



...em **POWER**ing the nation

**BY E-MAIL/FAX/COURIER**

12<sup>th</sup> November, 2011

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

Fax-022-22722039

BSE Code-533292

To,  
National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1 G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051  
Fax- 022-26598237/38

NSE Code-A2ZMES

**Sub: Press Release**

Dear Sir

Please find enclosed herewith Press Release dated 12<sup>th</sup> November, 2011 regarding announcement of Unaudited Financial Results for the quarter and half year ended on 30<sup>th</sup> September, 2011 and updates on business operation.

This is for your information and records.

Thanking you,

Yours Truly

**For A2Z Maintenance & Engineering Services Limited**

(Atul Kumar Agarwal)  
Company Secretary cum Compliance Officer  
FCS-6453



**A2Z Maintenance & Engineering Services Limited**

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

**Corporate Office :** Plot No. 44, Sector-32, Institutional Area, Gurgaon-122001, Haryana (INDIA),  
Tel. : 0124-4517600, Fax : 0124-4380014, Website : www.a2zgroup.co.in

November 12, 2011

**A2Z Maintenance and Engineering Services Limited**

**Press Release: Q2 FY 12 Results and update on business operations**

The company has released its standalone results today which primarily comprise its Engineering Services (ES)/Engineering, Procurement and Construction (EPC) business.

Please visit investor section on the company website, [www.a2zgroup.co.in](http://www.a2zgroup.co.in), for the corporate presentation that explains in more detail the company's strategy and its various business units.

**Standalone results for quarter ended September 30, 2011**

In Rs Cr

Particulars	Q2 FY12	Q1 FY 12	Change (%)
Total Income	217.5	192.5	13%
EBIDTA	19.6	13.7	43%
Interest	11.4	9.6	19%
PBT	8.2	5.2	58%
Tax	-0.23	1.84	-113%
PAT	8.5	3.4	152%

On a standalone basis, total income for quarter ended September 30, 2011 is Rs 217.5 Cr, up 13% from Rs 192.5 Cr in Q1 FY 12. Profit before tax stood at Rs 8.2 Cr, up 58% from Rs 5.2 Cr in Q1 FY 12 while Profit after tax is Rs. 8.4 Cr, up 152% from Rs 3.35 Cr from Q1 FY 12.

Commenting on the results, Amit Mittal, MD, said "A2Z is in the midst of transforming itself from an EPC company to an Infrastructure company focused around energy conservation and clean energy generation. In a very tough environment we have improved our performance over the previous quarter. We expect to do much better going forward as we will shortly commission our power plants and hope to speed up execution in our projects. We are confident of demonstrating significant improvement in the quarters ahead".



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## Highlights of various business units

The progress of each business unit is discussed below:

### Parent Entity: A2Z Maintenance & Engineering Services Limited (A2ZMES)

The standalone parent legal entity comprises of 3 segments: Engineering Services (ES/EPC), Renewable power generation and Others. Summary of the quarterly results is given below -

Total income from operations for quarter ended September 30, 2011 is Rs 215.6 Cr, an increase of 14% from Rs 189.5 Cr in Q1 FY 12. ES/EPC contributed Rs 200.1 Cr to the income from operations this quarter, up 5.9% from Rs 188.9 Cr in Q1 FY 12. EBIDTA for this quarter stood at Rs 19.6 Cr, up 43% from Rs 13.7 Cr in Q1 FY 12. Others mainly comprise trading of materials used by our suppliers and O&M services provided to some clients. Since we are yet to commission our renewable power projects, there is no P&L for this segment.

Sundry Debtors as on September 30, 2011 are Rs 769 Cr, up 7.8% as compared to Rs 713 Cr as on June 30, 2011. Out of total debtors, Rs 360 Cr represents retention money, down 4.8% as compared to Rs 378 Cr as on June 30, 2011.

### Order-book Position

Particulars	Amount in Rs Cr
Opening order book as of 1 April, 2011	1,397
New firm orders between 1 April, 2011 and 30 September, 2011	468
Orders executed and recognized as revenue (1 April, 2011 to 30 September, 2011)	390
Curtailement of Orders	78
Unexecuted Order Book as on 01 October, 2011	1,397

The Company executed orders worth Rs 200 Cr while it received new orders worth Rs 182 Cr for the quarter ended September 30, 2011.

There has been a decrease in the order intake due to the competitive intensity in the market with multiple parties vying for every contract at irrational margins. The company has stayed away from such irrational bidding as it is focused on getting fair margin orders with moderate capital working requirements.

Despite having adequate orders in hand, the Company experienced slowdown in execution this quarter due to an extended monsoon and delays in receiving work order revisions.

A key achievement in the EPC business has been the commissioning of the 66 KV sub-station at Kargil. It is the highest altitude 66 KV sub-station in India and one of the highest altitude sub-station in the world for this capacity, enabling villages in Kargil to receive power from the Grid.



