

MOVING FORWARD



ANNUAL REPORT 2015 - 16
LANCO INFRA TECH LIMITED



Challenges from the business environment, the technological advancements favour and affect the business operations. Lanco with its global focus and learnings has always managed to keep an eye on the forward button. Time and again it has poised to take on the challenges with a positive spirit. All the business verticals at Lanco - EPC, Power, Solar, Natural Resources, Infrastructure and Property development have surged ahead with their strengths. Today, Lanco is evolving and all set to regain the position as the country's most admired integrated infrastructure enterprise.

EPC



Our reputation for impeccable project management competencies has established us as the first choice amongst leading enterprises for EPC projects. An ability to straddle a project from “concept to commissioning” bringing together the crucial parameters of cost and

quality has earned us a rich portfolio of EPC projects. Our competitive edge is derived from our decade-old expertise in EPC combined with strong engineering competencies across industry verticals such as power, transmission, industrial and transportation segments.

POWER



Lanco's expertise in the power sector over the years made them contribute to the country's Power sector. Lanco Kondapalli, Lanco Tanjore, Lanco Amarkantak, Lanco Anpara, Lanco Vidarbha, Lanco Babandh are standing testimony to the laurels of

Lanco. Currently, Lanco has an installed capacity of 3460 MW and a capacity under construction of 4636 MW. Lanco will contribute considerably into the nation's 2019 goal of providing power to all.

SOLAR



Lanco Solar aims to power Indian communities by providing clean and cost-effective solar electricity, and is committed to achieving grid parity in the years to come. Lanco Solar has taken considerable strides in the solar industry during recent years in integrated

manufacturing, solar EPC and project development with an aim, to deliver sustainable, innovative and cost effective solutions across the entire solar power value chain.

NATURAL RESOURCES



The coal business has always been our key area of focus. Our strategic move towards 'Project Integration' has enabled us to extend our natural resources' operating portfolio and under-development assets in India and across the globe. With more than 2 billion tonnes of coal resources in our business portfolio, we are reckoned as one of

the exclusive members among the mine developers & operators in India. The recent appointment as Mine Developer & Operator (MDO) by Steel Authority of India Ltd., for the Tasra Coal Block including washery and captive power project has reiterated our strengths in Natural Resources.

INFRASTRUCTURE



Our Infrastructure development business is focused on executing large civil and urban projects such as roads, highways, ports, airports, railway lines, etc. The successful execution and completion of impressive civil & urban projects has earned us a prominent position in the Infrastructure development

sector. The projects currently under highway portfolio include two major National Highway (NH) projects in the State of Karnataka. Our current portfolio consists of highway projects of around 163 kms in length.

PROPERTY DEVELOPMENT



Lanco Hills a mega project in Hyderabad with Apartments, Villas, Malls, IT Parks is a product of expertise and meticulous planning. World's top Architects, consultants and experts have come together to create this marvellous world of its own

called Lanco Hills. Convenient access to homes, premium office spaces, entertainment, leisure and shopping, extraordinary comforts, high rise living and global standard construction make Lanco Hills the most sought after in the city of Hyderabad.

Board of Directors



Mr. L. Madhusudhan Rao
Executive Chairman



Mr. G. Bhaskara Rao
Executive Vice - Chairman



Mr. L. Sridhar
Vice - Chairman



Mr. G. Venkatesh Babu
Managing Director



Mr. K. Raja Gopal
Director



Mr. Raj Kumar Roy
Whole-time Director



Mr. Hiranmoy Biswas
Nominee Director



Dr. Rajesh Kumar Yaduvanshi
Nominee Director



Dr. Uddesh Kumar Kohli
Independent Director



Mr. R. Krishnamoorthy
Independent Director



Mr. R. M. Premkumar
Independent Director



Mr. Gurbir Singh Sandhu
Independent Director



Mr. Vijoy Kumar
Independent Director



Mr. Pawan Chopra
Independent Director



Mr. Rengaraj Viswanathan
Independent Director



Dr. Jaskiran Arora
Independent Director

Corporate Information

Board of Directors

Mr. L. Madhusudhan Rao - **Executive Chairman**
 Mr. G. Bhaskara Rao - **Executive Vice-Chairman**
 Mr. L. Sridhar - **Vice-Chairman**
 Mr. G. Venkatesh Babu - **Managing Director**
 Mr. K. Raja Gopal - **Director**
 Mr. Raj Kumar Roy - **Whole-time Director**
 Mr. Hiranmoy Biswas - **Nominee Director**
 Dr. Rajesh Kumar Yaduvanshi - **Nominee Director**
 Dr. Uddesh Kumar Kohli - **Independent Director**
 Mr. R. Krishnamoorthy - **Independent Director**
 Mr. R. M. Premkumar - **Independent Director**
 Mr. Gurbir Singh Sandhu - **Independent Director**
 Mr. Vijoy Kumar - **Independent Director**
 Mr. Pawan Chopra - **Independent Director**
 Mr. Rengaraj Viswanathan - **Independent Director**
 Dr. Jaskiran Arora - **Independent Director**

Chief Financial Officer

Mr. T. Adi Babu

Company Secretary and Compliance Officer

Mr. A. Veerendra Kumar

Auditors

Brahmayya & Co.,

(Registration No. - 000511S)

Chartered Accountants

48, Masilamani Road, Balaji Nagar, Royapettah

Chennai - 600 014

Tamil Nadu, India

Registered Office

Plot No. 4, Software Units Layout, HITEC City

Madhapur, Hyderabad – 500 081, Telangana, India

Phone: +91-40-4009 0400, Fax: +91-40-2311 6127

E-mail: complianceofficer.litl@lancogroup.com

Website: www.lancogroup.com

Corporate Identity Number: L45200TG1993PLC015545

Corporate Office

Lanco House, Plot No. 397, Udyog Vihar, Phase-3

Gurgaon-122 016, Haryana, India

Phone: +91-124-474 1000, Fax: +91-124-474 1878

Registrar & Share Transfer Agent

Aarthi Consultants Private Limited

1-2-285, Domalguda, Hyderabad – 500 029

Telangana, India

Phone: +91-40-2763 8111, 2763 4445

Fax: +91-40-2763 2184

E-mail: info@aarthiconsultants.com

Website: www.aarthiconsultants.com

Bankers and Financial Institutions of the Company

Allahabad Bank
 Andhra Bank
 Axis Bank Limited
 Bank of Baroda
 Bank of Maharashtra
 Canara Bank
 Central Bank of India
 Corporation Bank
 Dena Bank
 ICICI Bank Limited
 IDBI Bank Limited
 IDFC Limited
 Indian Overseas Bank
 Kotak Mahindra Bank Limited
 Life Insurance Corporation of India
 Oriental Bank of Commerce
 Punjab National Bank
 Punjab & Sind Bank
 State Bank of Bikaner & Jaipur
 State Bank of Hyderabad
 State Bank of India
 State Bank of Mysore
 State Bank of Patiala
 The Jammu & Kashmir Bank
 Union Bank of India
 United Bank of India
 Yes Bank Limited

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Year at a glance - Consolidated

	(₹ Crores)		Change
PARTICULARS	2015-16	2014-15	(%)
Profit and Loss Account			
Gross Revenue	9,999.08	9,681.42	3
Less: Elimination of Inter Segment Revenue	1,771.52	170.67	938
Net Revenue	8,227.56	9,510.75	(13)
Profit Before Depreciation, Interest and Taxation (PBITDA)	2,660.51	1,832.75	45
Depreciation and Amortisation	837.54	1,113.75	(25)
Profit Before Interest and Taxation	1,822.97	719.00	154
Eliminated Profit on transactions with Subsidiaries	271.41	(18.56)	1,562
Profit Before Interest and Taxation Plus Elimination	2,094.38	700.44	199
Interest and Finance Charges	2,513.95	3,060.21	(18)
Profit / (Loss) Before Taxation, Exceptional Item Plus Elimination	(419.57)	(2,359.77)	82
Exceptional Item	209.74	123.15	70
Profit / (Loss) Before Taxation Plus Elimination	(209.83)	(2,236.62)	91
Provision for Taxation (Including Deferred Tax and MAT Credit Entitlement)	(229.98)	(117.05)	96
Profit / (Loss) After Tax (Before Minority Interest & Share of Profits from Associates)	20.15	(2,119.57)	101
Share of Minority Interest	34.00	(100.32)	134
Share of Profits / (Loss) from Associates	(0.34)	(3.29)	90
Profit / (Loss) After Tax (After Minority Interest and Share of Profits from Associates) Plus Elimination	(14.19)	(2,022.54)	99
Prior Period Items	(20.31)	42.52	(148)
Elimination of Profit on Transactions with Subsidiaries and Associates	271.72	(28.32)	1,059
Profit / (Loss) After Tax (After Minority Interest and Share of Profits from Associates)	(265.60)	(2,036.74)	87
Cash Profit / (Loss)	441.32	(505.64)	187
Cash Flow			
Cash from Operating Activities before Elimination	246.65	2,714.10	(91)
Balance Sheet			
Share Capital	273.78	245.09	12
Reserves & Surplus	(996.31)	(692.86)	(44)
Minority Interest	1,479.21	1,339.19	10
Net Worth Plus Minority	756.68	891.42	(15)
Eliminated Profit on Transactions with Subsidiaries and Associates (Cumulative)	1,472.60	1,353.27	9
Net Worth Plus Minority & Elimination	2,229.28	2,244.69	(1)
Non Current Liabilities	41,608.34	37,220.12	12
Current Liabilities	11,248.46	14,561.48	(23)
Total of Net Worth Plus Minority & Liabilities	53,613.48	52,673.02	1.79
Non Current Assets	43,939.46	42,211.95	4
Current Assets	9,674.02	10,461.07	(8)
Total of Assets	53,613.48	52,673.02	2
Key indicators			
Earning Per Share (In ₹)			
Basic	(1.03)	(8.58)	88
Diluted	(1.03)	(8.58)	88
No. of Employees	3,700	3,163	17

BOARDS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty Third Annual Report on the Business and Operations of the Company together with the Audited Accounts for the year ended March 31, 2016.

FINANCIAL RESULTS

(₹ Crores)

PARTICULARS	CONSOLIDATED		STANDALONE	
	Year ended March 31		Year ended March 31	
	2016	2015	2016	2015
INCOME				
Revenue from operations and other income	8,227.56	9,510.75	2744.94	1,530.71
Profit Before Taxation	(481.24)	(2,218.06)	(444.91)	(717.63)
Provision for Taxation	(229.98)	(117.05)	0.09	(45.40)
Net Profit after Taxation	(251.26)	(2,101.01)	(445.00)	(672.23)
Less: Prior period items	(20.31)	42.52	-	-
Add: Share of Profit/(Loss) of Associates	(0.34)	(3.29)	-	-
Less: Elimination of Unrealized Profit on Transactions with Associate Companies	0.31	(9.76)	-	-
Less: Share of Minority Interest	34.00	(100.32)	-	-
Net Profit/ (Loss) after Taxation, Minority Interest and Share of Profit/ (Loss) of Associates (Balance Carried to Balance Sheet)	(265.60)	(2,036.74)	(445.00)	(672.23)
Surplus brought forward	(3,938.44)	(1,891.65)	(161.37)	519.11
Depreciation Transitional Adjustment	-	10.05	-	8.25
Balance carried to Balance Sheet	(4204.04)	(3,938.44)	(606.37)	(161.37)

FINANCIAL PERFORMANCE AND THE STATE OF THE COMPANY'S AFFAIRS

During the reporting period, in April 2015, your Company sold Udupi Power Corporation Limited (UPCL), Subsidiary of the Company. The consolidated results for the FY16 was without UPCL results whereas FY15 was with UPCL results. Therefore the results of FY16 are not comparable with the results of FY15.

On a Consolidated basis, your Company has reported Gross Revenues of ₹ 8,227.56 Crores for FY16 as against ₹ 9,510.75 Crores of Revenues registered in the previous year. Total Expenditure for the Year was ₹ 8,484.16 Crores as against ₹ 11,851.96 Crores in the previous year. The Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) amounted to ₹ 2,260.51 Crores while the same was ₹ 1,832.75 Crores for the previous year i.e. an increase of 45%. The Profit before tax stood at ₹ (481.24) Crores, an increase of 78.30% as compared to ₹ (2,218.06) Crores in the previous year.

The Net Profit/(Loss) after Tax after adjustment of Minority Interest and Share of Profits of Associates was ₹ (265.60) Crores as against ₹ (2,036.74) Crores for the previous year.

The comparison of consolidated results without including UPCL results shows the real performance of the Company. The comparison shows that the consolidated revenues for FY16 was ₹ 8,227 Crores against the FY15 revenue of ₹ 6,839 Crores, a growth of 20%.

Gross Interest and Finance charges on consolidated basis amounted to ₹ 2,513.95 Crores in comparison to ₹ 3,060.21 Crores of previous year, a decrease due to sale of Udupi Power Corporation Limited.

A detailed discussion on the result of the operations, financial condition and business review is included in the Management Discussion and Analysis Report placed at **Annexure-1** to this Report.

There are no material changes and commitments, affecting the financial position of the Company which have occurred after March 31, 2016 till the date of this Report.

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

CDR AND LONG TERM WORKING CAPITAL LOAN

The implementation of the CDR Package was delayed due to delay in getting the approval from the Lenders. Due to delay, most of the Priority Loan sanctioned under CDR Package was used to address the interest dues of the Lenders thereby the revival of EPC Operations was partial. To bring the EPC operations to full scale, Company approached the Lenders with a proposal for Long Term Working Capital Loan (LTWCL) of ₹ 1,500 Crores for FY16 which was approved at the Joint Lenders Forum of the Company.

The LTWCL sanction and release by the Lenders again got delayed and the restoration of the EPC Operations could not be fully achieved. Company is in discussions with Lenders to work out a suitable scheme to address the debt servicing and completion of the under construction projects.

RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the reporting period, your Company had obtained members approval by passing of a special resolution through Postal Ballot for issue of Compulsorily Convertible Debentures to IDFC Bank Limited. The results of the Postal Ballot were announced on February 28, 2016. The details of the resolution passed through Postal Ballot forms part of the Report on Corporate Governance, annexed to this report.

AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

During the period under review, the Articles of Association of the Company was amended to increase the number of Directors from 15 (fifteen) to 16 (sixteen), as approved by the members in the Annual General Meeting held on September 28, 2015.

INCREASE OF PAID-UP EQUITY SHARE CAPITAL

On September 30, 2015, your Company allotted 26,51,74,603 (Twenty Six Crores Fifty One Lakhs Seventy Four Thousand Six Hundred and Three only) Equity Shares of face value of ₹ 1/- each at ₹ 6.30 Per Equity Share (including ₹ 5.30 Per Equity Share towards Share Premium) to Lanco Group Limited, Promoter of the Company, under the CDR Package approved for the Company.

In view of the above corporate action, the Paid-up Capital of the Company increased from ₹ 248.42 Crores to ₹ 274.93 Crores.

COMPULSORILY CONVERTIBLE DEBENTURES (CCDs)

Pursuant to the approval of members received through Postal Ballot on February 28, 2016, your Company on March 14, 2016 allotted 32,14,53,885 (Thirty Two Crores Fourteen Lakhs Fifty Three Thousand Eight Hundred and Eighty Five only) Compulsorily Convertible Debentures (CCDs) to IDFC Bank Limited at a price of ₹10/- per CCD having face value of ₹10/- each, aggregating to ₹321,45,38,850 (Rupees Three Hundred Twenty One Crores Forty Five Lakhs Thirty Eight Thousand Eight Hundred and Fifty only), on preferential basis against the conversion of outstanding loan and interest accrued thereon payable to IDFC Bank Limited. These CCDs carry a Coupon Rate of 10.50% per annum and have a term of 12 months from the date of allotment. The CCDs along with the interest thereon shall be converted into Equity Share Capital of the Company after the term of 12 months.

DIVIDEND

Your Directors have not recommended dividend for the year ended March 31, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is enclosed as **Annexure-1** to this Report.

SUBSIDIARY COMPANIES

During the reporting period, Lanco Kanpur Power Limited, Lanco Energy Private Limited (Formerly known as Spica Thermal Power

Private Limited), Lanco Property Management Company Private Limited and Newton Solar Private Limited had become Subsidiaries of the Company.

Further Lanco Teesta Hydro Power Limited, Omega Solar Projects Private Limited and Lanco IT P.V. Investments B.V. had ceased to be Subsidiaries of the Company.

The Company's Policy on Material Subsidiaries of the Company has been provided in the following link: http://www.lancogroup.com/pdf/financials/Policies/Policy_on_Material_Subsidiaries.pdf

Report on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies has been provided in Form AOC-1 which forms part of this Annual Report.

RISK MANAGEMENT POLICY

The Company had adopted the Standard Operating Procedures to standardise the Risk Management Process across all Business units in terms of process, formats, documentation, reporting, identification of elements of risk and monitoring Risk Mitigation plans, as part of the Risk Management Policy developed and implemented by the Company. Further details are provided in Management Discussion and Analysis Report placed at **Annexure-1** to this Report.

INTERNAL FINANCIAL CONTROLS

Your Company had put in place adequate Internal Financial Controls commensurate with the size of the Company with reference to the Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. G. Bhaskara Rao and Mr. G. Venkatesh Babu, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for appointment. Mr. Hiranmoy Biswas was appointed as Nominee Director of IDBI Bank Limited, with effect from October 27, 2015. Dr. Rajesh Kumar Yaduvanshi was appointed as Nominee Director of Punjab National Bank, with effect from January 01, 2016.

Mr. K. Raja Gopal was appointed as Non-Executive Director with effect from April 01, 2016.

Mr. Rengaraj Viswanathan and Dr. Jaskiran Arora were appointed as Additional Directors in the Category of Independent Director for 5 (five) years with effect from June 25, 2016.

Mr. L. Madhusudhan Rao was re-appointed as Executive Chairman for a period of 3 (three) years with effect from April 01, 2016. Mr. G. Bhaskara Rao was re-appointed as Executive Vice-Chairman for a period of 1 (one) year with effect from April 01, 2016. Mr. Raj Kumar Roy was appointed as Whole-time Director for a period of 3 (three) years with effect from April 01, 2016. Mr. G. Venkatesh Babu was re-appointed as Managing Director for a period of 3 (three) years with effect from June 24, 2016.

Mr. L. Madhusudhan Rao, Executive Chairman and Mr. G. Bhaskara Rao, Executive Vice-Chairman refunded the excess remuneration of ₹20.95 Lakhs and ₹27.92 Lakhs respectively, in line with the approvals received from the Ministry of Corporate Affairs (MCA) for FY 2014-15. The Company is awaiting the approval from the MCA for the appointment and payment of remuneration to Mr. S.C. Manocha for the period from August 14, 2015 to March 15, 2016.

The Independent Directors have given a declaration to the Company under Section 149(7) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding meeting the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013.

Mr. Yashpal Gupta, Mr. S. C. Manocha and Smt. L. Ramalakshamma resigned as Directors of the Company with effect from October 01, 2015, March 15, 2016 and March 23, 2016 respectively. Your Directors place on record their appreciations for the valuable contribution by Mr. Yashpal Gupta, Mr. S. C. Manocha and Smt. L. Ramalakshamma during their tenure as Directors.

We report with grief the sad demise of Mr. Dariyai Lal Rawal, Independent Director who passed away on January 28, 2016. The Board of Directors places on record its appreciation towards the significant contribution and valuable services rendered by Late Mr. Dariyai Lal Rawal during his tenure as Independent Director.

Mr. G. Venkatesh Babu, Managing Director, Mr. T. Adi Babu, Chief Financial Officer and Mr. A. Veerendra Kumar, Company Secretary represent the Key Managerial Personnel (KMP) of your Company.

During the FY16, 9 (nine) Board Meetings were held. These meetings were held on April 04, 2015, May 29, 2015, July 29, 2015, August 13, 2015, September 28, 2015, November 22, 2015, December 30, 2015, February 11, 2016 and March 15, 2016. The maximum interval between any two meetings did not exceed 120 days.

The Nomination and Remuneration Committee had devised the criteria and the process for performance evaluation of the Non-Independent Directors, the Board as a whole and its Committees. In terms of Section 178(2) of the Companies Act, 2013, the Committee carried out evaluation of every Director's performance on various parameters as set-out in the performance evaluation policy of the Company and found that all Directors have fully met the expectations.

