segment – FMS	5,274.89	5,344.51	5,439.49	22,011.20	17,862.76
(c) Segment – MSW	1,714.75	2,139.81	1,786.75	8,237.83	8,220.26
(d) Segment – PGP	-	-	-	-	-
(e) Segment – Others	-	-	-	-	17.85
<b>Total</b>	<b>9,797.25</b>	<b>9,445.47</b>	<b>8,706.36</b>	<b>38,848.80</b>	<b>33,041.67</b>
<b>Less: Inter segment revenue</b>	-	-	(364.61)	-	(1,902.49)
<b>Revenue from operations</b>	<b>9,797.25</b>	<b>9,445.47</b>	<b>9,070.97</b>	<b>38,848.80</b>	<b>34,944.16</b>
<b>2. Segment results [Profit / (Loss) before tax and interest from each segment]</b>					
(a) Segment – ES	(2,214.80)	(2,138.34)	(5.80)	(3,832.26)	(279.51)
(b) Segment – FMS	605.83	370.62	2,010.99	2,060.10	2,961.35
(c) Segment – MSW	912.71	(109.98)	(195.11)	20.63	36.11
(d) Segment – PGP	(1.16)	(2.57)	(66.93)	(9.94)	(270.73)
(e) Segment – Others	(391.96)	(0.11)	(0.11)	(392.54)	17.37
<b>Total</b>	<b>(1,089.38)</b>	<b>(1,880.38)</b>	<b>1,743.04</b>	<b>(2,154.01)</b>	<b>2,464.59</b>
<b>Less: Inter segment results</b>	0.87	-	-	0.87	-
<b>Net segment results</b>	<b>(1,090.25)</b>	<b>(1,880.38)</b>	<b>1,743.04</b>	<b>(2,154.88)</b>	<b>2,464.59</b>
Add: Interest income	2.73	27.97	33.00	(23.38)	54.96
Less:	-	-	-	-	-
(i) Interest expense	108.59	66.02	251.59	522.28	1,195.55
(ii) Other unallocable expenditure net of unallocable income	1,039.25	198.22	(1,212.96)	3,522.12	(262.22)
<b>(Loss)/profit before exceptional item and tax</b>	<b>(2,235.36)</b>	<b>(2,116.65)</b>	<b>2,737.41</b>	<b>(6,222.66)</b>	<b>1,586.22</b>





# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



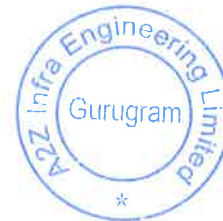
Unaudited group segment wise revenue, results, assets and liabilities for the quarter and year ended March 31, 2024 (Cont'd)

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
Exceptional (loss)/ gain					
(a) Segment – EIS	(3,533.84)	(328.13)	9,598.99	(1,865.62)	7,098.75
(b) Segment – EIMS	-	-	-	-	(6,891.55)
(c) Segment – PGP	-	-	(6,128.76)	-	(6,128.76)
(d) Unallocable items	5,646.18	2,425.00	(9,058.01)	7,628.86	(6,282.57)
<b>Loss after exceptional item and before tax</b>	<b>(123.02)</b>	<b>(19.78)</b>	<b>(2,850.37)</b>	<b>(459.42)</b>	<b>(10,617.91)</b>
Less : Tax expenses					
(i) Current tax	118.32	121.27	(82.45)	498.32	61.40
(ii) Deferred tax	(195.00)	43.52	3,600.28	(221.26)	1,926.17
<b>Loss for the period / year</b>	<b>(46.34)</b>	<b>(184.57)</b>	<b>(6,368.20)</b>	<b>(736.48)</b>	<b>(12,605.48)</b>
<b>3. Segment assets</b>					
(a) Segment – EIS	32,744.92	41,331.26	56,055.55	32,744.92	56,055.55
(b) Segment – EIMS	9,228.61	8,916.01	10,274.88	9,228.61	10,274.88
(c) Segment – MSW	10,600.00	13,120.44	15,273.11	10,600.00	15,273.11
(d) Segment – PGP	590.00	589.99	994.20	590.00	994.20
(e) Segment – Others	3,889.98	4,234.81	5,505.15	3,889.98	5,505.15
(f) Unallocated	11,242.34	10,434.91	10,970.19	11,242.34	10,970.19
<b>Total Assets</b>	<b>68,295.85</b>	<b>78,627.42</b>	<b>99,073.08</b>	<b>68,295.85</b>	<b>99,073.08</b>
<b>4. Segment liabilities</b>					
(a) Segment – EIS	30,624.89	35,242.78	36,708.16	30,624.89	36,708.16
(b) Segment – EIMS	6,320.06	7,175.76	9,452.36	6,320.06	9,452.36
(c) Segment – MSW	9,711.36	11,629.13	12,024.60	9,711.36	12,024.60
(d) Segment – PGP	22.89	23.73	137.91	22.89	137.91
(e) Segment – Others	2,662.62	2,622.31	7,800.74	2,662.62	7,800.74
(f) Unallocated	16,867.57	19,686.66	30,076.00	16,867.57	30,076.00
<b>Total Liabilities</b>	<b>66,209.39</b>	<b>76,380.37</b>	<b>96,199.77</b>	<b>66,209.39</b>	<b>96,199.77</b>