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## Business Outlook

### Power T&D

With the massive T&D infrastructure over haul needed in India, there continues to be good business opportunity for A2Z to be a meaningful player in this space with its demonstrated execution skills. The Company continues to be on the lookout for fair margin orders and is confident of improved order inflow in the coming quarters based on geographic diversification.

### Renewable Energy Generation

We are building a renewable energy portfolio which will be almost entirely self-sufficient for its fuel needs as they will be fed from the bagasse contracted from sugar mills, long term agreement with a captive harvesting and farming company and value added output (Refuse Derived Fuel) from our MSW business. Hence, the fuel supply risk, a core issue for many biomass based renewable energy players, will be mitigated to a very large extent.

The four renewable energy projects (45 MW biomass based co generation projects in Punjab, housed in A2ZMES, and 15 MW biomass based project in Kanpur, housed in A2Z Infrastructure Limited) aggregating 60 MW being setup by A2Z are in final stages of -commissioning. These projects have been further delayed by a quarter from our earlier communicated projected commissioning date. This delay has been due to delays in receiving necessary approvals and exemptions from State and Central government agencies, due to an extended monsoon season, and issues related to testing of energy meters and power evacuation infrastructure readiness from the end of concerned discoms. Two projects are expected to be commissioned, stabilized and evacuating power to the Grid by December 2011 and the rest by January 2012.

In order to ensure greater revenue stability and prevent uncertainty on demand from merchant power, we have signed PPAs for all our 60 MW power projects. The PPAs for the three 15 MW Punjab projects at Fazilka, Morinda & Nakodar have recently been executed with the Punjab State Power Corporation Limited (PSPCL), each for a period of 15 years. As informed in the earlier press releases, the PPA for the 15 MW Kanpur project has been signed with Dakshinanchal Vidyut Vitaran Nigam Limited (DVVNL) for a period of 20 years from the commissioning date.

Further, we have ordered equipment for another 30 MW of power projects which will be set up in cities where we have Integrated MSW contracts.

### The Municipal Solid Waste Management (MSW) Business - A2Z Infrastructure Limited & its subsidiaries

A2Z Infrastructure and its subsidiaries collectively have won Contracts (Integrated, Collection & Transport and Processing & Disposal combined) of capacity 8,848 MT/day from 27 urban local bodies (ULB) through competitive bidding under the JNNURM and UIDSSMT schemes. These are 25 – 30 year annuity projects with price escalation clauses.

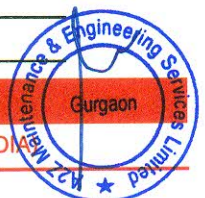
The current list of contracted cities and their status is as under:

S. No.	City	Contract	Capacity MT/day	C&T Start date	P&D start date
1	Kanpur	Integrated	1,500	Operational	Operational
2	Indore	Integrated	600	Operational	Operational

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3	Aligarh	Integrated	220	Operational	Operational
4	Muzaffarnagar	Integrated	120	Operational	Operational
5	Moradabad	Integrated	280	Operational	Q3 FY 12
6	Varanasi	Integrated	600	Operational	Q1 FY 13
7	Ranchi	Integrated	490	Operational	Q3 FY 13
8	Meerut	Integrated	600	Operational	Land allotment awaited
9	Ghaziabad	Integrated	275	Operational	Land allotment awaited
10	Bihar Sharif	C&T	120	Operational	NA
11	Darbhanga	C&T	120	Operational	NA
12	Patna	C&T	800	Operations temporarily suspended	NA
13	Fatehpur	P&D	55	NA	Q4 FY 12
14	Mirzapur	P&D	100	NA	Q1 FY 13
15	Jaunpur	P&D	80	NA	Q1 FY 13
16	Sambhal	P&D	75	NA	Q1 FY 13
17	Badaun	P&D	55	NA	Q1 FY 13
18	Ballia	P&D	40	NA	Q1 FY 13
19	Nanded	P&D	300	NA	Q3 FY 13
20	Amravati	P&D	300	NA	Land allotment awaited
21	Firozabad	P&D	130	NA	Land allotment awaited
22	Loni	P&D	120	NA	Land allotment awaited
23	Basti	P&D	40	NA	Land allotment awaited

Apart from the list above, we the Company has won integrated projects in Ludhiana (1,068 TPD), Dhanbad (500 PD), Haridwar (220 TPD) and Nainital (40 TPD). However formal agreements are awaited for the same.

#### Operational Performance of the MSW Business

We are very excited by prospects we see in the MSW business. This business is core to our "Clean and Green Energy" focus and we see ourselves as not only building a very profitable business but also bringing social change.

This business is currently in gestation phase and we continue to ramp the business aggressively. The growth of waste collection across all our contracts is shown below:

#### Aggregate Waste Collected in average MT/day

Month	Apr'11	May'11	Jun'11	Jul'11	Aug'11	Sep'11
Waste Collection	2,230	2,826	3,310	3,853	3,704	3,936

The aggressive ramp will continue as we ramp both within each city as well as start new cities.

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