A separate meeting of Independent Directors was held on February 11, 2016 without the presence of non-Independent Directors and members of the management.

The details of Familiarization Programme for Independent Directors of the Company is disclosed on the Company's website at http://www.lancogroup.com/pdf/financials/Policies/Familiarization_Programme_for_Independent_Directors.pdf

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee had recommended to the Board a Policy relating to the Appointment and Remuneration of Directors, Key Managerial Personnel and other Employees. The Nomination and Remuneration Policy forms part of this Report as **Annexure-2**.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Board has laid down separate Code of Conduct for Directors and Senior Management Personnel of the Company and the same is posted on the Company's Website. All Directors and Senior

Management Personnel have affirmed compliance with the Code of Conduct. The Managing Director has also confirmed and certified the same. The certification forms part of the Report on Corporate Governance.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of The Companies (Accounts) Rules, 2014, is as below:

Conservation of Energy and Technology Absorption

The following are the measures and technologies being implemented by the Company:

- (i) Selection of equipment that consume minimum energy and adoption of integrated energy management system to measure, monitor and take corrective action for minimizing auxiliary power consumption.
- (ii) Selection and adoption of technologies for SNCR/SCR and FGD to control NOx and SOx emission parameters meeting the new Environmental standards as per MOEF guidelines.
- (iii) Ash utilization in earth filling.
- (iv) Increased use of bricks and cement made from power plant ash.
- (v) Best project management practices for optimally utilizing available resources to help reduce project execution time.
- (vi) Improved fire safety by adopting simple methods of increased gravel fill in oil collection pits in transformer yards and cables supported on isolated structures in coal handling plants.
- (vii) Adoption of zero liquid discharge schemes to prevent water pollution.
- (viii) Electro chlorination instead of gas chlorination to avoid hazards while handling chlorine containers.
- (ix) Development of green buildings reducing the electricity consumption.
- (x) Development of buildings with focus on design and architecture maximising the use of natural light and natural air ventilation thus reducing the electricity consumption.
- (xi) Development of Green belt and water harvesting contributing to environment protection.

Foreign Exchange Earnings and Outgo:

(₹ Crores)	
Particulars	Year ended March 31, 2016
Foreign Exchange Earnings	28.20
Foreign Exchange outgo (including Capital imports)	13.91

DISCLOSURE ON COMPANY'S EMPLOYEES STOCK OPTION PLANS

The Employees Stock Option Plan - 2006 and the Employees Stock Option Plan-2010 were approved by members by passing Special Resolutions in the Extraordinary General Meeting held on June 07, 2006 and Annual General Meeting held on July 31, 2010, respectively.

There were no grants made under the Employees Stock Option Plans of the Company during the FY16.

The required information pursuant to SEBI ESOP Guidelines is enclosed as **Annexure-3** to this Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

As required under Section 197 (12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended the details of the remuneration drawn by the employees in excess of the limits prescribed, forms part of this Report.

Pursuant to Section 136 of the Companies Act, 2013, the Annual Report is being sent to the members after excluding the aforesaid details. The same is available for inspection at the Registered Office of the Company during office hours and any member desirous of the said information may write to the Company Secretary at the Registered Office of the Company.

Disclosure of the information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended forms part of this Report as **Annexure-4**.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered by the Company during the reporting period were at arm's length basis and in the ordinary course of business. Therefore the disclosure of particulars in Form No. AOC-2 is not applicable to the Company. Under Listing Regulations, the Material Related Party Transaction entered by the Company on behalf of its Subsidiary forms part of the Notice of Annual General Meeting (AGM).

In line with the requirements of the Companies Act, 2013 and Listing Regulations, the Company has formulated a 'Policy on Related Party Transactions' and the same is uploaded on the Company's website at http://www.lancogroup.com/pdf/CS/LITL_Policy_on_Related_Party_Transactions.pdf

DEPOSITS

During the year under review, your Company has not accepted deposits from Public.

LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

The granting of loans and giving of guarantee and providing of security by your Company is exempted in terms of Section 186(11) (a) of the Companies Act, 2013, as the Company is providing

infrastructural facilities specified in Schedule VI of the Companies Act, 2013. Pursuant to Section 186 of Companies Act, 2013 read with Schedule V and the Listing Regulations, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013 and Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9, is provided as **Annexure-5** to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee comprises of Dr. Uddesh Kumar Kohli, Independent Director, Mr. R.M. Premkumar, Independent Director, Mr. G. Bhaskara Rao, Executive Vice-Chairman and Mr. G. Venkatesh Babu, Managing Director as its Members. Dr. Uddesh Kumar Kohli, Independent Director is the Chairperson of the CSR Committee.

Members can access the CSR Policy on the website of the Company at http://www.lancogroup.com/pdf/LITL_CSR_Policy.pdf

There are no net profits for the Company made during the previous three financial years. Hence, there is no requirement of spending specific funds towards CSR activities by the Company during the year under review.

Details of CSR activities by the group companies is included in Management Discussion and Analysis Report as **Annexure - 1** to this report.

AUDITORS

The Members are requested to ratify the appointment of Brahmayya & Co., Chartered Accountants, (Firm Registration No. 000511S) as Auditors of the Company for the FY 17.

COST AUDITORS

DZR & Co., Cost and Management Accountants have been appointed as the Cost Auditors for the year ending March 31, 2015. The Cost Audit Report for the year ended March 31, 2015 was filed on October 21, 2015.

DZR & Co., have been appointed as Cost Auditors of the Company for the FY17, based on the recommendation of Audit Committee.

SECRETARIAL AUDIT REPORT

M/s. dvmgopal & associates, Company Secretaries, were appointed as Secretarial Auditors to conduct Secretarial Audit of records and documents of the Company for the FY16. The Secretarial Audit Report is given as **Annexure-6** to this Report.

CORPORATE GOVERNANCE

In compliance with the conditions of Corporate Governance, pursuant Listing Regulations, the Report on Corporate Governance with the Certificate from a Practicing Company Secretary certifying compliance in this regard forms part of this Report as **Annexure-7**.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

With a view to implement the highest ethical standards in the course of business, the Company has formed and adopted a whistle blower policy which provides a platform for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Directors, employees, vendors or any person having dealings with the Company may report non-compliance, to the Chairperson of Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AGAINST WOMEN AT WORK PLACE OF THE COMPANY

Pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company had adopted the "Policy on Prevention of Sexual Harassment against Women at workplace" *inter alia* to seek to protect women from sexual harassment at their place of work. There were no complaints relating to sexual harassment during the reporting period.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- (a). In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and that no material departures are made from the same;
- (b). The Company have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the FY16 and of the profit and loss of the Company for that period;
- (c). The Company have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d). The annual accounts have been prepared on a going concern basis;
- (e). The Company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- (f). The Company have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INFORMATION ON AUDITOR QUALIFICATIONS

The information and explanations of your Directors on the qualifications by the Auditor on the Consolidated Financial Statements for the FY16 are as follows:

- **Qualification on Capitalization of Borrowing cost by step down subsidiary**

The step down subsidiary, which is implementing gas based power project expansion, Phase III could not complete

commissioning activities of phase III until August 11, 2015 for III A and January 09, 2016 for III B, due to non-availability of required resources and fuel which are beyond the control of Lanco Kondapalli Power Limited (LKPL). During the pendency of these activities, the plants could not be tested for capability and suitability of its intended use of the plant. The assets are therefore eligible to capitalise their borrowing costs till commissioning. The lenders of the project approved the above interest during construction as a part of the project cost. The Company capitalised the interest during these periods, which was Qualified by the Auditor. LKPL has re-approached Ministry of Corporate Affairs (MCA) to seek clarification on the applicability of provisions of AS 16 to continue the capitalization of borrowing costs. The management is of the view that the interest capitalization is as per AS 16.

However the step down subsidiary completed the commissioning activities of phase III and also declared Commercial Operation Date (COD) on August 11, 2015 for III A and January 09, 2016 for III B. From the COD interest is being charged to P&L account.

- **Qualification on Unaudited financials of Subsidiaries in Consolidation**

As per local GAAP applicable to subsidiaries of Lanco Resources International Pte. Limited (LRIPL), fair valuation of assets is mandatory from the external valuer at the end of every year. During the year ended March 31, 2016 valuation of those foreign subsidiaries assets was under progress and due to that auditors of LRIPL subsidiaries could not complete their audit. As a consequential impact, LRIPL and other subsidiary i.e. Lanco International Pte. Limited (LIPL), could not complete their audit. Hence the financial statements prepared by the management have been considered in consolidation. The Auditor Qualified the Consolidation of financials with the Management financials instead of Audited financials of LRIPL.

The qualification by the Auditor is not about deviation from the Accounting Standards but on the consolidation of the unaudited financials of some of the foreign subsidiary companies as on the reporting date.

The management is not expecting any material differences between Management financials and Audited financials.

ACKNOWLEDGEMENT AND APPRECIATION

Your Directors take this opportunity to thank all the stakeholders including Members, Banks, Financial Institutions, Customers, Suppliers, Service Providers and Regulatory and Governmental Authorities for their consistent co-operation. Your Directors also wish to place on record the sincere appreciation of the hard work, dedication and commitment of Employees at all levels. Your Directors look forward to your continued support in the future as well.

For and on behalf of the Board

L. Madhusudhan Rao

Executive Chairman

DIN - 00074790

G. Venkatesh Babu

Managing Director

DIN - 00075079

Place: Gurgaon

Date: August 12, 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

Global: Global business environment continued to remain challenging during fiscal 2016 led by weak global growth, slowdown in China, significant decline in commodity prices, divergent monetary policies and volatile currencies.

Due to the uncertainties and weaker growth, international agencies like IMF have slashed the growth outlook. World GDP projections for 2016 and 2017 witnessed broad-based reduction to 3.2% and 3.5% respectively. In 2015, World GDP grew by 3.1% as against the projection of 3.5%.

While the growth in advanced economies will continue to shrink, emerging markets and developing economies are expected to drive growth. Growth in the Emerging Market and Developing Economies is expected to be at 4.1% in 2016 as against 4% in 2015. In Advanced Economies, growth is expected to be in line at 1.9% in 2016. Details are as under:

GDP Growth Rates (%)

Country	2017 (E)	2016 (E)	2015
USA	2.5	2.4	2.4
Euro Area	1.6	1.5	1.6
China	6.2	6.5	6.9
Japan	(0.1)	0.5	0.5
India	7.5	7.5	7.3
World	3.5	3.2	3.1

(Source: World Economic Outlook, IMF April 2016)

India: While India's GDP grew to 7.6% in fiscal 2016, business environment continued to remain challenging with sluggish uptick in the industrial activities. Liquidity situation continued to remain challenging due to weak business environment and slowdown in credit growth.

Index of Industrial Production (IIP) growth for fiscal 2016 declined to 2.4% from 2.8% last year on account of lower growth in electricity (+5.6% in FY16 v/s +8.4% in FY15) and manufacturing sector (+2% in FY16 v/s +2.3% in FY15).

INDUSTRY REVIEW – DEVELOPMENTS AND OUTLOOK

POWER

The total installed generation capacity in India as at end of FY16 stood at 298.06 GW. Out of the total installed generating capacity, 62.1% was coal based, 14.4% was hydro and 8.2% was gas based.

All India Installed Generation Capacity (As on March 31, 2016)

	Thermal			Nuclear	Hydro	RES*	Grand Total
	Coal	Gas	Diesel				
MW	1,85,173	24,509	994	210,675	5,780	42,783	38,822
Percentage	62.1	8.2	0.4	70.7	1.9	14.4	13.0

(Source: CEA)

* Renewable Energy Sources, including SHP, BP, Urban & Industrial waste, Solar and wind energy

The total electricity generation in India during FY16 was at 1,107.39 Billion Units (BUs) compared to 1,048.67 BUs in FY15, an increase of 5.60% YoY. Details are as under:

Electricity Generation during FY16 and FY15 (BUs) (excluding RES)

Type	FY16	FY15	Change
Thermal	944	879	7.4%
Hydro	121	129	-6.1%
Nuclear	37	36	3.6%
Bhutan Import	5	5	4.8%
All India	1,107	1,049	5.6%

(Source: CEA)

The generating capacity addition also increased during FY16 to 31,049 MW as against 26,651 MW in FY15, an increase of 17% YoY.

Generation Capacity Addition during FY16 and FY15 (MW)

Type	FY16	FY15	Change
Thermal	22,461	20,830	-8%
Hydro	1,516	736	106%
Nuclear	-	1,000	NA
RES	7,072	4,085	73%
All India	31,049	26,651	17%

(Source: CEA)

All India Installed Generation Capacity (MW) – Region Wise (As on March 31, 2016)

Region	Thermal			Total	Nuclear	Hydro	RES*	Grand Total
	Coal	Gas	Diesel					
Northern	45,644	5,332	-	50,976	1,620	18,246	8,630	79,472
Western	72,153	10,815	-	82,968	1,840	7,448	15,315	107,571
Southern	36,443	6,474	918	43,834	2,320	11,558	18,154	75,866
Eastern	30,623	190	-	30,813	-	4,289	475	35,577
North-East	310	1,698	36	2,044	-	1,242	263	3,549
Islands	-	-	40	40	-	-	11	51
All India	185,173	24,509	994	210,675	5,780	42,783	42,849	302,086

(Source: CEA)

* Renewable Energy Sources, including SHP, BP, Urban & Industrial waste, Solar and wind energy

The western region has the highest installed capacity with 36% of the nation's total installed capacity followed by the northern region and southern region at 27% and 25% respectively.

All India Installed Generation Capacity (MW) – Sector Wise (As on March 31, 2016)

Sector	Thermal			Total	Nuclear	Hydro	RES*	Grand Total
	Coal	Gas	Diesel					
Central	51,390	7,555	-	58,945	5,780	11,571	-	76,296
State	64,321	6,975	439	71,734	-	28,092	1,964	101,790
Private	69,462	9,978	555	79,995	-	3,120	40,885	124,000
All India	185,173	24,509	994	210,675	5,780	42,783	42,849	302,086

(Source: CEA)

* Renewable Energy Sources including SHP, BP, Urban & Industrial waste, Solar and wind energy

The share of the private sector in the total installed capacity is the highest at 40% followed by the states at 34%.

Capacity Addition Targets in the 12th Plan (FY2012-17)

Type/Sector	Central	State	Private	Total
Thermal	14,878	13,922	43,540	72,340
Hydro	6,004	1,608	3,285	10,897
Nuclear	5,300	-	-	5,300
Total	26,182	15,530	46,825	88,537

(Source: CEA)

The 12th plan targets a capacity addition of 88,537 MW with 53% of the capacity being added by the private sector.

Achievements up to March 2016 during the 12th Plan (FY2012-17)

Type/Sector	Central	State	Private	Total
Thermal	12,638	18,579	48,963	80,180
Hydro	2,504	712	595	3,811
Nuclear	1,000	-	-	1,000
Total	16,142	19,291	49,558	84,991
Achievement %	61.7	124.2	105.84	96.0

(Source: CEA)

All India Yearly Coal Consumption for Power Generation (Utilities)

Year	Coal Consumption MT
2015-16	546*
2014-15	530
2013-14	489
2012-13	455
2011-12	418
2010-11	387
2009-10	367

(Source: CEA)

* provisional

All India Annual per Capita Consumption of Electricity

Year	Per Capita Consumption (kwh)#
2015-16	1,075*
2014-15	1,010
2013-14	957
2012-13	914
2011-12	884
2010-11	819
2009-10	779
2008-09	734

(Source: CEA)

(Gross Generation + Net Import)/Mid-year population

* Provisional

Transmission Lines added during FY16 and FY15 (ckms)

Voltage Level	FY16	FY15
+/- 500 KV HVDC	-	-
+/- 800 KV HVDC	3,506	-
765 KV	5,601	7,548
400 KV	11,181	9,992
220 KV	7,826	4,561
All India	28,114	22,101

(Source: CEA)

All India Transformation Capacity Addition during FY16 and FY15 (MVA)

Voltage Level	FY16	FY15
+/- 500 KV HVDC	-	-
+/- 800 KV HVDC	1,500	-
765 KV	19,500	38,500
400 KV	17,045	14,970
220 KV	24,804	12,084
All India	62,849	65,554

(Source: CEA)

OUTLOOK

India jumped to third largest producer of electricity in the world (behind US and China) with total power generation of 1,107 BUs in FY16. As per CEA, 88,537 MW is to be added by the end of 12th plan in FY17 while as at FY16, 84,991 MW is already added, resulting in achievement of 96%. Capacity addition is led by higher-than-targeted additions by private and state sector.

In recent years, the government has announced several structural reforms to the power sector and coal mining which will improve power generation. In FY16, peak deficit further narrowed to lowest-level ever of 3.2% and total deficit at 2.1%. In addition, transmission lines addition was 28,114 ckms, exceeding the programme by 18.6%.

SOLAR

The government is providing additional thrust to the development of renewable energy in the country and India is currently running the largest renewable capacity expansion program in the world. The government plans to increase the overall renewable capacity target by more than 5 times from 32 GW to 175 GW by 2022, led by solar energy. By 2022, the government aims to have solar based capacity of 100 GW, 60 GW from wind and rest from bio-power and small hydro plants.

In FY16, solar power capacity in India grew by 85% YoY to 4,879 MW. The government has also planned to develop at least 25 solar parks each with a capacity of 500 MW and above with a target of over 20,000 MW of solar installed power capacity in a span of 5 years from FY15 to FY19.

RESOURCES

Coal production in India continued to improve with Coal India producing 98% of the targeted 550 million tonnes and SCCL achieving 108% of the targeted 56 million tonnes in FY16. Coal-based power plants continue to remain the largest consumer of Coal India and SCCL with dispatch of 385 million tonnes and 39 million tonnes respectively to the power sector. Total geological coal reserves of 301.56 billion tonnes have been estimated in India with proven reserve of 125.91 billion tonnes.

Cumulative Geological Resources of Coal*

	Proved (MT)	Indicated (MT)	Inferred (MT)	Total (MT)
All India	125,909	142,506	33,149	301,564

(Source: Government of India, Ministry of Coal)

* As at April 1, 2014

INFRASTRUCTURE

During FY16, the construction of highways reached an all-time high of 6,029 kms and award of over 10,000 kms. In the last 2 years, the government awarded project worth ₹ 2 lakh Crores (Cr) largely through EPC route. It has also proposed to spend around ₹ 7 lakh Crores to develop National Highways of around 50,000 kms in the next 5 years. For Sagarmala Port development and Port modernisation, the government has budgeted project cost of ₹ 73,375 Cr and ₹ 9,891 Cr respectively. On the Port projects, the government has awarded projects worth ₹ 15,334 Cr in FY16.

COMPANY REVIEW

Lanco Infratech Limited (Lanco) is amongst the leading private independent power producers in the country with an installed generating capacity of 3,465 MW with a diversified portfolio of assets. The company possesses decades of experience in the fields of Engineering, Procurement and Construction (EPC), Power, Solar, Natural Resources and Infrastructure.

The infrastructure sector in the country has witnessed a continued slowdown and Lanco being amongst the country's biggest players in the infrastructure sector, too got affected by the declining level of activity in the sector. During the year 2013-14, Lanco Infratech Limited had initiated the process of Corporate Debt Restructuring (CDR) for the Standalone Company. In line with the company's commitment of reducing consolidated debt and reviving the EPC activity, Lanco has concluded, in April 2015, one of the biggest power sector transactions by divesting 100% stake in its 1200 MW Udupi Thermal Power Project. In addition, the company also sold its 70 MW Budhil Project during FY15. The sale proceeds enabled in reducing company's consolidated debt position and infusing required equity for the company's under construction projects.

The implementation of the CDR Package was delayed due to delay in getting the approval from the Lenders. Due to delay most of the Priority Loan sanctioned under CDR Package was used to address the interest dues of the Lenders thereby the revival of EPC Operations was partial. To bring the EPC operation to full scale, Company approached the Lenders with a proposal for Long Term Working Capital Loan (LTWCL) of ₹ 1,500 Cr for Financial Year 2015-16 which was approved at the Joint Lenders Forum of the Company.