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# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



## 5) Consolidated Statement of Assets and Liabilities

(Amount in Rs. Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
	(Audited)	(Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,954.80	3,673.04
Right to use asset	18.57	33.58
Capital work-in-progress	5,765.88	5,475.97
Goodwill	3,563.65	3,563.65
Other Intangible assets	1.76	3.79
Intangible assets under development	-	-
Investments accounted for using the equity method	3,561.13	6,978.24
Financial assets:		
Other financial assets	1,299.98	1,460.53
Deferred tax assets (net)	1,284.59	1,087.23
Non-current tax assets (net)	4,840.64	5,751.27
Other non-current assets	438.59	497.54
<b>Total</b>	<b>24,729.59</b>	<b>28,524.84</b>
<b>Current assets</b>		
Inventories	-	462.00
Financial assets		
Trade receivables	15,619.26	32,491.42
Cash and cash equivalents	144.06	1,064.09
Other bank balances	141.98	141.98
Loans	2,915.20	1,546.35
Other financial assets	18,096.04	27,110.31
Other current assets	6,649.72	7,732.09
<b>Total</b>	<b>43,566.26</b>	<b>70,548.24</b>
<b>Total Assets</b>	<b>68,295.85</b>	<b>99,073.08</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	17,611.99	17,611.99
Other equity	(14,394.04)	(13,806.98)
<b>Equity attributable to equity holders of the company</b>	<b>3,217.95</b>	<b>3,805.01</b>
Non-controlling interest	(1,131.49)	(931.70)
<b>Total equity</b>	<b>2,086.46</b>	<b>2,873.31</b>



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**Registered Office:** O-116, First Floor, Shopping Mall, Arjun Marg, DLF City, Phase-1, Gurugram-122 002, Haryana (INDIA)

**Corporate Office:** Ground Floor, Plot No. 58, Sector - 44, Gurugram - 122003, Haryana (INDIA)

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

# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



## Consolidated Statement of Assets and Liabilities (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
	(Audited)	(Audited)
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	90.22	398.48
Lease liability	7.70	19.63
Provisions	2,968.00	3,632.47
Deferred tax liabilities (net)	0.04	-
Other non-current liabilities	2,809.24	2,852.60
<b>Total</b>	<b>5,875.20</b>	<b>6,903.18</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	19,685.26	30,910.93
Lease liability	11.92	14.48
Trade payable		
- Total outstanding dues of micro enterprises and small enterprises	200.91	16.30
- Total outstanding dues of creditors other than micro enterprises and small enterprises	27,567.75	36,171.19
Other financial liabilities	4,752.05	8,612.19
Other current liabilities	8,082.90	13,513.55
Provisions	21.29	45.84
Current tax liabilities (net)	12.11	12.11
<b>Total</b>	<b>60,334.19</b>	<b>89,296.59</b>
<b>Total Liabilities</b>	<b>66,209.39</b>	<b>96,199.77</b>
<b>Total Equity and Liabilities</b>	<b>68,295.85</b>	<b>99,073.08</b>