The LTWCL sanction and release by the Lenders again got delayed and the restoration of the EPC Operations could not be fully achieved. Company is in discussions with Lenders to work out a suitable scheme to address the debt servicing and completion of the under construction projects.

The company has successfully secured lender's approval of cost overrun proposals of it's under construction projects. With this, the company is confident of installing additional coal fired generation capacity of 3,960 MW in near future. With improving macro-economic environment and Power sector in specific, the company is expected to have a consolidated operating power capacity of more than 8,000 MW by FY19. Details of capacity as on March 31, 2016 is as under

Installed Power Capacity	Power Capacities under Construction	Power Capacities under Development
3,465 MW*	4,636 MW	5,580 MW

*As at March 31, 2016

Keeping in view the Government of India's huge impetus for renewable energy and particularly solar power in the country, Lanco's continued presence in solar sector especially in the EPC domain has good growth potential. The company is actively participating in the Solar EPC bids across the country. Lanco is currently, one of the largest solar EPC players in the country.

The Company successfully commissioned its Kondapalli gas fired project phase III (742 MW) during this financial year. Phase III A was commissioned on August 11, 2015 followed by commissioning of Phase III B on January 9, 2016.

As of March 31, 2016, Lanco Infratech's EPC order book including Solar EPC stood at a healthy ₹ 27,079 Cr. With cost overrun approvals in place and expediting project execution schedules, the company is confident of executing most of the order book over the next three years. This will significantly help in increasing the company's standalone EPC and construction revenues. The company is also making continued efforts to secure new EPC orders from various external clients.

Company Review: Operations

Key Developments in 2015-16

1. The Phase III (742 MW) gas based unit of Lanco Kondapalli was commissioned during the year. Phase III A declared COD on August 11, 2015 and Phase III B declared COD on January 9, 2016
2. Restart of Amarkantak Unit II (300 MW) on December 5, 2015
3. Tariff revision for supply of power to UP from Anpara (1100 MW)
4. Tax reimbursement along with interest totalling to ₹ 310 Cr of Lanco Kondapalli power as per Honourable Supreme Court order
5. Approval of Long Term Working Capital Loan of ₹ 1,500 Cr to the Company by the Lenders JLF
6. Commissioning of Hindustan Power plant (2 x 600 MW) by the Company as EPC contractor

BUSINESS REVIEW

EPC*

₹ Cr

Order Book as on end of		Revenues		EBIDTA	
March 2016	March 2015	FY16	FY15	FY16	FY15
27,079	28,063	2,875	1,316	611	10

* Including Solar EPC

Lanco offers Engineering, Procurement and Construction services in the infrastructure business segments of power projects, transmission, transportation, industry and large scale building projects. The total EPC order book (including Power and Solar Projects) as at end FY16 stood at ₹ 271 billion. The solar EPC order book was ₹ 3,668 Cr. Internal projects constitute 76% of the company's order book.

For the year 2015-16, revenue for the EPC division was ₹ 2,875 Cr and EBITDA was ₹ 611 Cr. The revenue for the year increased by 118% YoY primarily due to increased activities in various internal projects. Higher revenue also led to higher EBITDA margins.

Major EPC Projects Under Execution

External

- EPC of 2x600 MW Annupur Thermal Power Project for Hindustan Power

- BOP of 3x660 MW Koradi Thermal Power Project for MAHAGENCO
- EPC 1x660 MW Supercritical Ennore Thermal Power Station Expansion Project from TANGEDCO

Internal

- 2x660 MW Amarkantak Thermal Power Project
- 2x660 MW Babandh Thermal Power Project
- 2x660 MW Vidarbha Thermal Power Project
- 500 MW of Teesta Hydro Power Project
- 76 MW Mandakini Hydro Power Project

POWER

Lanco Infratech is one of the leading independent private producers in the country with an installed capacity 3,465 MW and the capacity under construction of 4,636 MW. Lanco has concluded in April 2015 one of the biggest power sector transactions by divesting 100% stake in its 1200 MW Udupi Thermal Power Project.

Installed Power Capacity as on end of		Revenues		EBIDTA	
March 2016	March 2015	FY 16	FY15	FY 16	FY15
3,465 MW*	3,918 MW**	₹ 6,197 Cr	₹ 7,525 Cr	₹ 2,256 Cr	₹ 2,442 Cr

* Including 5 MW Solar power plant purchased during this period and 742 MW of Kondapalli Phase III

** Includes 1200 MW of Udupi Power and excludes 742 MW of Kondapalli Phase III.

Performance of the Projects Under Operation

Kondapalli Phase-I – 368 MW

The gas based power station located in Kondapalli, Andhra Pradesh with an installed capacity of 368 MW has a long term Power Purchase Agreement (PPA) with Andhra Pradesh DISCOMS. Fixed charges are recoverable based on alternative fuel based availability under the PPA. The unit has tied up fuel supply arrangements with GAIL. Performance of the plant during the year is as follows:

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY16	FY15	FY16	FY15
488	577	15	18

Kondapalli Phase-II – 366 MW

The phase II gas based power plant has an installed capacity of 366 MW and has tied up fuel supply with RIL (KG-D6). The generation for the year ended March 2016 was 972 MU based on E-bid RLNG procured under gas pooling mechanism of GOI.

Kondapalli Phase-III - 742 MW

The Phase III gas based unit was commissioned during the year. Phase III A declared COD on August 11, 2015 and Phase III B declared COD on January 9, 2016.

Generation for the year ended March 2016 was 587 MU based on E-Bid RLNG procured under Gas pooling mechanism of GOI.

Kondapalli also entered into FSA with GAIL on March 30, 2016 for supplying 285 Mn SCM Gas at 9800 Kcal/SCM. This FSA is valid up to September 30, 2016.

Tanjore- 120 MW

Gas based power station located in Karuppur village, Tanjore district, Tamil Nadu with an installed capacity of 120 MW. The plant has a long term PPA with Tamil Nadu with fuel supply arrangement with GAIL. Performance of the plant during the year is as follows-

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY16	FY15	FY16	FY15
654	593	62	57

Amarkantak Unit-I- 300 MW

Domestic coal based power unit located in Pathadi village of Korba district of Chhattisgarh with an installed capacity of 300 MW. The unit supplies power under a long term PPA to Madhya Pradesh. The plant maintained an availability factor of 94% during the year. Performance of the plant during the year is as follows:

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY16	FY15	FY16	FY15
2,228	2,257	85	86

Amarkantak Unit-II- 300 MW

Domestic coal based power unit located in Pathadi village of Korba district of Chhattisgarh with an installed capacity of 300 MW. The unit supplies 95% of power to Haryana and 5% power to Chhattisgarh as directed by Honourable Supreme Court

Plant maintained an availability factor of 95% during the year. Performance of the plant after restart on December 5, 2015 is as follows:

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY16	FY15	FY16	FY15
762	0	90	0

Anpara- 1200 MW

Located in Uttar Pradesh with an installed capacity of 1200 MW, the unit has a long term PPA with Uttar Pradesh DISCOMS for 1100 MW and short term PPA with Tamil Nadu DISCOMS for 100 MW. Performance of the plant during the year is as follows:

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY16	FY15	FY16	FY15
8,637	8,341	82	79

The plant maintained an availability factor of 82% during the year on account of improvement of coal supply and coal handling infrastructure.

Details of the Projects Under Construction (as at end of March 2016)

Project Name	Percentage Completion (%)	Expected Commissioning Date
Amarkantak 3&4 (1320 MW)	77	FY18
Vidarbha (1320 MW)	45	FY19
Babandh (1320 MW)	62	FY18
Teesta (500 MW)	52	FY20
Phata Byung (76 MW)	63	FY18

SOLAR

Lanco Solar provides solution across the entire Solar Power Value Chain. The company is setting up a fully-integrated manufacturing project for high-purity Polysilicon, silicon ingots/ wafers and modules in a SEZ facility at Chhattisgarh. The Company has knowledge and resources in managing the integrated solar project development. As of end March 2016, the solar EPC order book was ₹ 3,668 Cr with 60% of orders from external parties. The major solar plants under construction include Lanco's 100 MW Solar Thermal Power plant at Askandra in Rajasthan and NTPC's 100 MW Solar PV plant in Madhya Pradesh. The implementation of 100 MW Solar Thermal Power Plant at Askandra in Rajasthan is on hold, for the CERC order on the Project time extension and tariff correction. The order book also includes a 100 MW Solar Thermal Power plant being executed by Lanco for KVK Energy Ventures Private Limited also at Askandra in Rajasthan.

Performance of all solar generating capacity of 46 MW during the year is as follows:

Gross Generation (MUs)		Plant Load Factor (PLF %)	
FY16	FY15	FY16	FY15
73	64	18	18

RESOURCES

The Natural Resources business of the Lanco currently consists of the following assets:

1. Griffin Coal Mine

The Griffin Coal Mine is located in Collie, Western Australia and is the largest individual supplier of coal to Western Australia's industrial coal market. Established in 1927, it is also Western Australia's oldest coal company. Majority of the coal produced by Griffin is used as thermal coal, mostly in power stations. With coal resources of approximately 1.0 billion tonnes, coal from Griffin caters to the export markets as well. Production at the mine during the FY16 was 2.45 MT with sales of 2.44 MT. Production was less than optimal as the fall in international coal prices did not economically justify exporting a part of the production. Capacity enhancement program with capacity being raised from current to 15 MTPA is in the approval phase.

2. Tasra Open Cast Project

Tasra Opencast Coal Project (Tasra OCP) was awarded in a competitive bid to Lanco by Steel Authority of India Limited (SAIL) for Mine Development and Operations. The project

includes setting up of 4 MTPA mine infrastructure, 3.5 MTPA Washery and a Captive Power Plant (CPP) of 300 MW capacity based on the secondary coal from the Washery. The project is located in well-established Jharia coal-fields region of District Dhandbad, Jharkhand and has coking coal reserves of 100 million tons. With this project, Lanco as MDO will develop and operate 4 MTPA coal production capacity, 3.5 MTPA washery capacity, and add around 300 MW of coal based power capacity to its existing business portfolio.

INFRASTRUCTURE

Roads

The road portfolio of the company currently consists of the following assets:

Project	Status
82 km Neelamangla Junction (Bangalore) – Devihalli (NH-48)	Operational; Collected ₹ 54 Cr in toll revenue during the year FY16
81 Km of Mulbagal – Hoskote – Bangalore (NH-4)	Operational; Collected ₹ 63 Cr in toll revenue during the year FY16

Real Estate

Lanco Hills is the group's lone foray into property development. Located in the Cyberabad area of Hyderabad, the project comprises of residential space, office space, IT SEZ, retail and hospitality space. Spread over a land parcel of 100 acres, it is one of the Country's largest single place development projects. During the year 2015-16, revenue from operations was ₹ 156 Cr.

CONSOLIDATED FINANCIAL REVIEW

SEGMENT REVIEW

REVENUES

(₹ Cr)

Segment Revenue	FY16	Contribution to Total Revenues	FY15	Contribution to Total Revenues	YoY growth (%)
(a) EPC & Construction*	2,875	29%	1,316	14%	118%
(b) Power*	6,220	63%	7,525	78%	-17%
(c) Property Development	163	2%	79	1%	106%
(d) Infrastructure	117	1%	105	1%	11%
(e) Resources	493	5%	566	6%	-13%
(f) Unallocated	74	1%	47	0%	57%
Total	9,942	100%	9,639	100%	3%
Less: Inter Segment Revenue	1,772		171		936%
Net Sales/ Income from Operations	8,170		9,468		-14%

* Including Solar

The macro-economic challenges for the power and infrastructure sectors at the Country level affected the consolidated performance of the company for the FY16 also. Lanco Infratech's total revenue (post elimination of inter-segment revenue) decreased by 14%

during 2015 -16. This was primarily due to selling of 1200MW Udupi (Coal based power plant) in FY15 and higher elimination of ₹ 1,772 Cr compared to previous year of ₹ 171 Cr.

SEGMENT PROFITS

(₹ Cr)

Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)	FY16	FY15	YoY growth (%)
(a) EPC & Construction*	463	-227	
(b) Power*	1,759	1,562	13%
(c) Property Development	4	12	-67%
(d) Infrastructure	26	22	18%
(e) Resources	-189	-692	-73%
(f) Unallocated	-25	-19	32%
Total	2,037	658	210%
Less: Inter Segment Profit on transactions with Subsidiaries	271	-19	-
Total	1,766	676	161%

* Including Solar

Consolidated segmental profit before interest and taxes and before elimination of inter-segment profit on transactions with subsidiaries increased by 161% in FY16 against FY15. EPC & Construction segment contributed ₹ 463 Cr profit before tax and interest as against loss of ₹ 227 Cr in the previous year. Power segment profit before tax and interest increased by 13% for the year. The total profit before tax and interest increased by 161% during the year compared to previous year

FINANCIAL REVIEW

PRINCIPLES OF CONSOLIDATION

The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis. This is done by adding together the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, transactions and the unrealized profits/losses on intra-group transactions. Unrealised losses resulting from intragroup transactions are eliminated to the extent that cost can be recovered.

The consolidated financial statements are drawn up by using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's individual financial statements.

The financial statements of the subsidiaries are consolidated from the date on which effective control is transferred to the company, till the date such control exists. The difference between the cost of investments in subsidiaries over the book value of subsidiaries' net assets on the date of acquisition is recognized as goodwill or capital reserve in the consolidated financial statements.

Equity method of accounting is followed for investments in Associates in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements, wherein goodwill / capital reserve arising at the time of acquisition and share of profit or losses after the date of acquisition are included in carrying amount of investment in associates.

Unrealized profits and losses resulting from transactions between the company and associates are also eliminated to the extent of company's interest in the associate. Unrealised losses resulting from transactions between the company and its associates are also eliminated, unless the cost cannot be recovered. Investments in associates, made for temporary purposes, are not considered for consolidation and are accounted for as investments.

In the case of consolidation of the subsidiary company, the elimination takes place for the entire amount of revenue or expenditure and profit or loss between the subsidiaries and holding company. In the case of associate consolidation, the entire revenue is recognised. But the profit or loss earned from the associate is eliminated proportionately to the holding in the associate. Essentially, it is an adjustment which does not impact the cash flow.

ANALYSIS OF PROFIT AND LOSS ACCOUNT

(₹Cr)				
	Particulars	FY16	FY15	YoY growth %
1	(a) Income from operations	9,482	9,094	4%
	(b) Income from power trading	203	391	-48%
	(c) Other operating income	78	57	37%
	Total income from operations (Gross)	9,763	9,543	2%
	Less: Elimination of intersegment operating income	1,772	171	936%
	Total income from operations (Net)	7,991	9,372	-15%
2	Expenses			
	(a) Cost of materials consumed	4,265	5,051	-16%
	(b) Purchase of traded goods	200	385	-48%
	(c) Subcontract cost	265	261	2%
	(d) Construction, transmission, site and mining expenses	721	1,026	-30%
	(e) Change in inventories of finished goods and work in progress	-360	-140	157%
	(f) Employee benefits expense	354	351	1%
	(g) Depreciation & amortisation expenses	838	1,114	-25%
	(h) Other expenses	241	263	-8%
	Total expenses	6,523	8,312	-22%
3	Profit / (loss) from operations before other income, foreign exchange fluctuations, finance costs, prior period items & exceptional items (1-2)	1,468	1,060	38%
4	Other income	236	139	70%
5	Add: Eliminated profit on transactions with subsidiaries	271	-19	NA
6	Profit / (loss) from ordinary activities before foreign exchange fluctuations, finance costs, prior period items & exceptional items plus elimination (3+4+5)	1,976	1,180	67%
7	(Gain) / loss on foreign exchange fluctuations (Net)	-119	480	-125%
8	Finance costs	2,514	3,060	-18%
9	Profit / (loss) from ordinary activities after finance costs but before prior period items & exceptional items plus elimination (6-7-8)	-420	-2,360	-82%
10	Exceptional items	210	123	71%
11	Profit / (loss) from ordinary activities before tax, prior period items plus elimination (9+10)	-210	-2,237	-91%
12	Tax expense	-230	-117	97%
13	Net profit / (loss) from ordinary activities after tax but before prior period items plus elimination (11-12)	20	-2,120	-101%
14	Extraordinary Item (net of tax expense)	0	0	
15	Net profit / (loss) for the period before prior period items plus elimination (13+14)	20	-2,120	NA
	Less : Prior Period Items	-20	43	-147%
16	Net profit / (loss) for the period plus elimination	40	-2,162	NA
	Less : Minority interest	34	-100	NA
	Add: Share of profit / (loss) of associates	0	-3	NA
17	Net profit / (loss) for the period plus elimination after Minority and share profit / (loss) of associates	6	-2,065	NA
18	Less: elimination of profit on transactions with subsidiaries and associates	272	-28	NA
19	Net profit / (loss) after taxes, minority interest and share of profits / (loss) of associates (17-18)	-266	-2,037	NA
20	Cash profit (17 + 2(g) + deferred tax – MAT credit + forex loss- forex gain)	440	-506	NA
21	Profit (+) / Loss (-) from ordinary activities before tax (11 – 5)	-480	-2,218	-78%

- Gross Revenue before eliminations (including other income) increased by 2% YoY to ₹ 9,763 Cr in FY16 from ₹ 9,543 Cr in FY15
- Reported loss of ₹ 266 Cr in FY16 vs. loss of ₹ 2,037 Cr in FY15
- Forex gain of ₹ 119 Cr in FY16 vs. Forex loss of ₹ 480 Cr in FY15.

On a consolidated basis the company incurred a loss of ₹ 266 Cr for the year, due to continued macro-economic challenges on the power and infrastructure sectors. The performance of the company in FY16 was doing much better than FY15 by reducing the losses from ₹ 2,037 Cr to ₹ 266 Cr. This reduction was possible on account of additional revenues in Kondapalli subsidiary, on account of Honourable Supreme Court order, additional revenue in Anpara subsidiary due to tariff order from UPERC and forex gain on resources subsidiary.

Other Income

Other income for FY16 increased by 70% over FY15 led primarily by an increase in interest income.

(₹ Cr)

Particulars	FY16	FY15	YoY Growth %
Interest Income	188	90	109%
Dividend Income	1	4	-75%
Net Gain on sale of investments	4	0	NA
Other Non-Operating Income	43	45	-4%
Total	236	139	70%

EXPENDITURE

There was a 21% decline in total expenditure for the year 2015-16.

(₹ Cr)

EXPENSES	FY16	% of Total FY16 Expenses	FY15	% of Total FY15 Expenses	YoY Growth %
Cost of Materials Consumed	4,265	75%	5,051	70%	-16%
Purchase of Traded Goods	200	4%	385	5%	-48%
Subcontract Cost	265	5%	261	4%	2%
Construction, Transmission, Site and Mining Expenses	721	13%	1,026	14%	-30%
(Increase) / Decrease in Inventories of Finished Goods and Construction / Development Work in Progress	-360	-6%	-140	-2%	157%
Sub-Total	5,091		6,583		-23%
Employee Benefits Expenses	354	6%	351	5%	1%
Other Expenses	241	4%	263	4%	-8%
Total Expenses	5,686		7,198		-21%

COST OF MATERIAL CONSUMED

The total cost of material decreased by 16% during 2015 – 16.

EMPLOYEE BENEFITS EXPENSES

During the year 2015-16, employee benefits expenses increased by 1% over the previous year on account of slight increase in employee salaries and other benefits.

(₹ Cr)

Particulars	FY16	% of Total	FY15	% of Total	YoY Growth %
Salaries, allowances and benefits to employees and ESOP	327	89%	319	89%	3%
Contribution to provident fund and other funds	20	6%	17	5%	18%
Recruitment, training and Staff welfare expenses	19	5%	24	6%	-21%
	366		360		2%
Less: Capitalized	12		9		33%
Total	354		351		1%

OTHER EXPENSES

Other expenses decreased by 84% compared with the previous year. Net gain on foreign exchange fluctuations for the year FY16 was ₹ 119 Cr compared with ₹ 480 Cr loss in FY15 made the reduction in the other expenses in the FY16 compared to FY15.

(₹ Cr)

Particulars	FY16	% of Total	FY15	% of Total	YoY Growth %
Rent	22	15%	30	4%	-27%
Rates and taxes	22	15%	11	1%	100%
Donations	4	3%	2	0%	100%
Corporate Social Responsibility Expenses	1	1%	1	0%	0%
Repairs and Maintenance:					
Office Building	1	1%	2	0%	-50%
Others	21	14%	15	2%	40%
Marketing and selling expenses	4	3%	3	0%	33%
Office maintenance	10	7%	8	1%	25%
Insurance	4	3%	3	0%	33%
Printing and stationery	2	1%	2	0%	0%
Consultancy and other professional charges	76	52%	60	8%	27%
Directors sitting fee	1	1%	1	0%	0%
Electricity charges	5	3%	4	1%	25%
Net Gain on sale of the long term investments	0.44	0%	-	0%	100%
Net Loss on Foreign Exchange Fluctuations	-119	-82%	480	64%	
Remuneration to auditors	4	3%	4	0%	0%

(₹ Cr)

Particulars	FY16	% of Total	FY15	% of Total	YoY Growth %
Travelling and conveyance	27	18%	30	4%	-10%
Communication expenses	5	3%	6	1%	-17%
Net Loss on Sale of fixed assets	11	8%	31	4%	-65%
Provision for Advances / claims / debts	28	19%	38	5%	-26%
Business Promotion & Advertisement	5	3%	6	1%	-17%
Miscellaneous expenses	12	8%	17	2%	-29%
	146	100%	754	100%	-81%
Less: Recovery of Common Expenses/ Eliminations	24		10		140%
Less: Transferred to Capitalised cost	1		1		0%
Total	122		743		-84%

FINANCE COST

Total Finance costs decreased by 18% during the year due to lower interest cost over previous year on account of lower average debt resulted from sale of Udupi subsidiary.

DEPRECIATION/AMORTISATION

Depreciation and amortisation expenses decreased by 25% for the year on account of sale of Udupi subsidiary.

PROVISION FOR TAXATION

The reversed provision of deferred tax in the FY16 was more compared to FY15 which resulted in higher tax credit in FY16 compared to FY15.

(₹ Cr)

Particulars	FY16	FY15	YoY Growth %
Current Tax / Minimum Alternate Tax (MAT) Payable	33	16	106%
Relating to Previous Years	0	-46	NA
Deferred Tax	-263	-87	202%
Total Tax Expense	-230	-117	97%

SHARE OF PROFIT / LOSS OF ASSOCIATES

The share of profit of associates stood at NIL against a loss of ₹ 3 Cr in the previous year.

SHARE OF MINORITY INTEREST

Share of minority interest represents the interest of minority shareholders in various companies. Share of minority interest in FY16

was a loss of ₹ 34 Cr against a gain of ₹ 100 Cr in FY15.

PROFIT AFTER TAX PLUS ELIMINATION

Reported loss for the year 2015-16 was ₹ 266 Cr against a loss of ₹ 2,037Cr in the previous year. Adjusted profit (Reported loss plus profit eliminated) for the year was ₹ 6 Cr against an adjusted loss of ₹ 2,065 Cr in the previous year.

CASH PROFIT

Cash profit is the profit the Company has earned after adjusting for non-cash expenditures like depreciation, forex gain/loss, deferred tax, MAT credit entitlement and adding eliminated profit. Cash profit for the year FY16 was ₹ 440 Cr versus a cash loss of ₹ 506 Cr in the previous year.

(₹ Cr)

Particulars	FY16	FY15	YoY growth (%)
Reported PAT	-266	-2,037	-87%
Add: Depreciation	838	1,114	-25%
Add: Deferred Tax	-263	-87	202%
Add: Forex Loss / (Gain)	-119	480	-125%
Add: Profit Eliminated	272	-28	NA
Less: Exceptional item	-22	-52	-58%
Cash Profit	440	-506	NA

ANALYSIS OF BALANCE SHEET

SOURCES OF FUND

(₹ Cr)

Particulars	FY16	FY15	YoY Growth %
Shareholders' Funds			
Share Capital	274	245	12%
Reserves and Surplus	-996	-693	44%
Minority Interest	1,479	1,339	10%
Sub Total	757	891	-15%
Non-Current Liabilities			
Long Term Borrowings	39,360	33,145	19%
Deferred Tax Liabilities (net)	96	381	-75%
Other Long Term Liabilities	1,544	2,987	-48%
Long Term Provisions	607	707	-14%
Sub Total	41,608	37,220	12%
Current Liabilities			
Short Term Borrowings	2,971	4,529	-34%
Trade Payables	3,743	3,904	-4%
Other Current Liabilities	4,436	6,045	-27%
Short Term Provisions	99	83	19%
Sub Total	11,249	14,561	-23%
TOTAL	53,614	52,673	2%

SHAREHOLDER'S FUND INCLUDING MINORITY INTEREST

Due to a reported loss for the full year, shareholders' funds including minority interest for the year 2015-16 were ₹ 757 Cr against ₹ 891 Cr for the previous year.

NET WORTH

The net worth of the Company, as at March 31, 2016 and as at March 31, 2015, is as under:

(₹ Cr)			
S. No.	Particulars	FY16	FY15
1	Share Capital	274	245
2	Reserves & Surplus	-996	-693
3	Shareholders' Fund (1+2)	-722	-448
4	Eliminated Profit on Transactions with Subsidiaries and Associates	1,503	1,473
5	Shareholders' Fund plus Elimination (3+4)	780	1,025
6	Minority Interest	1,479	1,339
7	Net worth plus Elimination (5+6)	2,259	2,364

BORROWINGS

Total Borrowings include Long Term, Short Term and Current Maturities of Long Term Borrowings. Total borrowings increased by 13% for the year while long term borrowings increased by 19%. There was a decrease of 34% in short term borrowings. The increase in the long term borrowings was on account of increase in the fixed assets purchase.

(₹ Cr)			
Particulars	FY16	FY15	YoY growth (%)
Long Term Borrowings	39,360	33,145	19%
Current Maturities of Long Term Borrowings	2,033	1,517	34%
Short Term Borrowings	2,971	4,529	-34%
Total	44,364	39,191	13%

CURRENT LIABILITIES (EXCLUDING BORROWINGS)

Current liabilities (excluding borrowings) decreased by 27% during the year

(₹ Cr)			
Particulars	FY16	FY15	YoY growth (%)
Current Liabilities as per Balance Sheet	11,248	14,561	-23%
Less: Short Term Borrowings	2,971	4,529	-34%
Less: Current Maturities of Long Term Borrowings	2,033	1,517	34%
Total	6,244	8,515	-27%

APPLICATION OF FUNDS

(₹ Cr)			
Particulars	FY16	FY15	YoY Growth %
Fixed Assets	40,855	37,252	10%
Non-Current Investments	1,726	3,143	-45%
Deferred Tax Assets (net)	76	97	-22%
Long Term Loans and Advances	934	699	34%
Other Non-Current Assets	319	1,021	-69%
Sub Total	43,939	42,212	4%

(₹ Cr)			
Particulars	FY16	FY15	YoY Growth %
Current Assets			
Current Investment	53	13	308%
Inventories	3,365	3,320	1%
Trade Receivables	2,988	3,354	-11%
Cash and Bank Balances	634	808	-22%
Short Term Loans and Advances	2,121	2,360	-10%
Other Current Assets	513	606	-15%
Sub Total	9,674	10,461	-8%
TOTAL	53,613	52,673	2%

FIXED ASSETS

Fixed assets of the company increased by 10% during the year.

INVESTMENTS

Total investments (current and non-current) decreased by 44% during the year. During the year Vidarbha and Babandh became subsidiary companies from associates and Teesta became associate from subsidiary.

(₹ Cr)			
Particulars	FY16	FY15	YoY growth (%)
Non-Current Investments	1,726	3,145	-45%
Current Investment	53	13	308%
Total	1,779	3,158	-44%

OTHER NON-CURRENT ASSETS

Decrease in other non-current assets from ₹ 1,021 Cr to ₹ 319 Cr is on account of realization of retention money, fixed deposits and change in the classification from non-current to current

CURRENT ASSETS (EXCLUDING INVESTMENTS)

(₹ Cr)			
Particulars	FY16	FY15	YoY Growth (%)
Inventories	3,365	3,320	1%
Trade Receivables	2,988	3,354	-11%
Cash and Bank Balances	634	808	-22%
Short Term Loans and Advances	2,121	2,360	-10%
Other Current Assets	513	606	-15%
Total	9,621	10,448	-8%

Current assets (excluding current investments) remained 8% lower as compared to the previous year on account of sale of Udupi subsidiary. Trade receivables decreased by 11% during the year. As at March 31, 2016 the Group has receivables from various State Electricity Utility companies and other customers against sale of power aggregating to ₹ 1,782 Cr (₹ 2,627Cr as at March 31, 2015). Cash and bank balance as at end FY16 was ₹ 634 Cr compared to ₹ 808 Cr as at March 31, 2015.

LOANS AND ADVANCES

Long term loans and advances increased by 235 Cr during the year and short term loan and advances reduced by 239 Cr during the year. A total advance remains same during the year.

(₹ Cr)			
Particulars	FY16	FY15	YoY Growth (%)
Long Term	934	699	34%
Short Term	2,121	2,360	-10%
Total	3,054	3,059	0%

NET CURRENT ASSETS

(₹ Cr)			
Particulars	FY16	FY15	YoY Growth (%)
Current Assets (excluding investments)	9,621	10,448	-8%
Current Liabilities (excluding borrowings & current maturities)	6,244	8,515	-27%
Net Current Assets	3,377	1,933	75%

Net Current Assets increased by 75% compared to previous year due to reduction in other current liabilities on account of elimination arising by change in the status of Vidarbha and Babandh to subsidiary from associate.

KEY FINANCIAL DATA OF MAJOR OPERATING COMPANIES

(₹ Cr)									
Particulars	LITL	Amarkantak	Anpara	Kondapalli	Tanjore	Solar Consol	Griffin Consol	Hills	NETS
Income									
Income	2,671	784	3,237	1,464	225	551	500	156	657
Other Income	74	16	29	137	13	27	0	9	8
Total	2,745	800	3,266	1,601	238	577	500	165	665
Expenditure									
Construction/ Development/ Generation Expenses	2,055	447	1,817	1,070	182	478	501	136	653
Administrative and Other Expenses	183	50	52	26	12	38	42	21	7
EBITDA	506	304	1,398	505	43	62	-43	7	5
EBITDA to Total Income (%)	18	38	43	32	18	11	-9	4	1
Interest and Finance Charges	925	299	609	320	2	51	257	2	1
Depreciation	111	151	250	105	22	13	146	3	0.10
Exceptional item	-85			-115		-0.4			
Profit before Tax	-445	-146	538	194	19	-3	-446	1	4
Provision for Taxation									
- Current Tax	-0		21		4			-	1
- Minimum Alternate Tax Credit Entitlement			-		-	-	-	-	
- Deferred Tax (Net)			-		3		-292	-	1
- Fringe Benefit Tax	-	-	-	-	-	-	-	-	-
Net Profit before prior period	-445	-146	517	194	12	-3	-155	1	2
Prior period items		-1					21		
Net profit	-445	-147	517	194	12	-3	-133	1	2

RISKS AND MITIGATION

Lanco Infratech has significant presence in the verticals of Power, EPC, Natural Resources, Solar and Infrastructure. To operate, execute and manage these verticals, the company faces various macro-economic risks that are also dynamic in nature. The major risks that the company faces relate to inadequate fuel supply for operation of installed capacity, regulatory approvals and statutory approval delays, lack of investor

interest in the power sector for equity infusion into under construction projects, lack of PPA opportunity, delay in loan disbursement, foreign exchange fluctuation risks, limited vendors, change in MoEF norms etc., Risk mitigation and risk management practices are followed to overcome these risks. The areas of critical risks are regularly reviewed and monitored and necessary action is taken to mitigate their effect.

The following are the probable risks and the mitigation plan for each risk:

Risk Description	Mitigation Plan
Inadequate Fuel Supply (Coal and Gas)	<ol style="list-style-type: none"> 1. Pursuing with Government of India for allocation/supply of gas/coal 2. Participation in gas pooling bids invited by the government for supply of gas 3. Purchase of deficit quantity of coal from e-auction/open market/imports
Regulatory and legal issues affecting performance of installed capacity	<ol style="list-style-type: none"> 1. Pursuing with procurers and regulatory authorities to resolve pending issues 2. Amicable settlements where ever possible to avoid the delay in the legal outcome
Delays in obtaining necessary clearances, land acquisition etc.,	<ol style="list-style-type: none"> 1. Regular interaction with locals and employing confidence building measures through CSR 2. Regular follow up with concerned regulatory authorities for timely clearances
Lack of investor interest for infusion of equity into under construction projects	<ol style="list-style-type: none"> 1. Divestment of stake in operational assets to raise the required equity for infusion into under construction assets 2. Structuring alternative funding patterns 3. Raising equity from the strategic investors
Tying up of long term PPAs	<ol style="list-style-type: none"> 1. Participation in all bids 2. Regular follow up with authorities to ensure signing of power purchase agreements post the bids
Delay in approvals and disbursements from lenders	<ol style="list-style-type: none"> 1. Frequent interaction with Top Management of Banks and convening JLFs 2. Close follow up for implementation of JLF decisions and escalation to the Lead Bank for corrective action.
Loss on account of foreign exchange fluctuation	<ol style="list-style-type: none"> 1. Review of forex exposure on a regular basis 2. Hedging as per the Forex Risk Management policy 3. Avoid foreign exchange transactions where ever possible

Risk Description	Mitigation Plan
Limited vendors for certain packages	1. To gain in-depth knowledge of the packages and procure sub-packages instead of turnkey packages
Change in MoEF Norms for emissions from power plants	<ol style="list-style-type: none"> 1. Negotiations with the client for increasing contract value under change in Law 2. Additional cost to be passed on to the customer

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Lanco Foundation is the CSR arm of the Lanco Group. The Foundation operates in 12 locations across 10 states in India. Its programmes range across various sections of the society. Some of these are:

HEALTH

Under the health segment, 155 villages and 304,528 beneficiaries were covered across the southern, central and northern regions.

The Lanco Mobile Health Service (LMHS) has 16 units in operation. The number of actual per day beneficiaries was 1,064 against the per day plan beneficiaries target of 960, an achievement rate of 113%. Under LMHS, 8,353 camps were conducted during the reported year. In the regions that LMHS operates, the percentage of its outreach vis-à-vis the population of the area was 53%. (Total registrations as on March 31, 2016 of 149,641 vs. population of 284,421).

DRINKING WATER

The foundation also has 36 functional water plants in 8 locations that benefitted 14,670 households. The number of households registered under the drinking water scheme is 14,806. A total number of 68,682,013 litres of water was distributed during the year.

DISABILITY

The Foundation has set up four Artificial Limb Fitting Centre (ALFC) in the states of Andhra Pradesh, Chhattisgarh, Odisha and Tamil Nadu.

During the FY16, under the outreach based program, a total of 28 Artificial Limb Fitting screening camps were held in the states of Andhra Pradesh, Chhattisgarh, Odisha and Tamil Nadu with a total number of 1,520 people screened. And, a total of 27 Artificial Limb Fitting distribution camps were held in the states of Andhra Pradesh, Chhattisgarh, Odisha and Tamil Nadu with a total number of 1,200 people covered.

Under the center based program, a total of 548 people were screened during the year with a total number of 423 people covered.

Blood donation camps were held at 18 locations during the FY16 with the number of donors at 1,356.

During the FY16, Lanco Group has spent ₹ 3.61 Cr on CSR related activities.

HEALTH, SAFETY AND ENVIRONMENT

Your Company has taken an integrated approach towards Health, Safety & Environment (HSE) and follows, National & International Standards. The Company through its Subsidiaries implemented British 5 Star Safety Programs. The Company aim to be a National Leader in environmental Standards and Practices.

All the Operational Thermal and Gas Power Plants, EPC Division, Lanco Hills and Lanco Solar are OHSAS-18001 & ISO-14001 certified.

Bagging various HSE Awards during the year make us proud. Details of awards received during the FY16 are as under:

Company	Award
Lanco Amarkantak Power Limited	<ul style="list-style-type: none"> • NSCI Safety Awards, “Prashansha Patra”
Lanco Tanjore Power Company Limited	<ul style="list-style-type: none"> • Won First (Gold) Prize in FICCI Safety Systems Excellence Awards for manufacturing under Medium Sector. • CII Best Safe Practices awards from Confederation of Indian Industries & Directorate of Industrial Safety & Health Department (State Government).
Lanco Kondapalli Power Limited	<ul style="list-style-type: none"> • Best Greenery Maintenance award from Andhra Pradesh Industrial Infrastructure Corporation, IALA, IDA - Kondapalli.

NOMINATION AND REMUNERATION POLICY

1.0 TITLE

Nomination and Remuneration Policy.

2.0 PURPOSE

Pursuant to Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board of Directors of every listed company shall constitute the Nomination and Remuneration Committee, to guide the Board on various issues on appointment, evaluate performance, remuneration of Directors, Key Managerial Personnel and Senior Management.

3.0 APPLICABILITY

This policy is applicable to all Directors, Key Managerial Personnel (KMP), and Senior Management team and other employees of Lanco Infratech Limited ("Company").

4.0 OBJECTIVES

This policy is framed with the following objectives:

- I. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.
- III. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.
- IV. The relationship of remuneration with performance is clear and meets appropriate performance benchmarks.
- V. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- VI. To promote and develop a high performance workforce in line with the Company strategy.
- VII. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non- Executive/ Independent/ Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.
- VIII. To determine the remuneration based on the Company's size and financial position and practices in the industry.

5.0 DEFINITIONS

- I. **"Act"** means Companies Act, 2013 and rules framed thereunder as amended from time to time.
- II. **"Board of Directors"** or **Board**, in relation to the company, means the collective body of the Directors of the Company.
- III. **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- IV. **"Company"** means **"Lanco Infratech Limited"**.
- V. **"Managerial Personnel"** means Managerial Personnel or Persons, applicable under Section 196 and other applicable provisions of the Companies Act, 2013.

VI. **"Policy"** or **"This policy"** means Nomination and Remuneration Policy.

VII. **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

VIII. **"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

IX. **"Key Managerial Personnel" (KMP)** means

- a. The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director;
- b. The Company Secretary and
- c. The Chief Financial Officer

X. **"Senior Management"** means personnel of the company who are members of its core management team excluding Board of Directors.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

6.0 POLICY

6.1 CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

This Policy envisages the role and responsibility of the Independent Directors, Constitution of the Nomination and Remuneration Committee, term of appointment of Managerial Personnel, Directors, KMPs, Senior Management, remuneration of the Managerial Personnel, KMPs, Senior Management, Independent Directors, Stock Options to Managerial Personnel, KMPs, Senior Management, other employees, evaluation of Managerial Personnel, KMPs, Senior Management, Independent Directors, etc.

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements including the Listing Regulations.

The meeting of Committee shall be held at such regular intervals as may be required to carry out the objectives set out in the Policy.

The Committee members may attend the meeting physically or through Video conference or through permitted audio –visual mode, subject to the provisions of the applicable laws. The Committee shall have the authority to call such employee (s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

6.2 ROLE AND POWERS OF THE COMMITTEE:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To identify persons who qualify to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meet appropriate performance benchmarks.
- h) To carry out any other function as is mandated by the Board from time to time and /or enforced by the statutory notification, amendment or modification, as may be applicable.
- i) To devise a policy on Board Diversity.
- j) To formulate the Nomination and Remuneration policy of the Company and propose any amendments.
- k) To assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board, Key Managerial Personnel and to senior management.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the Committee authorised by him, shall be present at the General meetings of the Company, to answer the shareholders queries, if any.

The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and /or Officers of the Company, as deemed necessary for proper and expeditious execution.

6.3 APPOINTMENT OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) Appointment of Independent Directors is also subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder and the Listing Regulations.

6.4 TERM / TENURE:**a. Managerial Personnel:**

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and Disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

6.5 RETIREMENT:

Any Director other than the Independent Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6.6 REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT:

- a) The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- c) Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the

rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- d. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- e. If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- f. Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- g. Increments if declared will be effective from 1st April of each financial year in respect of Managerial Personnel, KMP, Senior Management subject to other necessary approvals from statutory authorities as may be required.
- h. Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
- i. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

6.7 REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTORS:

a. Remuneration / Profit Linked Commission:

The remuneration / profit linked commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

b. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c. Limit of Remuneration / Profit Linked Commission: Remuneration / profit linked Commission may be paid

within the monetary limit approved by shareholders, subject to the limit not exceeding 1%/3% of the net profits of the Company respectively.

d. Stock Options:

Pursuant to the provisions of the Companies Act 2013, Managerial Personnel, KMP, Senior Management and an employee shall be entitled to any Employee Stock Options (ESOPs) of the Company.