## 6) Consolidated Cash Flow Statement for the year ended March 31, 2024

(Amount in Rs. Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
	(Audited)	(Audited)
<b>Cash flows from operating activities:</b>		
Net loss before tax (after exceptional items)	(459.42)	(10,617.91)
<b>Adjustments:</b>		
Exceptional items	(5,763.24)	12,204.13
Share of loss from associates	3,421.85	(396.16)
Depreciation and amortisation expense	518.39	883.24
(Gain)/ loss on disposal of property, plant and equipment (net)	(0.10)	4.74
Interest expense	522.27	1,195.55
Interest income	(7.21)	(61.15)
Provision of contract revenue in excess of billing	648.34	1,328.78
Gain on modification of lease contract	-	(61.68)
Provision for bad and doubtful debts / advances	5,839.84	1,013.16
Provision for warranty	112.28	273.49
Advances written off	514.22	41.94
Liability / provision written back	(3,625.40)	(2,914.73)
Actuarial loss on gratuity	(103.58)	101.36
Recognition of share based payment at fair value	77.06	107.37
Subsidy amortised	(48.07)	(48.07)
Rental income	(2.10)	(28.72)
<b>Operating profit before working capital changes</b>	<b>1,645.13</b>	<b>3,025.34</b>

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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



Consolidated Cash Flow Statement for the year ended March 31, 2024 (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
	(Audited)	(Audited)
<b>Net changes in working capital</b>		
Changes in inventories	462.00	(11.62)
Change in trade receivables	7,800.63	16,363.75
Changes in loans	(1,370.35)	524.45
Changes in other financial assets	(1,216.42)	(2,680.52)
Changes in other assets	749.94	(464.20)
Change in trade payables	2,432.28	(6,134.59)
Changes in provisions	(814.22)	(1,160.07)
Change in other financial liabilities	(1,792.66)	537.99
Change in other liabilities	1,224.04	(3,946.84)
<b>Net changes in working capital:</b>	<b>7,475.24</b>	<b>3,028.35</b>
<b>Cash flow from operations</b>	<b>9,120.37</b>	<b>6,053.69</b>
Current taxes (paid)/refund	412.40	(229.96)
<b>Net cash flow from operating activities (A)</b>	<b>9,532.77</b>	<b>5,823.73</b>
<b>Cash flows from investing activities:</b>		
Payment for property, plant and equipment	(1,065.59)	(652.82)
Payment for intangible assets	(0.78)	(2.50)
Proceeds from sale of property, plant and equipment	0.10	122.18
Fixed deposits matured- (net)	-	(239.86)
Interest received	11.30	(270.80)
Rental income	2.10	28.72
<b>Net cash (used in)/ flow from investing activities (B)</b>	<b>(1,052.87)</b>	<b>(1,015.08)</b>
<b>Cash flows from financing activities:</b>		
Principal payment of lease liabilities	(14.50)	(60.73)
Interest payment of lease liabilities	(2.80)	(87.58)
Proceeds from long term borrowings	6.72	-
Repayments of long term borrowings	(3,544.67)	(1,387.90)
Repayments of short term borrowings (net)	(4,692.17)	(2,526.45)
Interest paid	(1,152.51)	(593.59)
<b>Net cash used in financing activities (C)</b>	<b>(9,399.93)</b>	<b>(4,656.25)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(920.03)</b>	<b>152.40</b>
Cash and cash equivalents at the beginning of the year	1,064.09	911.69
<b>Cash and cash equivalents at the end of the period</b>	<b>144.06</b>	<b>1,064.09</b>



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# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



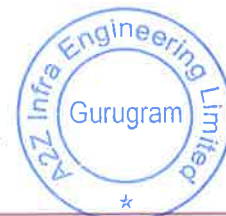
7) Following exceptional items (net) have been recorded:

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Refer Note 1)	(Unaudited)	(Refer Note 1)	(Audited)	(Audited)
One time settlement (OTS) with banks and financial institutions	-	2,425.00	-	4,988.93	2,775.44
Loan settled on behalf of associate	-	-	-	3,783.62	-
Liabilities written back	7,153.08	-	9,598.99	16,819.44	9,598.99
Provision on debtors written back	435.00	-	-	435.00	-
<b>Exceptional gain (A)</b>	<b>7,588.08</b>	<b>2,425.00</b>	<b>9,598.99</b>	<b>26,026.99</b>	<b>12,374.43</b>
Unbilled provision/write off	-	328.13	-	7,998.13	2,500.24
Capital assets impaired/written off (Refer note- 2(a))	-	-	6,128.77	-	6,128.77
Provision on loans and advances from associates and subsidiary	-	-	-	6,789.88	-
Trade receivable written off	4,332.05	-	-	4,332.05	-
Loans and advances provision	1,143.69	-	-	1,143.69	6,891.55
Investment provision	-	-	9,058.00	-	9,058.00
<b>Exceptional loss (B)</b>	<b>5,475.74</b>	<b>328.13</b>	<b>15,186.77</b>	<b>20,263.75</b>	<b>24,578.56</b>
<b>Net Exceptional gain/(loss)(A-B)</b>	<b>2,112.34</b>	<b>2,096.87</b>	<b>(5,587.78)</b>	<b>5,763.24</b>	<b>(12,204.13)</b>

- 8) 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. 605.90 lakhs, Rs. 2,983.20 lakhs and Rs. 5,279.89 lakhs for the quarter ended March 31, 2024, year ended March 31, 2024 and as at March 31, 2024 respectively (Rs. 601.26 lakhs, Rs. 822.41 lakhs and Rs. 3,374.33 lakhs for the quarter ended December 31, 2023, March 31, 2023 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.
- 9) The Holding Company has incurred a net loss after tax of Rs. 871.27 lakhs for the year ended March 31, 2024 and has accumulated losses amounting Rs. 1,07,546.89 lakhs as at March 31, 2024. 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 March 31, 2024. 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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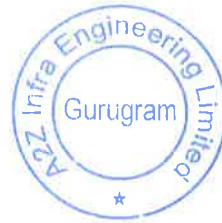
# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



- 10) 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 Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution of transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondo and Mpwapwa districts) on a Turnkey basis for Lot 2. Lot -01 districts Bahi, Kongwa and Chemba are completed as on 21st April 2022, 10th April 2022 and 31st August 2022 and defect liability period is applicable for next 12 months. Lot -02 districts Chamwino, Kondo and Mpwapwa are completed as on 2nd August 2023 and defect liability period is applicable for next 12 months. The contract allows 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.
- 11) During the year ended March 31, 2024, 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. 1,500.00 lakhs and Rs. 1,100.00 lakhs respectively on the terms as mentioned therein in the respective sanction/approval letter.
- 12) 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: May 15, 2024



For and behalf of A2Z Infra Engineering Ltd.

**Amit Mittal**  
Managing Director & CEO  
(DIN 00058944)

## ANNEXURE I

### Statement on Impact of Audit Qualifications (for audit report with modified/disclaimer opinion) submitted along with Annual Audited Financial Results - Consolidated

**i. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024**  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Amount in Rs. Lakhs)

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
1.	Turnover / Total income	42,625.81	42,625.81
2.	Total Expenditure	45,426.62	45,426.62
3.	Net (Loss)	(736.48)	(736.48)
4.	Earnings Per Share	(0.32)	(0.32)
5.	Total Assets	68,295.85	68,295.85
6.	Total Liabilities	66,209.39	66,209.39
7.	Net Worth*	2,071.89	2,071.89
8.	Any other financial item(s) (as felt appropriate by the	NA	NA

\*excluding capital reserve of Rs. 14.57 lakhs.