6.8 FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

- a) The Company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through various programs.
- b) The details of such familiarization programs shall be disclosed on the Company's website and a web link thereto shall also be given in the Annual Report.

7.0 MONITORING, EVALUATION AND REMOVAL:

I. Evaluation:

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior Management on yearly basis.

II. Removal:

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

III. Minutes of Committee Meeting:

Proceedings of all meetings must be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be prepared and signed as per applicable provisions of Companies Act and Secretarial Standard and will be circulated at the subsequent Board meeting for noting.

8.0 AMENDMENT TO THE POLICY:

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

9.0 DISCLOSURE:

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein.

Disclosure on ESOP Plans of the Company

S. No.	Description	Employee Stock Options Plan 2006
1	Total Number of Options under the plan	11,11,80,960
2	Options granted during the year	NIL
3	Pricing Formula	The options issued by the ESOP Trust shall be at Par Value subject to the adjustments for corporate actions such as Bonus, Consolidation and Split.
4	Options vested as of March 31, 2016	7,26,97,154
5	Options Exercised during the year	9,68,238
6	The total number of shares arising as a result of exercise of option (As of March 31, 2016)	6,60,10,342
7	Options lapsed during the year	9,99,935
8	Variation of Terms of options upto March 31, 2016	NIL
9	Money realised by exercise of Options during the year (in ₹)	2,35,277
10	Total Number of options in force as on March 31, 2016	4,50,71,015
11	Employee wise details of options granted to	
	(i) Senior Management during the Year	NIL
	(ii) Employees holding 5% or more of the total number of options granted during the year	NIL
	(iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant.	NIL
12	Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20	(1.73)
13	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options. The impact of the difference on profits and on EPS of the Company.	Since these options were granted at a nominal exercise price, intrinsic value on the date of grant approximates the fair value of options.
14	Weighted average exercise prices and weighted average fair values of options separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise Price is ₹ 0.243 Per Option. No new options were granted during the year.
15	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information: (a) risk free interest rate (b) expected life (c) expected volatility (d) Expected dividends, and (e) the price of the underlying share in market at the time of option grant.	NA

Annexure – 4**Disclosure of the information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY16:

Name of the Director	Ratio of the remuneration to the median remuneration of the employees of the Company for the FY16
Mr. L. Madhusudhan Rao	8:1
Mr. G. Bhaskara Rao	8:1
Mr. L. Sridhar	Not Applicable
Mr. G. Venkatesh Babu	40:1
Dr. Uddesh Kumar Kohli	Not Applicable
Mr. R. Krishnamoorthy	Not Applicable
Mr. R.M. Premkumar	Not Applicable
Mr. Gurbir Singh Sandhu	Not Applicable
Mr. Vijoy Kumar	Not Applicable
Mr. Pawan Chopra	Not Applicable
Mr. Hiranmoy Biswas	Not Applicable
Dr. Rajesh Kumar Yaduvanshi	Not Applicable

* Mr. Raj Kumar Roy was appointed as Whole-time Director with effect from April 01, 2016.

Mr. K. Raja Gopal was appointed as Director with effect from April 01, 2016.

Mr. Rengaraj Viswanathan and Dr. Jaskiran Arora were appointed as Independent Directors with effect from June 25, 2016.

- (ii) The percentage increase in remuneration of each Executive Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of the Director and Key Managerial Personnel	Percentage increase in remuneration in the financial year
Directors	No increase
Mr. T. Adi Babu, Chief Financial Officer	8%
Mr. A. Veerendra Kumar, Company Secretary	12.48%

- (iii) The percentage increase in the median remuneration of employees in the financial year: 5.20%
- (iv) The number of permanent employees on the rolls of Company: 1,666
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 7.1%
- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company: It is affirmed that the remuneration is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other Employees' adopted by the Company.

FORM NO. MGT-9**Annexure - 5**

**EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31.03.2016**

[PURSUANT TO SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT & ADMINISTRATION) RULES, 2014]

I. REGISTRATION AND OTHER DETAILS

i	CIN	L45200TG1993PLC015545
ii	Registration Date	26.03.1993
iii	Name of the Company	Lanco Infratech Limited
iv	Category/Sub Category of the Company	Company Limited by Shares / Indian Non-Government Company
v	Address of the Registered office and contact details	Plot No. 4, Software Units Layout,HITEC City, Madhapur, Hyderabad – 500 081, Telangana, India, Phone: +91-40-40090400, Fax: +91-40-23116127, Email: complianceofficer.litl@lancogroup.com Website: www.lancogroup.com
vi	Whether Listed Company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500 029, Telangana, India, Phone: +91-40-2763 8111, 2763 4445, Fax : +91-40-2763 2184 E-mail: info@aarthiconsultants.com Website: www.aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

S. No.	Name and Description of Main Products Name / Services	NIC CODE of the Product / Service	% to total Turnover of the Company
1	EPC & Construction	43900	94.31%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO.	Name of the Company	CIN/GLN	Relationship	Percentage of Ownership Interest	Applicable Section
1	Lanco Group Limited	U74140HR2002PLC041507	Holding	58.88%	Section 2 (69)
2	Amrutha Power Private Limited	U40106KA2004PTC035046	Subsidiary	100.00%	Section 2 (87)
3	Ananke Properties Private Limited	U45200TG2008PTC057338	Subsidiary	100.00%	Section 2 (87)
4	Arneb Power Private Limited	U40300TG2010PTC070839	Subsidiary	99.52%	Section 2 (87)
5	Avior Power Private Limited	U40109TG2004PTC043439	Subsidiary	99.83%	Section 2 (87)
6	Banas Thermal Power Private Limited	U40300TG2010PTC068848	Subsidiary	99.91%	Section 2 (87)
7	Basava Power Private Limited	U40109TG2004PTC043440	Subsidiary	92.21%	Section 2 (87)
8	Belinda Properties Private Limited	U45200TG2008PTC057339	Subsidiary	100.00%	Section 2 (87)
9	Bhanu Solar Projects Private Limited	U40106TG2009PTC065856	Subsidiary	100.00%	Section 2 (87)
10	Bianca Properties Private Limited	U45200TG2008PTC057340	Subsidiary	100.00%	Section 2 (87)
11	Charon Trading Private Limited	U52599TG2008PTC059252	Subsidiary	98.28%	Section 2 (87)
12	Coral Orchids Private Limited	U01119TG2004PTC042613	Subsidiary	100.00%	Section 2 (87)
13	Cordelia Properties Private Limited	U45400TG2004PTC042352	Subsidiary	99.98%	Section 2 (87)
14	Cressida Properties Private Limited	U45200TG2008PTC057342	Subsidiary	100.00%	Section 2 (87)
15	Deimos Properties Private Limited	U45400TG2004PTC042501	Subsidiary	99.99%	Section 2 (87)
16	Dione Properties Private Limited	U45400TG2004PTC042503	Subsidiary	99.99%	Section 2 (87)
17	Diwakar Solar Projects Limited	U40106TG2009PLC065865	Subsidiary	100.00%	Section 2 (87)

S. NO.	Name of the Company	CIN/GLN	Relationship	Percentage of Ownership Interest	Applicable Section
18	Emerald Orchids Private Limited	U01119TG2004PTC042616	Subsidiary	87.80%	Section 2 (87)
19	Helene Power Private Limited	U40300TG2008PTC061285	Subsidiary	100.00%	Section 2 (87)
20	Himavat Power Limited	U40100TG2005PLC045449	Subsidiary	100.00%	Section 2 (87)
21	JH Patel Power Project Private Limited	U74210KA2006PTC038219	Subsidiary	99.94%	Section 2 (87)
22	Jupiter Infratech Private Limited	U45200TG2004PTC042804	Subsidiary	100.00%	Section 2 (87)
23	Khaya Solar Projects Private Limited	U40108TG2009PTC065840	Subsidiary	100.00%	Section 2 (87)
24	Lanco Amarkantak Power Limited	U40109TG2001PLC036265	Subsidiary	80.82%	Section 2 (87)
25	Lanco Anpara Power Limited	U31200UP2006PLC031982	Subsidiary	100.00%	Section 2 (87)
26	Lanco Babandh Power Limited	U40104TG2007PLC054207	Subsidiary	99.96%	Section 2 (87)
27	Lanco Devihalli Highways Limited	U45400TG2007PLC053957	Subsidiary	100.00%	Section 2 (87)
28	Lanco Hills Technology Park Private Limited	U72200TG2004PTC044097	Subsidiary	87.83%	Section 2 (87)
29	Lanco Horizon Properties Private Limited	U45200TG2004PTC042806	Subsidiary	99.99%	Section 2 (87)
30	Lanco Hoskote Highway Limited	U45200TG2007PLC053124	Subsidiary	100.00%	Section 2 (87)
31	Lanco Hydro Power Limited	U01111TG1996PLC023347	Subsidiary	100.00%	Section 2 (87)
32	Lanco Kanpur Highways Limited	U45400HR2011PLC041920	Subsidiary	100.00%	Section 2 (87)
33	Lanco Kanpur Power Limited	U40300UP2014PLC066801	Subsidiary	100.00%	Section 2(87)
34	Lanco Kondapalli Power Limited	U40101TG1995PLC021459	Subsidiary	58.91%	Section 2 (87)
35	Lanco Mandakini Hydro Energy Private Limited	U40106UR2006PTC032559	Subsidiary	100.00%	Section 2 (87)
36	Lanco Operation and Maintenance Company Limited	U40300TG2009PLC065597	Subsidiary	99.98%	Section 2 (87)
37	Lanco Power Limited	U40109TG2005PLC045214	Subsidiary	100.00%	Section 2 (87)
38	Lanco Property Management Company Private Limited	U70102TG2005PTC047310	Subsidiary	97.48%	Section 2 (87)
39	Lanco Rambara Hydro Private Limited	U40300UR2013PTC000532	Subsidiary	100.00%	Section 2 (87)
40	Lanco Solar Energy Private Limited	U40109TG2009PTC064018	Subsidiary	100.00%	Section 2 (87)
41	Lanco Solar Power Projects Private Limited	U40300TG2008PTC059248	Subsidiary	100.00%	Section 2 (87)
42	Lanco Solar Private Limited	U74900TG2008PTC060157	Subsidiary	100.00%	Section 2 (87)
43	Lanco Solar Services Private Limited	U40106TG2010PTC071541	Subsidiary	100.00%	Section 2 (87)
44	Lanco Tanjore Power Company Limited	U40101TN1997PLC037663	Subsidiary	58.45%	Section 2 (87)
45	Lanco Thermal Power Limited	U40109TG2002PLC038452	Subsidiary	100.00%	Section 2 (87)
46	Lanco Vidarbha Thermal Power Limited	U40100TG2005PLC045445	Subsidiary	100.00%	Section 2 (87)
47	Lanco Wind Power Private Limited	U40108TG2007PTC052684	Subsidiary	100.00%	Section 2 (87)
48	Leda Properties Private Limited	U45200TG2008PTC057343	Subsidiary	100.00%	Section 2 (87)
49	Mahatamil Mining and Thermal Energy Limited	U10200HR2010PLC041280	Subsidiary	99.81%	Section 2 (87)
50	Mercury Projects Private Limited	U70102TG2004PTC042760	Subsidiary	100.00%	Section 2 (87)
51	Mimas Trading Private Limited	U52190TG2008PTC059253	Subsidiary	86.14%	Section 2 (87)
52	Mirach Power Limited	U40109TG2004PLC043236	Subsidiary	98.48%	Section 2 (87)
53	National Energy Trading and Services Limited	U40109TG2000PLC033791	Subsidiary	99.83%	Section 2 (87)
54	Nekkar Power Private Limited	U40109TG2004PTC043237	Subsidiary	88.89%	Section 2 (87)

S. NO.	Name of the Company	CIN/GLN	Relationship	Percentage of Ownership Interest	Applicable Section
55	Neptune Projects Private Limited	U70102TG2004PTC042761	Subsidiary	99.72%	Section 2 (87)
56	Newton Solar Private limited	U40106GJ2010PTC062281	Subsidiary	100.00%	Section 2 (87)
57	Nix Properties Private Limited	U45200TG2008PTC057344	Subsidiary	100.00%	Section 2 (87)
58	Orion Solar Projects Private Limited	U40300TG2009PTC066023	Subsidiary	100.00%	Section 2 (87)
59	Pasiphae Power Private Limited	U40108TG2008PTC061286	Subsidiary	100.00%	Section 2 (87)
60	Pearl Farms Private Limited	U01119TG2004PTC042502	Subsidiary	99.99%	Section 2 (87)
61	Phoebe Trading Private Limited	U74999TG2008PTC059254	Subsidiary	93.76%	Section 2 (87)
62	Portia Properties Private Limited	U45400TG2004PTC042612	Subsidiary	99.99%	Section 2 (87)
63	Pragdisa Power Private Limited	U40100TG2005PTC045442	Subsidiary	99.93%	Section 2 (87)
64	Regulus Power Private Limited	U40109TG2004PTC043441	Subsidiary	100.00%	Section 2 (87)
65	Sabitha Solar Projects Private Limited	U40106TG2009PTC065841	Subsidiary	100.00%	Section 2 (87)
66	Siddheswara Power Private Limited	U40109TG2004PTC043442	Subsidiary	95.38%	Section 2 (87)
67	Lanco Energy Private Limited	U40102TG2010PTC069521	Subsidiary	100.00%	Section 2 (87)
68	Spire Rotor Private Limited	U74900TG2008PTC061527	Subsidiary	100.00%	Section 2 (87)
69	Tasra Mining & Energy Company Private Limited	U40108TG2010PTC070744	Subsidiary	100.00%	Section 2 (87)
70	Telesto Properties Private Limited	U45200TG2003PTC042330	Subsidiary	99.99%	Section 2 (87)
71	Tethys Properties Private Limited	U45200TG2008PTC057345	Subsidiary	100.00%	Section 2 (87)
72	Thebe Properties Private Limited	U45200TG2008PTC057347	Subsidiary	100.00%	Section 2 (87)
73	Uranus Infratech Private Limited	U45200TG2004PTC042805	Subsidiary	100.00%	Section 2 (87)
74	Uranus Projects Private Limited	U70102TG2004PTC042759	Subsidiary	99.99%	Section 2 (87)
75	Vainateya Power Private Limited	U40100TG2005PTC045448	Subsidiary	100.00%	Section 2 (87)
76	Bhola Electricity Pvt Ltd	Not Applicable	Subsidiary	100.00%	Section 2 (87)
77	Carpenter Mine Management Pty Limited	Not Applicable	Subsidiary	100.00%	Section 2 (87)
78	Green Solar SRL	Not Applicable	Subsidiary	100.00%	Section 2 (87)
79	Lanco Enterprise Pte Limited (China)	Not Applicable	Subsidiary	100.00%	Section 2 (87)
80	Lanco Holding Netherland B.V	Not Applicable	Subsidiary	100.00%	Section 2 (87)
81	Lanco Infratech (Mauritius) Limited	Not Applicable	Subsidiary	100.00%	Section 2 (87)
82	Lanco Infratech Nepal Private Limited	Not Applicable	Subsidiary	100.00%	Section 2 (87)
83	Lanco International Pte Limited	Not Applicable	Subsidiary	100.00%	Section 2 (87)
84	Lanco Power International Pte Limited	Not Applicable	Subsidiary	100.00%	Section 2 (87)
85	Lanco Resources Australia Pty. Limited	Not Applicable	Subsidiary	100.00%	Section 2 (87)
86	Lanco Resources International Pte Limited	Not Applicable	Subsidiary	100.00%	Section 2 (87)
87	Lanco Solar Holding Netherland B.V Utrecht	Not Applicable	Subsidiary	100.00%	Section 2 (87)
88	Lanco Solar International Pte Limited	Not Applicable	Subsidiary	100.00%	Section 2 (87)
89	Lanco Solar International US Inc.	Not Applicable	Subsidiary	100.00%	Section 2 (87)
90	LE New York - LLC	Not Applicable	Subsidiary	100.00%	Section 2 (87)

S. NO.	Name of the Company	CIN/GLN	Relationship	Percentage of Ownership Interest	Applicable Section
91	P.T Lanco Indonesia Energy	Not Applicable	Subsidiary	100.00%	Section 2 (87)
92	Sirajganj Electric Pvt Limited	Not Applicable	Subsidiary	100.00%	Section 2 (87)
93	The Griffin Coal Mining Company Pty Limited	Not Applicable	Subsidiary	100.00%	Section 2 (87)
94	Western Australia Coal Terminal Pty Ltd	Not Applicable	Subsidiary	100.00%	Section 2 (87)
95	Lanco Teesta Hydro Power Limited	U40109TG2000PLC034758	Associate	49.00%	Section 2 (6)
96	DDE Renewable Energy Private Limited	U40300RJ2009PTC047153	Associate	49.00%	Section 2 (6)
97	Electromech Maritech Private Limited	U74140PN2008PTC131227	Associate	49.00%	Section 2 (6)
98	Finehope Allied Engineering Private Limited	U29253DL2010PTC199330	Associate	49.00%	Section 2 (6)
99	Genting Lanco Power (India) Private Limited	U40100AP1997PTC044831	Associate	26.00%	Section 2 (6)
100	KVK Energy Ventures Private Limited	U40300TG2009PTC063658	Associate	49.00%	Section 2 (6)
101	Saidham Overseas Private Limited	U40105DL2009PTC191346	Associate	49.00%	Section 2 (6)
102	Vasavi Solar Power Private Limited	U40106AP2010PTC069210	Associate	49.00%	Section 2 (6)

IV. SHAREHOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter & Promoter Group									
(1) Indian									
a) Individual/ HUF	20,68,01,820	-	20,68,01,820	8.40	20,68,01,820	-	20,68,01,820	7.52	(0.88)
b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	1,35,37,12,439	-	1,35,37,12,439	54.98	1,61,88,87,042	-	1,61,88,87,042	58.88	3.91
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any other			-				-		
(i) Relatives of Promoters	6,85,15,537	-	6,85,15,537	2.78	6,85,15,537	-	6,85,15,537	2.49	(0.29)
(ii) Other Bodies Corporate	6,10,415	-	6,10,415	0.02	1,75,415	-	1,75,415	0.01	(0.02)
(iii) Trusts	4,61,39,466	-	4,61,39,466	1.87	4,51,70,615	-	4,51,70,615	1.64	(0.23)
Sub Total (A) (1)	1,67,57,79,677	-	1,67,57,79,677	68.06	1,93,95,50,429	-	1,93,95,50,429	70.55	2.49
(2) Foreign									
a) Individuals - (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
c) Any other	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter & Promoter Group (A) = (A)(1)+(A)(2)	1,67,57,79,677	-	1,67,57,79,677	68.06	1,93,95,50,429	-	1,93,95,50,429	70.55	2.49
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	10,869	-	10,869	0.00	9,684	-	9,684	0.00	-
b) Banks / Financial Institutions	9,84,62,047	-	9,84,62,047	4.00	11,86,58,833	-	11,86,58,833	4.32	0.32
c) Central Govt / State Governments(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIs	3,73,09,868	-	3,73,09,868	1.52	71,91,704	-	71,91,704	0.26	(1.25)
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	13,57,82,784	-	13,57,82,784	5.51	12,58,60,221	-	12,58,60,221	4.58	(0.94)
2. Non-Institutions									
a) Bodies Corporate	7,90,51,670	500	7,90,52,170	3.21	7,08,68,286	500	7,08,68,786	2.58	(0.63)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	40,06,73,538	24,987	40,06,98,525	16.27	43,03,02,147	31,938	43,03,34,085	15.65	(0.62)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	10,29,14,201	-	10,29,14,201	4.18	13,81,21,176	-	13,81,21,176	5.02	0.84
c) Others (specify)									
1 Trusts	26,310	-	26,310	0.00	26,310	-	26,310	0.00	-
2 Clearing Member	1,62,67,766	-	1,62,67,766	0.66	1,32,71,094	-	1,32,71,094	0.48	(0.18)
3 Foreign Nationals	2,400	-	2,400	0.00	2,400	-	2,400	0.00	-
4 Non Resident Indians (Repat)	1,32,51,754	-	1,32,51,754	0.54	47,05,233	-	47,05,233	0.17	(0.37)
5 Non Resident Indians (Non Repat)	35,04,803	-	35,04,803	0.14	1,50,56,515	-	1,50,56,515	0.55	0.41
6 Foreign Companies	6,69,910	-	6,69,910	0.03	6,69,910	-	6,69,910	0.02	-
7 Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
8 Foreign Portfolio Investor (Corporate)	3,44,29,259	-	3,44,29,259	1.40	1,08,60,496	-	1,08,60,496	0.40	(1.00)
Sub-total (B)(2):-	65,07,91,611	25,487	65,08,17,098	26.43	68,38,83,567	32,438	68,39,16,005	24.88	(1.55)
Total Public Shareholding (B) = (B) (1)+(B)(2)	78,65,74,395	25,487	78,65,99,882	31.94	80,97,43,788	32,438	80,97,76,226	29.45	(2.49)

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,46,23,54,072	25,487	2,46,23,79,559	100.00	2,74,92,94,217	32,438	2,74,93,26,655	100.00	-

(ii) Shareholding of Promoter and Promoter Group

S.No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	L. MADHUSUDHAN RAO	11,68,69,916	4.75	4.75	11,68,69,916	4.25	4.25	(0.50)
2	G. BHASKARA RAO	5,13,58,933	2.09	1.26	5,13,58,933	1.87	1.13	(0.22)
3	L. SRIDHAR	3,85,72,971	1.57	0.73	3,85,72,971	1.40	0.66	(0.16)
4	LANCO GROUP LIMITED	1,35,37,12,439	54.98	54.98	1,61,88,87,042	58.88	49.24	3.91
5	L. RAJAGOPAL	5,37,59,447	2.18	1.95	5,37,59,447	1.96	1.74	(0.23)
6	G. PADMAVATHI	54,45,380	0.22	-	54,45,380	0.20	-	(0.02)
7	L.VENKATA RAMANAIDU	32,02,380	0.13	-	32,02,380	0.12	-	-
8	L. RAMALAKSHMAMMA	29,18,880	0.12	-	29,18,880	0.11	-	-
9	L. PADMA	31,500	0.00	-	31,500	0.00	-	-
10	G AVINASH	21,80,000	0.09	-	21,80,000	0.08	-	-
11	L. SIRISHA	9,77,950	0.04	-	9,77,950	0.04	-	-
12	GVRN GROVES PRIVATE LIMITED	2,00,000	0.01	-	-	-	-	-
13	GVRN AGRO ESTATES PRIVATE LIMITED	25,000	0.00	-	-	-	-	-
14	GVRN ORCHIDS PRIVATE LIMITED	40,000	0.00	-	-	-	-	-
15	BHASKAR AGRO FARMS PRIVATE LIMITED	50,000	0.00	-	-	-	-	-
16	BHASKAR ORCHIDS PRIVATE LIMITED	50,000	0.00	-	-	-	-	-
17	VENU AGRO FARMS PRIVATE LIMITED	25,000	0.00	-	-	-	-	-
18	VENU ORCHIDS PRIVATE LIMITED	25,000	0.00	-	-	-	-	-
19	SIRI ORCHIDS PRIVATE LIMITED	20,000	0.00	-	-	-	-	-

20	SIRISUNS ENTERTAINMENT PRIVATE LIMITED (FORMERLY KNOWN AS LARSCO ENTERTAINMENT PRIVATE LIMITED)	1,75,415	0.01	-	1,75,415	0.01	-	-
21	LCL FOUNDATION *	4,61,39,466	1.87	-	4,51,70,615	1.64	-	(0.23)
	Total	1,67,57,79,677	68.06	63.67	1,93,95,50,429	70.55	57.02	2.55

*ESOP Trust

(iii) Change in Promoter & Promoter Group Shareholding

S.No.	Particulars	Shareholding at the beginning of the year 01.04.2015		Shareholding at the end of the year 31.03.2016	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	LANCO GROUP LIMITED	1,35,37,12,439	54.98	1,61,88,87,042	58.88
2	GVRN GROVES PRIVATE LIMITED	2,00,000	0.01	-	-
3	GVRN AGRO ESTATES PRIVATE LIMITED	25,000	0.00	-	-
4	GVRN ORCHIDS PRIVATE LIMITED	40,000	0.00	-	-
5	BHASKAR AGRO FARMS PRIVATE LIMITED	50,000	0.00	-	-
6	BHASKAR ORCHIDS PRIVATE LIMITED	50,000	0.00	-	-
7	VENU AGRO FARMS PRIVATE LIMITED	25,000	0.00	-	-
8	VENU ORCHIDS PRIVATE LIMITED	25,000	0.00	-	-
9	SIRI ORCHIDS PRIVATE LIMITED	20,000	0.00	-	-
10	LCL FOUNDATION *	4,61,39,466	1.87	4,51,70,615	1.64

*ESOP Trust

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year 01.04.2015		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares	No. of shares	% of total shares
1	ICICI BANK LTD	5,56,49,545	2.26	7,63,25,079	2.78
2	CREDIT SUISSE (SINGAPORE) LIMITED	3,37,68,507	1.37	-	-
3	LIFE INSURANCE CORPORATION OF INDIA	3,25,54,593	1.32	3,25,54,593	1.18
4	HARMAN LAGADAPATI	2,40,78,049	0.98	2,40,78,049	0.88
5	GENERAL INSURANCE CORPORATION OF INDIA	87,00,000	0.35	87,00,000	0.32
6	MV SCIF MAURITIUS	80,62,455	0.33	55,34,924	0.20
7	GOLDMAN SACHS INVESTMENTS (MAURITIUS) I LTD	72,38,896	0.29	-	-
8	KARVY STOCK BROKING LIMITED	67,53,000	0.27	51,15,197	0.19
9	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA I	49,21,870	0.20	49,07,406	0.18
10	DORIC ASIA PACIFIC SMALL CAP (MAURITIUS) LIMITED	40,00,000	0.16	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2015		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares	No. of shares	% of total shares
1	L. MADHUSUDHAN RAO	11,68,69,916	4.75	11,68,69,916	4.25
2	G. BHASKARA RAO	5,13,58,933	2.09	5,13,58,933	1.87
3	L. SRIDHAR	3,85,72,971	1.57	3,85,72,971	1.40
4	G. VENKATESH BABU	97,35,929	0.40	97,35,929	0.35
5	UDDESH KUMAR KOHLI	1,69,050	0.01	1,69,050	0.01
6	R. KRISHNAMOORTHY	Nil	Nil	Nil	Nil
7	R.M. PREMKUMAR	Nil	Nil	Nil	Nil
8	GURBIR SINGH SANDHU	Nil	Nil	Nil	Nil
9	VIJOY KUMAR	Nil	Nil	Nil	Nil
10	PAWAN CHOPRA	3,556	0.00	3,556	0.00
11	HIRANMOY BISWAS	Nil	Nil	Nil	Nil
12	RAJESH KUMAR YADUVANSHI	Nil	Nil	Nil	Nil
13	K. RAJA GOPAL	45,75,750	0.19	47,02,750	0.17
14	RAJ KUMAR ROY	Nil	Nil	Nil	Nil
15	RENGARAJ VISWANATHAN	Nil	Nil	Nil	Nil
16	JASKIRAN ARORA	Nil	Nil	Nil	Nil
17	S. C. MANOCHA	2,47,938	0.01	1,57,938	0.01
18	D.L. RAWAL	Nil	Nil	Nil	Nil
19	YASHPAL GUPTA	Nil	Nil	Nil	Nil
20	L. RAMALAKSHMAMMA	29,18,880	0.12	29,18,880	0.11
21	T. ADI BABU, CHIEF FINANCIAL OFFICER	2,32,404	0.01	2,32,404	0.01
22	A. VEERENDRA KUMAR, COMPANY SECRETARY	12,573	0.00	12,573	0.00

V. INDEBTEDNESS**(₹ Crores)**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	6,281.32	517.62	-	6,798.94
(ii) Interest due but not paid	41.85	23.65	-	65.50
(iii) Interest accrued but not due	5.10	-	-	5.10
Total (i+ii+iii)	6,328.27	541.27	-	6,869.54
Change in Indebtedness during the financial year				
• Addition	1,673.23	14.35	-	1,687.57
• Reduction	(175.12)	(217.68)	-	(392.80)
Net Change	1,498.10	(203.33)	-	1,294.78
Indebtedness at the end of the financial year				
(i) Principal Amount	7,604.37	336.45	-	7,940.82
(ii) Interest due but not paid	221.12	-	-	221.12
(iii) Interest accrued but not due	0.89	1.49	-	2.38
Total (i+ii+iii)	7,826.37	337.94	-	8,164.32

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in ₹

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total
		Mr. L. Madhusudhan Rao	Mr. G. Bhaskara Rao	Mr. G. Venkatesh Babu	Mr. S. C. Manocha	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	2,87,49,995	1,95,53,689	4,83,03,684
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,33,088	13,09,588	57,84,654	75,756	87,03,086
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	20,23,973	16,19,193	36,43,166
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others	-	-	-	-	-
	Total (A)	15,33,088	13,09,588	3,65,58,622	2,12,48,638	6,06,49,936
	Ceiling as per the Act	Not Applicable				

B. Remuneration to other Directors:

Amount in ₹

S. No.	Particulars of Remuneration	Name of Directors											Total
		Dr. Uddesh Kumar Kohli	Mr. R. Krishna - moorthy	Mr. R. M. Prem - kumar	Mr. L. Sridhar	Mr. Gurbir Singh Sandhu	Mr. Vijoy Kumar	Mr. Pawan Chopra	Mr. Yashpal Gupta	Mr. Dariyai Lal Rawal	Mr. Hiranmoy Biswas	Dr. Rajesh Kumar Yaduvanshi	
1.	Independent Directors												
	Fee for attending Board Committee Meetings	5,40,000	4,40,000	2,80,000	-	3,00,000	1,60,000	1,80,000	-	2,20,000	-	-	21,20,000
	Commission	-	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	5,40,000	4,40,000	2,80,000	-	3,00,000	1,60,000	1,80,000	-	2,20,000	-	-	21,20,000
2.	Other Non executive Director												
	Fee for attending Board Committee Meetings	-	-	-	1,60,000	-	-	-	60,000	-	60,000	40,000	3,20,000
	Commission	-	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	1,60,000	-	-	-	60,000	-	60,000	40,000	3,20,000
	Total (B)=(1+2)	5,40,000	4,40,000	2,80,000	1,60,000	3,00,000	1,60,000	1,80,000	60,000	2,20,000	60,000	40,000	24,40,000
	Total Managerial Remuneration	6,06,49,936											
	Overall Ceiling as per the Act *	-	-	-	-	-	-	-	-	-	-	-	-

* The Independent Directors and Non-Executive Directors are not paid any remuneration except sitting fees for attending the meetings of the Board and/or Committees thereof.

C. Remuneration to Key Managerial Personnel Other than MD / MANAGER / WTD:**Amount in ₹**

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,12,68,772	40,14,546	2,52,83,318
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	1,62,298	2,01,898
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	1,89,250	21,956	2,11,206
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	2,14,97,622	41,98,800	2,56,96,422

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment Compounding fee imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
COMPANY/ DIRECTORS/ OTHER OFFICERS IN DEFAULT	There were no penalties, punishment or compounding of offences during the reporting year ended March 31, 2016.				
Penalty					
Punishment					
Compounding					

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2016

FORM No. MR-3

Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To

The Members

M/s. Lanco Infratech Limited,
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act, 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **M/s. Lanco Infratech Limited** (hereinafter called as **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended on 31st March, 2016 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ending 31st March, 2016 ("Audit Period") according to the provisions of:
 - 1.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;
 - 1.2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - 1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - 1.4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under relating to the Overseas Direct Investment;
 - 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 1.5.3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - 1.5.4. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - 1.5.5. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - 1.5.6. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the National Stock Exchange of India Limited and the BSE Limited.
 - 1.6. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
2. We report that during the period under review the Company has predominantly complied with the provisions of the Acts, Rules, Regulations, Guidelines, and Standards.
3. The Company is engaged in the Business of Generation of Electricity and construction. Accordingly, the following Industry specific Acts are applicable to the Company, in view of the Management and as per the Guidance Notes issued by the ICSI and based on the representation made to us by the Company, we are of the view that the Company has predominantly complied these Industry Specific Laws:
 - i) Electricity Act, 2003 & The Electricity Rules, 2005.
 - ii) Energy Conservation Act, 2011.

- iii) Building and Other construction workers (Regulation of Employment and Conditions of Service) Act, 1996.
 - iv) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998.
 - v) The Building and Other Construction Workers' Welfare Cess Act, 1996.
 - vi) Building and Other Construction Workers Welfare Cess Rules, 1998.
4. We further report that:
- 4.1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - 4.2. Notice is given to all the Directors to schedule the Board and Committee Meetings along with agenda and detailed notes on agenda were sent by hand delivery/electronically.
 - 4.3. The Company informed us that the provisions of the SEBI (Share Based Employee Benefits) Regulations 2014 are not applicable to the Company.
 - 4.4. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
 - 4.5. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
 - 4.6. There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines
5. We further report that during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred above, except the Corporate Debt Restructuring process as reported in the Statutory Auditor Report.

For **dvmgopal & associates**
Company Secretaries

Place: Hyderabad
Date : August 12, 2016

DVM Gopal
Proprietor
M No. F6280
CP No. 6798

Note: This Report is to be read with our letter of even date, which is annexed, and form an integral part of this report.

To

The Members,

M/s. Lanco Infratech Limited

Hyderabad.

Our Report of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **dvmgopal & associates**

Company Secretaries

Place: Hyderabad

Date : August 12, 2016

DVM Gopal

Proprietor

M No. F6280

CP No. 6798

REPORT ON CORPORATE GOVERNANCE

The Company's Report on Corporate Governance for the year ended March 31, 2016 is presented by the Directors:

I. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company has set for itself the-

Mission of "Development of Society through Leadership, Entrepreneurship and Ownership"

Vision of "Most Admired Integrated Infrastructure Enterprise"

The Company firmly believes that Mission and Vision can be realized only by adopting highest standards of Corporate Governance.

The Company is committed to conduct business in a manner which would result in enhancing value to all its Stakeholders. The Company believes that this value enhancement process is possible only by adhering to the principles of Corporate Governance. The Company has put in place systems and practices which enable it to conduct its business in line with the best practices elsewhere in the country and the world, but is also continuously striving to improve such systems and practices. The Company believes in the principles of transparency and disclosures to the extent these do not compromise on its competitiveness.

2. BOARD OF DIRECTORS ('THE BOARD')

(a) Composition of the Board

The Board of Directors has been constituted with an optimum mix of Executive, Non-Executive and Independent Directors to clearly demarcate functions of governance and management. As on date, the Board comprises of 16 (Sixteen) Directors out of which 4 (Four) are Executive Directors and 12 (Twelve) are Non-Executive Directors. Out of the 12 (Twelve) Non-Executive Directors, 8 (Eight) are Independent Directors including 1 (one) Woman Director, making the current composition in conformity with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

All the Directors have made adequate disclosures regarding their Directorships, Chairmanships and Memberships on the Board/ Committees of the Board of other Public Companies. By virtue of the disclosures made, none of the Directors hold Chairmanships of more than 5 (five) Committees and Memberships of more than 10 (ten) Committees across all Public Companies.

(b) Number of Memberships in Boards of other Public Companies and Chairmanships / Memberships in Committees of Boards of other Public Companies:

Name, Designation and Director Identification Number (DIN)	Category of Directorship	Number of Memberships in Boards of other Public Companies	Number of Chairmanships in Committees of Boards of other Public Companies	Number of Memberships of Committees of Boards of other Public Companies
Mr. L. Madhusudhan Rao Executive Chairman DIN: 00074790	Executive	9	0	0
Mr. G. Bhaskara Rao Executive Vice-Chairman DIN: 00075034	Executive	9	0	2
Mr. L. Sridhar Vice-Chairman DIN: 00075809	Non-Executive	9	0	4
Mr. G. Venkatesh Babu Managing Director DIN: 00075079	Executive	7	2	4
Mr. Hiranmoy Biswas Director DIN: 02798396	Non-Executive & Nominee – IDBI Bank Limited (Lender)	1	0	0

Name, Designation and Director Identification Number (DIN)	Category of Directorship	Number of Memberships in Boards of other Public Companies	Number of Chairmanships in Committees of Boards of other Public Companies	Number of Memberships of Committees of Boards of other Public Companies
Dr. Rajesh Kumar Yaduvanshi Director DIN:07206654	Non-Executive& Nominee– Punjab National Bank (Lender)	2	0	0
Dr. Uddesh Kumar Kohli Director DIN: 00183409	Non-Executive & Independent	5	4	8
Mr. R. Krishnamoorthy Director DIN: 05292993	Non-Executive & Independent	2	1	2
Mr. R. M. Premkumar Director DIN: 00328942	Non-Executive & Independent	4	0	4
Mr. Gurbir Singh Sandhu Director DIN: 03148569	Non-Executive & Independent	4	4	4
Mr. Vijoy Kumar Director DIN: 02970626	Non-Executive & Independent	5	1	2
Mr. Pawan Chopra Director DIN: 00417967	Non-Executive & Independent	3	0	3
Mr. K. Raja Gopal Director DIN: 00019958	Non-Executive	9	0	8
Mr. Raj Kumar Roy Whole-time Director DIN: 05319842	Executive	9	1	1
Mr. Rengaraj Viswanathan Director DIN: 07173713	Non-Executive & Independent	1	0	0
Dr. Jaskiran Arora Director DIN: 07551130	Non-Executive & Independent	0	0	0

(c) Meetings and attendance during the year

The Board meets at least once in a quarter, *inter alia*, to review quarterly results. The notice and agenda of the Board Meetings are served well in advance.

During the financial year 2015-16, 9 (nine) Board Meetings were held. These meetings were held on April 04, 2015, May 29, 2015, July 29, 2015, August 13, 2015, September 28, 2015, November 22, 2015, December 30, 2015, February 11, 2016 and March 15, 2016.

The attendance of each Director at the Board Meetings during the financial year 2015-16 as well as at last Annual General Meeting (AGM) is as under:

Name of the Director	Number of Board Meetings held	Number of Board Meetings attended	Attendance at the last AGM held on September 28, 2015
Mr. L. Madhusudhan Rao	9	7	Yes
Mr. G. Bhaskara Rao	9	8	Yes
Mr. L. Sridhar	9	6	No
Mr. G. Venkatesh Babu	9	7	Yes
Mr. Hiranmoy Biswas #	9	3	N.A.
Dr. Rajesh Kumar Yaduvanshi^	9	2	N.A.
Dr. Uddesh Kumar Kohli	9	9	Yes
Mr. R. Krishnamoorthy	9	6	No
Mr. R. M. Premkumar	9	9	Yes
Mr. Gurbir Singh Sandhu	9	9	Yes
Mr. Vijoy Kumar @	9	7	Yes
Mr. Pawan Chopra *	9	7	Yes
Mr. Yashpal Gupta &	9	3	No
Mr. Dariyai Lal Rawal\$	9	7	Yes
Mr. S.C. Manocha%	9	7	Yes
Smt. L. Ramalakshamma~	9	0	No
Mr. K. Raja Gopal^^	9	0	N.A.
Mr. Raj Kumar Roy ##	9	0	N.A.
Mr. Rengaraj Viswanathan **	9	0	N.A.
Dr. Jaskiran Arora @@	9	0	N.A.

Mr. Hiranmoy Biswas was appointed as Nominee Director with effect from October 27, 2015.

^ Dr. Rajesh Kumar Yaduvanshi was appointed as Nominee Director with effect from January 01, 2016.

@ Mr. Vijoy Kumar was appointed as Independent Director with effect from June 23, 2015.

* Mr. Pawan Chopra was appointed as Independent Director with effect from June 23, 2015.

& Mr. Yashpal Gupta resigned from Board of the Company on October 01, 2015.