**Note:** The impact of the qualification given below in point II(a)(1), II(a)(2) and II(a)(3) is not ascertainable.

**ii. Audit Qualification (each audit qualification separately):**

**a. Details of Audit Qualification (Disclaimer of Opinion):**

1)	<p>As stated in note 9 to the accompanying Statement, the Holding Company has incurred a net loss after tax of Rs. 871.27 lakhs for the period ended 31st March 2024, and as of that date, the Holding Company's accumulated losses amount to Rs. 1,07,546.89 lakhs, which have resulted in substantial erosion of its net worth, and the current liabilities exceed current assets by Rs. 15,546.05 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 9. 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 8. As confirmed by the management, the Holding Company has been in discussions with the lenders regarding settlement of their outstanding borrowings/dues. 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 &amp; conditions and the possible impact of the associated uncertainties on management's assumptions, and other matters as set forth in the note 9, 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 settlement of outstanding borrowings/dues 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 consolidated financial results for the quarter and year ended 31<sup>st</sup> March 2023 dated 19<sup>th</sup> May 2023 and our review report for the quarter ended 31<sup>st</sup> Dec 2023 dated 12<sup>th</sup> Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.</p>
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# A2Z INFRA ENGINEERING LIMITED

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2)	<p>As stated in note 8 to the accompanying Statement, the Holding Company has outstanding 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 31<sup>st</sup> March 2024 aggregating to Rs. 605.90 lakhs (accumulated interest as at 31<sup>st</sup> March 2024 being Rs. 5,279.89 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.</p> <p>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 consolidated financial results for the quarter and year ended 31<sup>st</sup> March 2023 dated 19<sup>th</sup> May 2023 and our review report for the quarter ended 31<sup>st</sup> Dec 2023 dated 12<sup>th</sup> Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.</p>
3)	<p>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 and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 31<sup>st</sup> March 2024. 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 consolidated financial results for the quarter and year ended 31<sup>st</sup> March 2023 dated 19<sup>th</sup> May 2023 and our review report for the quarter ended 31<sup>st</sup> Dec 2023 dated 12<sup>th</sup> Feb 2024 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.</p>

**b. Type of Audit Qualification:** Disclaimer of Opinion

**c. Frequency of qualification:**

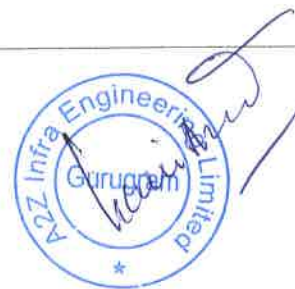
Disclaimer (ii)(a)(1) and (3) were reported as disclaimer since our review report for the quarter/period ended 30 September 2021.

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not quantified by the auditor

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**

	Not ascertainable
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(ii) If management is unable to estimate the impact, reasons for the same:

	<p><b><u>With respect to mentioned disclaimer 1</u></b></p> <p>The Holding Company has incurred a net loss after tax of Rs. 871.27 lakhs for the year ended March 31, 2024 and has accumulated losses amounting Rs. 1,07,546.89 lakhs as at March 31, 2024. 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 March 31, 2024. 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.</p>
	<p><b><u>With respect to mentioned disclaimer 2</u></b></p> <p>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. 605.90 lakhs, Rs. 2,983.20 lakhs and Rs. 5,279.89 lakhs for the quarter ended March 31, 2024, year ended March 31, 2024 and as at March 31, 2024 respectively (Rs. 601.26 lakhs, Rs. 822.41 lakhs and Rs. 3,374.33 lakhs for the quarter ended December 31, 2023, March 31, 2023 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.</p>
	<p><b><u>With respect to mentioned disclaimer 3</u></b></p> <p>The Holding Company, as at March 31, 2024, 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 ('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 March 31, 2024 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.</p>





# A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



(iii) **Auditors' Comments on (i) or (ii) above:** Included in details of auditor's qualification (Disclaimer of Opinion) stated above.

iii. **Signatories:**

  
**Amit Mittal**  
Managing Director cum CEO

  
**Lalit Kumar**  
Chief Financial Officer

  
**Atima Khanna**  
Audit Committee Chairperson



**Date:** May 15, 2024  
**Place:** Gurugram

  
**Saurabh Kuchhal**  
Partner  
MRKS & Associates  
Statutory Auditor



**Date:** May 15, 2024  
**Place:** Gurugram