\$ Demise of Mr. Dariyai Lal Rawal on January 28, 2016.

% Mr. S.C. Manocha resigned from Board of the Company on March 15, 2016.

~ Smt. L. Ramalakshamma resigned from Board of the Company on March 23, 2016.

^^ Mr. K. Raja Gopal was appointed as Director with effect from April 01, 2016.

Mr. Raj Kumar Roy was appointed as Whole-time Director with effect from April 01, 2016.

** Mr. Rengaraj Viswanathan was appointed as Independent Director with effect from June 25, 2016.

@@ Dr. Jaskiran Arora was appointed as Independent Director with effect from June 25, 2016.

d. None of the Directors has any pecuniary relationship or transaction with the Company, except to the extent of shareholding, if any in the Company.

e. Shareholding of Non-Executive Directors as on March 31, 2016

S. No.	Name of Director	Number of Equity Shares held	Convertible Instruments (Debentures)
1.	Mr. L. Sridhar	3,85,72,971	Nil
2.	Mr. Hiranmoy Biswas	Nil	Nil
3.	Dr. Rajesh Kumar Yaduvanshi	430	Nil
4.	Dr. Uddesh Kumar Kohli	1,69,050	Nil
5.	Mr. R. Krishnamoorthy	Nil	Nil
6.	Mr. R. M. Premkumar	Nil	Nil
7.	Mr. Gurbir Singh Sandhu	Nil	Nil

S. No.	Name of Director	Number of Equity Shares held	Convertible Instruments (Debentures)
8.	Mr. Vijoy Kumar	Nil	Nil
9.	Mr. Pawan Chopra	3,556	Nil
10.	Mr. K. Raja Gopal ^^	47,02,750	Nil
11.	Mr. Rengaraj Viswanathan **	Nil	Nil
12.	Dr. Jaskiran Arora @@	Nil	Nil

^^ Mr. K. Raja Gopal was appointed as Director with effect from April 01, 2016.

** Mr. Rengaraj Viswanathan was appointed as Independent Director with effect from June 25, 2016.

@@ Dr. Jaskiran Arora was appointed as Independent Director with effect from June 25, 2016.

- f. The details of Familiarization Programme for Independent Directors of the Company is disclosed on the Company's website at http://www.lancogroup.com/pdf/financials/Policies/Familiarization_Programme_for_Independent_Directors.pdf

3. COMMITTEES OF BOARD

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the Board has set up the following Committees assigning specific roles and responsibilities to the said Committees:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee and
- (iv) Corporate Social Responsibility Committee

(i) Audit Committee

a. Brief description of Terms of Reference

The Terms of Reference of Audit Committee include the following scope and responsibilities:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;

- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- (21) To review the following information:
 - (i) Management discussion and analysis of financial condition and results of operations;
 - (ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - (iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (iv) Internal audit reports relating to internal control weaknesses; and
 - (v) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
 - (vi) Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

b. Composition

The Audit Committee comprises of 3 (three) Independent Directors and 1 (one) Executive Director, the Chairperson being an Independent Director. The members of the Audit Committee as on date are below:

Dr. Uddesh Kumar Kohli	Chairperson
Mr. R. Krishnamoorthy	Member
Mr. Pawan Chopra*	Member
Mr. G. Bhaskara Rao	Member

* Mr. Pawan Chopra was inducted to the Audit Committee on February, 02, 2016.

c. Meetings and Attendance during the year

During the financial year 2015-16, 9 (nine) Meetings were held. These meetings were held on April 04, 2015, May 27, 2015, May 29, 2015, July 29, 2015, August 13, 2015, November 22, 2015, December 22, 2015, February 10, 2016 and March 15, 2016.

The attendance of the members during the financial year 2015-16 is given below:

Name of the Director	Number of Meetings held	Number of Meetings attended
Dr. Uddesh Kumar Kohli	9	9
Mr. R. Krishnamoorthy	9	9
Mr. Pawan Chopra *	9	1
Mr. G. Bhaskara Rao	9	9

* Mr. Pawan Chopra was inducted to the Audit Committee on February, 02, 2016.

(II) Nomination and Remuneration Committee**a. Brief description of Terms of Reference**

The terms of reference of the Nomination and Remuneration Committee *inter-alia* include the determination of remuneration packages for the Executive and Non-Executive Directors of the Company and include the following:

- a) To identify persons who are qualified to become Director(s) and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- b) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and other employees and review / modify the same from time to time.
- c) To develop and recommend to the Board for its approval on annual evaluation process for Independent Directors.
- d) To devise a Policy on Board diversity.
- e) To consider and disclose information pertaining to Director/ Key Managerial Personnel, to Shareholders of the Company under the Companies Act, 2013.

The Nomination and Remuneration Committee shall ensure that –

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

b. Composition

The Nomination and Remuneration Committee comprises of 3 (three) Independent Directors as on date as below:

Mr. R. Krishnamoorthy	Chairperson
Dr. Uddesh Kumar Kohli	Member
Mr. Gurbir Singh Sandhu [^]	Member

[^] Mr. Gurbir Singh Sandhu was inducted to the Nomination and Remuneration Committee on May 29, 2015.

c. Meetings and Attendance during the year

During the financial year 2015-16, 5 (five) meetings were held on July 29, 2015, October 27, 2015, December 22, 2015, February 10, 2016 and March 15, 2016.

The attendance of the members during the financial year 2015-16 is given below:

Name of the Director	Number of Meetings held	Number of Meetings attended
Mr. R. Krishnamoorthy	5	5
Dr. Uddesh Kumar Kohli	5	5
Mr. Gurbir Singh Sandhu [^]	5	5

[^] Mr. Gurbir Singh Sandhu was inducted to the Nomination and Remuneration Committee on May 29, 2015.

d. Performance Evaluation Criteria for Independent Directors

Details of methodology adopted for Board evaluation have been provided in the Board's Report.

(III) Stakeholders Relationship Committee**a. Brief description of Terms of Reference**

The Committee is responsible, *inter alia*, to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

b. Composition

The Committee comprises of 2 (two) Non-Executive Directors and 1 (one) Executive Director, the Chairperson being an Independent Director. The members of the Committee are below:

Mr. R. M. Premkumar	Chairperson
Mr. L. Sridhar	Member
Mr. G. Venkatesh Babu	Member

c. Meetings and Attendance during the year

During the financial year 2015-16, 2 (two) meetings were held. These meetings were held on May 29, 2015 and February 11, 2016.

The attendance of the Members during the financial year 2015-16 is given below:

Name of the Director	Number of Meetings held	Number of Meetings attended
Mr. R. M. Premkumar	2	2
Mr. L. Sridhar	2	2
Mr. G. Venkatesh Babu	2	2

d. Name and Designation of Compliance Officer

Mr. A. Veerendra Kumar, Company Secretary is the Compliance Officer of the Company.

e. Details of complaints/requests received, resolved and pending during the Financial Year 2015-16:

During the Quarter	Received	Resolved	Pending
01.04.2015 - 30.06.2015	1	1	0
01.07.2015 - 30.09.2015	0	0	0
01.10.2015 - 31.12.2015	2	2	0
01.01.2016 - 31.03.2016	3	3	0
Total	6	6	0

(IV) Corporate Social Responsibility Committee**a. Brief description of Terms of Reference**

The Committee is responsible, *inter alia*, to specifically look into following:

- To prepare the CSR Policy and to recommend the Board for its approval;
- To recommend the CSR activities to be undertaken by the Company as prescribed under Schedule VII of the Companies Act, 2013;
- To recommend on CSR activities to be undertaken by the Company on its own or in collaboration with Lanco Foundation or any registered trust / society / company permitted under the law;
- To ensure that the activities as are included in CSR Policy of the Company are implemented by the Company with a transparent monitoring mechanism;
- To report periodically on the CSR activities of the Company to the Board and in the Board's report;
- To seek expert advice on CSR activities of the Company that may be appropriate to discharge its responsibilities; and
- To take up any other roles and responsibilities delegated by the Board from time to time.

b. Composition

The Committee comprises of 2 (two) Non-Executive Independent Directors and 2 (two) Executive Directors, the Chairperson being an Independent Director. The members of the Committee are below:

Dr. Uddesh Kumar Kohli	Chairperson
Mr. R. M. Premkumar	Member
Mr. G. Bhaskara Rao	Member
Mr. G. Venkatesh Babu	Member

c. Meetings and Attendance during the Year:

During the financial year 2015-16, 1 (one) meeting was held on May 29, 2015.

The attendance of the Members during the financial year 2015-16 is given below:

Name of the Director	Number of Meetings held	Number of Meetings attended
Dr. Uddesh Kumar Kohli	1	1
Mr. R. M. Premkumar	1	1
Mr. G. Bhaskara Rao	1	1
Mr. G. Venkatesh Babu	1	1

4. REMUNERATION OF DIRECTORS

- None of the Non-Executive Directors has any pecuniary relationship or transaction with the Company, except to the extent of shareholding, if any in the Company.
- Criteria of making payments to Non-Executive Directors

Details of criteria of making payments to Non-Executive Directors is mentioned in the "Nomination and Remuneration Policy" of the Company, which forms part of the Boards' Report as **Annexure-2**.

Members can access the details of "Criteria of making payments to Non-Executive Directors" on the website of the Company at http://www.lancogroup.com/pdf/financials/Policies/Nomination_and_Remuneration_Policy.pdf

- Details of Remuneration to all the Directors for the financial year 2015-16 (₹ Lakhs)

Name of the Director	Salary	Perquisites and Allowances	Commission/ Performance Bonus	Sitting Fees	Number of Stock Options granted	Total
Mr. L. Madhusudhan Rao	-	60.00	-	-	-	60.00
Mr. G. Bhaskara Rao	-	60.00	-	-	-	60.00
Mr. G. Venkatesh Babu*	250.00	135.17	-	-	-	385.17
Mr. S.C. Manocha*	165.08	61.16	-	-	-	226.24
Mr. L. Sridhar	-	-	-	1.60	-	1.60
Mr. Hiranmoy Biswas	-	-	-	0.60	-	0.60
Dr. Rajesh Kumar Yaduvanshi	-	-	-	0.40	-	0.40
Dr. Uddesh Kumar Kohli	-	-	-	5.40	-	5.40
Mr. R. Krishnamoorthy	-	-	-	4.40	-	4.40
Mr. R. M. Premkumar	-	-	-	2.80	-	2.80
Mr. Gurbir Singh Sandhu	-	-	-	3.00	-	3.00
Mr. Vijoy Kumar	-	-	-	1.60	-	1.60
Mr. Pawan Chopra	-	-	-	1.80	-	1.80
Mr. Yashpal Gupta	-	-	-	0.60	-	0.60
Mr. Dariyai Lal Rawal	-	-	-	2.20	-	2.20

*Excluding ESOP

5. GENERAL BODY MEETINGS

(a) Location, Date and Time of Last three Annual General Meetings and Special Resolutions passed thereat:

Year	Location	Date & Time
2014-15	Novotel Hyderabad Convention Centre, Novotel & HICC Complex (Adjacent toHITEC City), P.O. Bag 1101 Cyberabad Post Office, Hyderabad – 500 081, Telangana, India	September 28, 2015 at 3.30 p.m.

Special Resolutions passed:

1. Approval for re-appointment of Mr. S. C. Manocha as Deputy Managing Director of the Company for a period of 1 (one) year with effect from August 14, 2015.
2. Approval for increase in limits of investments in other bodies corporate.
3. Approval for increase in number of Directors of the Company from 15 (fifteen) to 16 (sixteen).
4. Approval of Material Related Party Transactions entered between the Company and its subsidiaries.
5. Approval of Material Related Party Transaction entered by the Company on behalf of Lanco Babandh Power Limited, Subsidiary of the Company.
6. Approval of Material Related Party Transaction entered by the Company on behalf of Lanco Vidarbha Thermal Power Limited, Subsidiary of the Company.
7. Approval of Material Related Party Transaction entered by the Company on behalf of Lanco Amarkantak Power Limited, Subsidiary of the Company.
8. Issue of Equity Shares on Preferential Basis to the Promoters of the Company under CDR Package approved for the Company.

2013-14	Marigold Hotel by Greenpark, Greenlands, Begumpet, Hyderabad – 500016, Telangana, India	September 26, 2014 at 3.30 p.m.
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Special Resolutions passed:

1. Approval for payment of remuneration to Mr. L. Madhusudhan Rao, Executive Chairman with effect from April 01, 2014 upto March 31, 2016.
2. Approval for payment of remuneration to Mr. G. Bhaskara Rao, Executive Vice-Chairman with effect from April 01, 2014 upto March 31, 2016.
3. Approval for Payment of remuneration to Mr. G. Venkatesh Babu, Managing Director with effect from April 01, 2014 upto June 23, 2016.
4. Approval for Payment of remuneration to Mr. S. C. Manocha, Deputy Managing Director with effect from April 01, 2014 up to August 13, 2015.

2012-13	Marigold Hotel by Greenpark, Greenlands, Begumpet, Hyderabad – 500016, Telangana, India	September 27, 2013 at 3.30 p.m.
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Special Resolutions passed:

1. Approval to waive the recovery of the amount paid for the financial year 2012-13 to Mr. L. Madhusudhan Rao, Executive Chairman in excess of remuneration limits prescribed in Section 309 read with Schedule XIII of the Companies Act, 1956.
2. Approval to waive the recovery of the amount paid for the financial year 2012-13 to Mr. G. Bhaskara Rao, Executive Vice-Chairman in excess of remuneration limits prescribed in Section 309 read with Schedule XIII of the Companies Act, 1956.
3. Approval to waive the recovery of the amount paid for the financial year 2012-13 to Mr. G. Venkatesh Babu, Managing Director in excess of remuneration limits prescribed in Section 309 read with Schedule XIII of the Companies Act, 1956.
4. Approval to waive the recovery of the amount paid for the financial year 2012-13 to Mr. S.C. Manocha, Deputy Managing Director in excess of remuneration limits prescribed in Section 309 read with Schedule XIII of the Companies Act, 1956.
5. Approval for payment of remuneration to Mr. L. Madhusudhan Rao, Executive Chairman with effect from April 01, 2013 upto March 31, 2016.
6. Approval for payment of remuneration to Mr. G. Bhaskara Rao, Executive Vice-Chairman with effect from April 01, 2013 upto March 31, 2016.
7. Approval for payment of remuneration to Mr. G. Venkatesh Babu, Managing Director for a period of 3 (three) years with effect from April 01, 2013.
8. Approval for payment of remuneration to Mr. S.C. Manocha, Deputy Managing Director with effect from April 01, 2013 upto August 13, 2015.

(b) Special Resolution(s) passed through Postal Ballot: Yes

The following Special Resolution was passed through Postal Ballot dated February 28, 2016.

Special Resolution: Issue of Compulsorily Convertible Debentures on preferential basis.

(c) The details of the Voting Pattern are as follows:

No. of shares held	No. of votes polled (Valid Votes)	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
(1)	(2)	(3)= [(2)/(1)]*100	(4)	(5)	(6)= [(4)/(2)]*100	(7)= [(5)/(2)]*100
169,47,43,172	169,47,40,626	100.00	169,46,97,107	43,519	99.997	0.003
Result: Passed as Special Resolution						

(d) Persons who conducted the Postal Ballot exercise:

The Postal Ballot aforesaid was conducted by Mr. Srikrishna S Chintalapati, KBG Associates, Company Secretaries, Hyderabad.

(e) Whether any Special Resolution is proposed to be conducted through Postal Ballot: No**(f) Procedure for Postal Ballot:**

Postal Ballot procedure, if any shall be as stipulated under Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014.

6. MEANS OF COMMUNICATIONS

The Company's quarterly, half-yearly and annual financial results are put on the Company's website www.lancogroup.com. The results are also published in newspapers that include Financial Express and Vaartha. The official news releases and presentations, if any made to investors and analysts are also made available on the website of the Company.

Green Initiative in Corporate Governance

In order to show its contribution to the "Green initiative in the Corporate Governance" taken by Ministry of Corporate Affairs, the Company has been sending all communications including annual reports through email to those shareholders, who have registered their e-mail ID with their depository participant/Company's Registrar and Share Transfer Agent other than those who have specifically chosen to receive documents in physical form.

Further, the members are requested to register and update their e-mail addresses with their Depository Participant to ensure that the Annual Report and other documents reach them on their preferred e-mail.

7. GENERAL SHAREHOLDERS INFORMATION**(a) Annual General Meeting**

Date and Time	September 27, 2016 at 3:00 P.M.
Venue	Marigold Hotel by Greenpark, Greenlands, Begumpet, Hyderabad – 500016, Telangana, India

(b) Financial Calendar for the Year 2016-17 (Tentative)

Particulars	Tentative Schedule
Financial reporting for the quarter ending June 30, 2016	On or before September 14, 2016
Financial reporting for the half-year ending September 30, 2016	On or before December 14, 2016
Financial reporting for the quarter ending December 31, 2016	On or before February 14, 2017
Financial reporting for the year ending March 31, 2017	On or before May 30, 2017
Annual General Meeting for the year ending March 31, 2017	Before September 30, 2017

(c) **Dividend Payment Date:** Not Applicable.

(d) **Listing on Stock Exchanges**

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The Company has paid the listing fees for the year 2016-17 to both the stock exchanges. There are no arrears of listing fees with any of the said stock exchanges till date.

(e) **Stock Code**

Exchange	Code
National Stock Exchange of India Limited	Stock Code: LITL
BSE Limited	Stock Code: LITL, Scrip Code: 532778
Demat ISIN Number (Equity Shares) – for NSDL / CDSL	INE785C01048

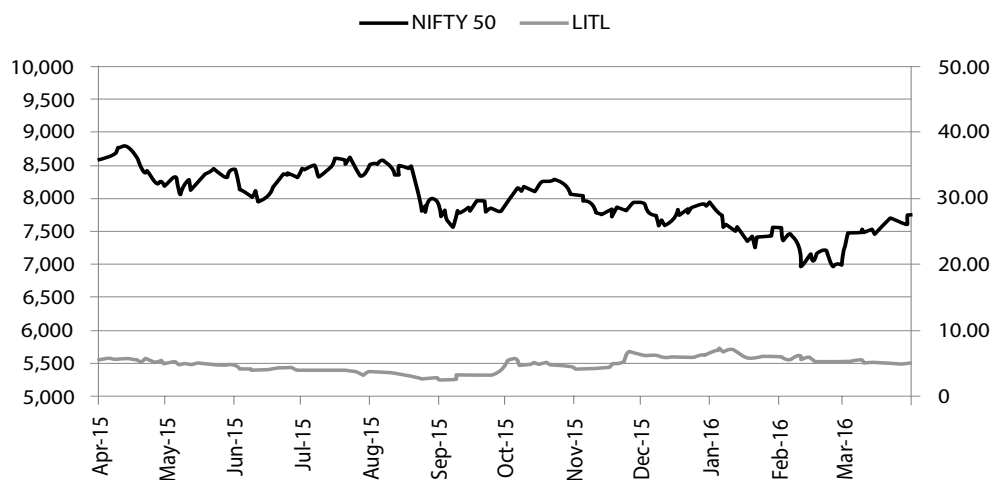
(f) **Stock Market Price Data relating to equity shares listed on NSE and BSE**

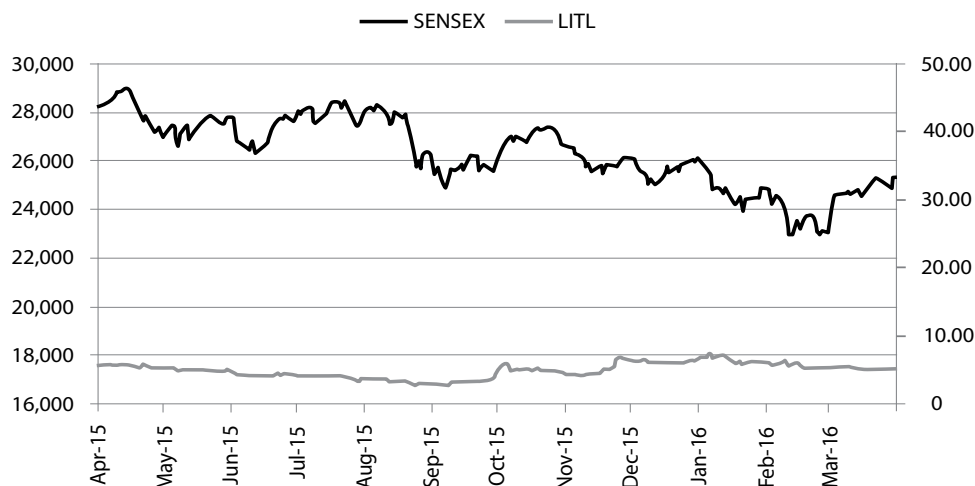
The monthly high and low stock quotations of equity shares of the Company on NSE and BSE during the year 2015-16 was as under:

(In ₹)

Month	NSE		BSE	
	HIGH	LOW	HIGH	LOW
April, 2015	6.15	5.10	6.12	5.11
May, 2015	5.35	4.60	5.37	4.61
June, 2015	4.90	3.90	4.98	3.90
July, 2015	4.25	3.25	4.22	3.27
August, 2015	4.00	2.40	4.00	2.46
September, 2015	4.95	2.65	4.96	2.65
October, 2015	6.45	4.40	6.48	4.37
November, 2015	7.40	3.85	7.40	3.70
December, 2015	6.75	5.80	6.71	5.80
January, 2016	7.80	5.65	7.78	5.66
February, 2016	6.85	4.95	6.81	4.96
March, 2016	5.65	4.80	5.68	4.84

g) **Stock Performance in comparison to NSE NIFTY 50**



Stock Performance in comparison to BSE Sensex

h) Registrar & Share Transfer Agent

Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500 029 Telangana, India, Phone: +91-40-2763 8111, 2763 4445, Fax: +91-40-2763 2184; E-mail: info@aarthiconsultants.com, Website: www.aarthiconsultants.com

i) Share Transfer System

The shareholders are advised to contact the Registrar & Share Transfer Agent at their address for effecting transfer of shares.

j) Distribution of Shareholding as on March 31, 2016

Nominal Value of Shareholding (₹)	No. of Members	Holders Percentage	No. of Shares	Amount (₹)	Percentage of total (%)
Upto - 5,000	2,37,209	93.35	19,41,86,519	19,41,86,519.00	7.06
5,001 - 10,000	8,686	3.42	6,63,18,330	6,63,18,330.00	2.41
10,001 - 20,000	4,360	1.72	6,40,45,096	6,40,45,096.00	2.33
20,001 - 30,000	1,390	0.55	3,50,37,978	3,50,37,978.00	1.27
30,001 - 40,000	650	0.26	2,30,37,285	2,30,37,285.00	0.84
40,001 - 50,000	454	0.18	2,13,20,244	2,13,20,244.00	0.78
50,001 - 1,00,000	757	0.30	5,52,57,580	5,52,57,580.00	2.01
1,00,001 & Above	613	0.24	229,01,23,623	229,01,23,623.00	83.30
Total:	2,54,119	100.00	274,93,26,655	274,93,26,655.00	100.00

Shareholding Pattern of the Company as on March 31, 2016

Category of Shareholder	Number of Shares held	Percentage of Shareholding
Promoter and Promoter Group	193,95,50,429	70.55
Mutual Funds	9,684	0.00
Financial Institutions(FIs)/Banks	11,86,58,833	4.32
Bodies Corporate	7,04,75,803	2.56
Foreign Institutional Investors(FIIs)	71,91,704	0.26
Non-Resident Indians(NRIs)/Foreign Companies	2,04,31,658	0.74
Foreign Portfolio Investor (Corporate)	1,08,60,496	0.40
Others (Public)	58,21,48,048	21.17
Total	274,93,26,655	100.00

(k) Dematerialisation of Shares and Liquidity

About 99.99% of the outstanding equity has been in dematerialised form as on March 31, 2016.

(l) Outstanding Convertible Instruments

As of March 31, 2016, there are no outstanding convertible instruments.

The Company has allotted 32,14,53,885 (Thirty Two Crores Fourteen Lakhs Fifty Three Thousand Eight Hundred and Eighty Five only) Compulsorily Convertible Debentures (CCDs) to IDFC Bank Limited at a price of ₹ 10/- per CCD having face value of ₹ 10/- each, with a coupon rate of 10.50% p.a. which are convertible into Equity Shares at the end of 12 months of allotment. Upon conversion, IDFC Bank Limited will hold 17.18% of Paid-up Share Capital of the Company out of Paid-up Share Capital of ₹ 331,94,81,620/-.

(m) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Please refer to Management Discussion and Analysis Report for details.

(n) Plant Locations of Lanco Infratech Limited

- i. Wind Energy Project at Chikkasidavanahalli Village, Chitradurga District, Karnataka;
- ii. Solar Energy Project at Bhadrada Village, Tehsil Sami, Patan District, Gujarat;
- iii. Solar Energy Project at Chadiyana Village, Tehsil Sami, Patan District, Gujarat;
- iv. Solar Energy Project at Charanka Village, Tehsil Saltanpur, Patan District, Gujarat;

Plant Locations of Subsidiary Companies**Lanco Kondapalli Power Limited:**

Kondapalli IDA, Kondapalli – 521 228, Ibrahimpatnam Mandal, Krishna District, Andhra Pradesh;

Lanco Tanjore Power Company Limited:

Karuppur Village, Thiruvaidaimaruthur Taluk, Tanjore District-609807, Tamil Nadu;

Lanco Amarkantak Power Limited:

Pathadi Village, P.O.-Tilkeja, Korba District, Chattisgarh - 495 674;

Lanco Mandakini Hydro Energy Private Limited:

Lanco Campus, Village-Rampur, Po-Phata, Tehsil-Ukhimat, Distt- Rudraprayag, Uttarkhand-246 471;

Lanco Hydro Power Limited:

IKU II :Saleg Village, Tehsil Dharamshala, Kangra District, Himachal Pradesh;

Baner III : Jai Village, Tehsil Palampur, Kangra District, Himachal Pradesh;

Lanco Thermal Power Limited:

Upper Khauli :Salli Village, Tehsil Shahpur, Kangra District, Himachal Pradesh;

Drinidhar :Bhiora Village, Tehsil Sihunta, Chamba District, Himachal Pradesh

Lanco Anpara Power Limited:

Phase I :Anpara Village, Sonbhadra District, Uttar Pradesh;

Phase II :Bhognipur, Rambhai Nagar District, Uttar Pradesh;

Lanco Solar Private Limited:

Solar Manufacturing Plant : Village - Mehrumkhurd, Chawardhal, Dist Rajnandgaon, Chattisgarh;

Solar PV Project : Village Lathi, Tehsil – Pokhran, District Jaisalmer, Rajasthan;

Khaya Solar Projects Private Limited:

Askandra Village, Nachna – II Tehsil Nachana, Jaisalmer District, Rajasthan;

Diwakar Solar Projects Limited:

Askandra Village, Nachna – II Tehsil Nachana, Jaisalmer District, Rajasthan;

Lanco Babandh Power Limited:

PO: Kharagprasad, Via: Meramandali, District: Dhenkanal, Odisha- 759 121;

Himavat Power Limited:

Tehsil Bhognipur, Dist Ramabai Nagar, Uttar Pradesh;

Lanco Vidarbha Thermal Power Limited :

11 Mile Stone, Belgaon, Mandwa Road, Vill & Po. Mandwa, District-Wardha, Maharashtra;

Newton Solar Private Limited:

Askandra Village, Nachna – II Tehsil Nachana, Jaisalmer District, Rajasthan;

(o) Address for Correspondence**Registered Office:**

Plot No. 4, Software Units Layout, HITEC City, Madhapur, Hyderabad – 500 081, Telangana, India, Phone: +91-40-40090400, Fax: +91-40-23116127, Email:complianceofficer.litl@lancogroup.com, Website: www.lancogroup.com

Corporate Office:

Lanco House, Plot No. 397, Udyog Vihar, Phase-3, Gurgaon – 122016, Haryana. Phone: +91-124-4741000-04, Fax: +91-124-4741878

8. OTHER DISCLOSURES**(a) Materially Significant Related Party Transactions**

There are no materially significant related party transactions having potential conflicts with the interests of the Company at large.

(b) Compliances

The Company has duly complied with all rules, regulations, terms of the agreements prescribed/entered with Stock Exchange(s), SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

(c) Whistle Blower Mechanism

With a view to implement the highest ethical standards in the course of business, the Company has formed and adopted a whistle blower policy which provides a platform for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairperson of Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

(d) Compliance with mandatory requirements and adoption of the non-mandatory requirements

There has been complete compliance with mandatory requirements and in respect of non-mandatory requirements, disclosures have been made to the extent of adoption.

(e) Web link where Policy for determining 'Material Subsidiaries' is disclosed

'Policy on Material Subsidiaries' of the Company has been provided in the following link: http://www.lancogroup.com/pdf/financials/Policies/Policy_on_Material_Subsidiaries.pdf

(f) Web link where Policy on dealing with Related Party Transactions

'Policy on Related Party Transactions' of the Company is uploaded on the Company's website at http://www.lancogroup.com/pdf/CS/LITL_Policy_on_Related_Party_Transactions.pdf

(g) Disclosure of commodity price risks and commodity hedging activities

Please refer to Management Discussion and Analysis Report for details.

9. DISCRETIONARY REQUIREMENTS

(a). THE BOARD: The Chairperson of the Board is an Executive Chairman of the Company.

(b). SHAREHOLDERS RIGHTS

The Company displays the quarterly and half yearly results on the website www.lancogroup.com and also publish the results in widely circulated newspapers. The voting results of shareholder meetings are made available on the website www.lancogroup.com, and is being reported to Stock Exchanges in terms of the Listing Regulations.

(c). MODIFIED OPINION(S) IN AUDIT REPORT

The explanation by the Management on modified opinions in Audit Report forms part of the Boards' Report.

(d). SEPARATE POSTS OF CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

The posts of Chairperson and Managing Director are separate in the Company.

(e). REPORTING OF INTERNAL AUDITOR

The Internal Auditor reports directly to the Audit Committee.

10. COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all the mandatory Corporate Governance requirements under the Listing Regulations. Specifically, your Company confirms compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the Listing Regulations.

DECLARATION BY CEO UNDER THE LISTING REGULATIONS

As the Managing Director of Lanco Infratech Limited, as required under the Listing Regulations, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the Financial Year 2015-16.

For **Lanco Infratech Limited**

Place: Gurgaon

Date: August 12, 2016

G. Venkatesh Babu

Managing Director

EQUITY SHARES IN SUSPENSE ACCOUNT

The disclosure as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given below:

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 42 shareholders and outstanding Equity Shares are 31,040.
- Number of shareholders who approached the Company for transfer of shares from suspense account during the year: Nil
- Number of shareholders to whom shares were transferred from suspense account during the year: Nil
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 42 shareholders and outstanding Equity Shares are 31,040.
- The voting rights on these equity shares shall remain frozen till the rightful owner of such shares claims the shares.

PROFILE OF BOARD OF DIRECTORS

Mr. L Madhusudhan Rao-Executive Chairman has more than 23 years of varied experience in the industrial field. He is amongst the most successful and admired young entrepreneurs of corporate India. After obtaining his B. Tech from Siddhartha Engineering College, Vijayawada and M. Tech (Design Engineering) from PSG College of Technology, Coimbatore, and MS (Industrial Engineering) from Wayne State University in Detroit, United States, he joined the team involved in building up Lanco Industries Limited near Tirupati, Andhra Pradesh. In the year 1992, he became the Managing Director of Lanco Industries Limited. In 2002, he became Chairman of Lanco Infratech Limited.

Mr. G. Bhaskara Rao-Executive Vice-Chairman has more than 38 years of industrial and entrepreneurial experience. He is one of the founder members of the Lanco Group of enterprises. He has executed various construction projects, including dams, bridges and roads. He was instrumental in organizing and implementing the ductile iron pipes manufacturing project by Lanco Kalahasthi Castings Limited. He has a B.E. (Production) Degree from S.V. University, Tirupati and an M.E (Machine Design) Degree from the Indian Institute of Science, Bangalore.

Mr. L Sridhar-Vice-Chairman has experience of working with 'Acon Building Constructions' in San Jose, United States. He worked as Joint Managing Director of Lanco Infratech Limited from 1997 to 2003. He has done his B.E. (Civil Engineering) from Siddaganga Institute of Engineering in Tumkur, Karnataka and MS (Construction Management in Civil Engineering) from University of Eastern Michigan, United States.

Mr. G. Venkatesh Babu-Managing Director has rich experience in Commercial Banking, Corporate Advisory, Merger and Acquisitions, Project Finance, Equity Capital Markets, HR and Infrastructure initiatives. He had worked with Indbank & Credit Agricole Indosuez (Calyon) and then had two years of entrepreneurial stint before joining Lanco. He currently looks after Lanco Group's finance functions and is a member of Lanco's Strategy Team. He focuses on Lanco's strategic partnership and growth initiatives. He is extensively involved in financing of Lanco Group's projects and overseeing the resources function of all the Group companies. He is a Bachelor of Commerce from Madras Christian College, Chartered Accountant and Cost and Management Accountant.

Mr. K. Raja Gopal-Director is a Post Graduate with M.E (Electrical Engineering) & MBA (Marketing) from Osmania University, Hyderabad. He has over 30 years of experience in project development, execution and various disciplines of manufacturing and power Industry. He has a background of successful implementation of 36.8 MW diesel power plant at Visakhapatnam with in the schedules in terms of time cost. He has been serving as Chief Executive Officer of Power Division of Lanco Group. As the Business Head of Power Division, he is responsible to develop, execute and operate thermal power projects and hydro power projects of the Special Purpose Vehicles formed for the purpose within Lanco Group of Companies. He has been in-charge for the –

- Development and execution of 1,200 MW of Lanco Anpara Power Limited, 2 x 300 MW of Unit-1 and Unit-2 of Lanco Amarkantak Power Limited and 76 MW of Lanco Budhil Hydro Power Private Limited, which were successfully commissioned.
- Projects under development such as 2 x 660 MW of Unit-3 and 4 Lanco Amarkantak Power Limited, 2 x 660 MW of Lanco Babandh Power Limited, 2 x 660 MW of Lanco Vidarbha Thermal Power Limited, 1,320 MW of Himavath Thermal Power Limited, 500 MW of Lanco Teesta Hydro Power Limited and 70 MW of Lanco Mandakini Hydro Energy Private Limited and
- Power trading arm namely National Energy Trading and Services Limited.

Mr. Raj Kumar Roy- Whole-time Director heads the EPC vertical of Lanco in the capacity of Whole-time Director. Joining Lanco in 2011, Mr. Roy led the efforts of Lanco to make a foray into natural gas business. Later, he was entrusted with the 1,200 MW coal fired power generation company (Lanco Anpara) as Whole-time Director. After Lanco Anpara, he moved to Griffin Coal Mining Company (A Lanco Group Company) as President in February, 2014. He then went on to head the Solar business at Lanco as President in May, 2015. Mr. Roy is an Energy Sector Professional with almost two decades of diverse experience in securing energy resources for India be it oil, natural gas, coal, their derivatives and power generation including renewables. Mr. Roy holds a Bachelor's Degree in Mechanical Engineering and a Post Graduate Diploma in Management (Finance) which has enabled him to work across the entire spectrum of energy business ranging from core technical to core commercial and financial aspects of business.

Dr. Uddesh Kumar Kohli-Independent Director holds B.E. (Hons.) degree from the Indian Institute of Technology, Roorkee, a Post-Graduate Diploma in Industrial Administration from the Manchester University, UK and Ph.D. in Economics from the Delhi School of Economics. Dr. Kohli has been Chairman and Managing Director of Power Finance Corporation Limited, and has worked with the Planning Commission, Government of India, reaching the position of Advisor (Additional Secretary level).

Dr. Kohli, is presently the Chairman Emeritus of Construction Industry Development Council and Chairman of Construction Industry Arbitration Council & Engineering Council of India and Senior Adviser, Global Compact, United Nations. He has carried out international assignments for Asian Development Bank, United Nations Industrial Development Organization, United Nations Development Programme and United Nations Office for Project Services.

Dr. Kohli's areas of expertise include development planning, finance, project formulation, appraisal, sustainability and monitoring, power/energy planning, corporate governance, corporate social responsibility, training and human resource development.

Mr. R. Krishnamoorthy - Independent Director is a Fellow Member of the Institute of Cost and Management Accountants of India and an S.A.S. (Commercial) of the Indian Audit & Accounts Department. He is a Science graduate in Maths, from the University of Madras. He has a total experience of more than 35 years, out of which 30 years has been in Power Sector. He was a Member of Central Electricity Regulatory Commission and Delhi Electricity Regulatory Commission and had served Power Finance Corporation Limited for more than 15 years, at various positions and retired as its Chairman and Managing Director. He also worked with National Hydroelectric Power Corporation (NHPC) and Mineral Exploration Corporation, Nagpur.

Mr. R. M. Premkumar - Independent Director, a retired IAS Officer, he has taken up several roles in last 40 years at Government of India such as Development Commissioner, SEEPZ, Chairman of Food Corporation of India and Additional Secretary to Department of Atomic Energy. He was also Principal Secretary, Revenue, at Government of Maharashtra and Managing Director of State Tourism Development Corporation, prior to retiring as Chief Secretary, Government of Maharashtra in February 2006.

Mr. Gurbir Singh Sandhu-Independent Director has been a member of Indian shooting team for 20 years. He has participated in Olympic Games, Commonwealth Games and Asian Games. He has been awarded Arjuna award for best sportsman by the President of India and Maharaja Ranjit Singh award for sports by Government of Punjab.

Mr. Vijoy Kumar-Independent Director have technical experience of more than 4 decades in the field of Power Sector and had worked with Central Electricity Authority (CEA), Ministry of Power, Government of India. During his service tenure with CEA, he had held several senior positions prior to retirement as Secretary, CEA. Post retirement, he served as Chairman of Uttar Pradesh Electricity Regulatory Commission (UPERC), Lucknow. He is currently actively involved in Arbitration Cases for resolution of disputes for Government Companies, Public Sector Undertakings and Private Sector Companies.

Mr. Pawan Chopra-Independent Director, a retired IAS Officer, he has extensive experience of dealing with multilateral international organizations like the World Bank, the Asian Development Bank, UNDP, UNICEF, UNCTAD, UNDCP, UNDP, UNESCO, WHO, FAO, Organization for Prohibition of Chemical Weapons; inter governmental organizations like the erstwhile International Coffee Organization, Infofish, ICOMP; foreign regulators and promotional organizations (including public service broadcasters like BBC & NHK) in the field of audio visual services, cinema and telecommunications.

He held important positions in the Government of India which include Secretary to Government, Ministry of Information & Broadcasting, Additional Secretary Cabinet Secretariat, Chairman and Managing Director, Rajasthan Finance Corporation etc., during his span of service with Government of India.

Mr. Hiranmoy Biswas-Nominee Director is a Bachelor of Technology in Chemical Engineering and possess Diploma in Forex Management. His career in IDBI started in the year 1988 as Manager. He was posted as Advisor in Nepal Development Bank Limited, Katmandu, Nepal, on deputation from May, 2004 to August, 2007. Currently he is Chief General Manager (CGM) in IDBI heading the Risk Management Department. Mr. Biswas was appointed as Nominee Director by the Lenders of the Company.

Dr. Rajesh Kumar Yaduvanshi-Nominee Director, after completion of Doctorate in Science, Dr. Rajesh Kumar Yaduvanshi joined Punjab National Bank as Management Trainee in January, 1985. After getting a vast experience while working in different capacity like Manager, Sr. Manager, and Chief Manager at various branches, he was posted as Chief Manager in U.K. where he successfully managed 2 branches at Birmingham & Southall. Currently he is holding the position of Field General Manager, Delhi & NCR, based at New Delhi. He was appointed as Nominee Director by the Lenders of the Company.

Mr. Rengaraj Viswanathan-Independent Director is a Retired IFS Officer. His diplomatic career includes:- Ambassador of India to Argentina, Uruguay and Paraguay - 2007 to 2012. Retired from there on 31 May 2012. Head of the Latin America Division in the Ministry of External Affairs of India - 2004 to 2007. Head of Investment and Trade Promotion Division in the Ministry, 2003 – 2004. Ambassador to Venezuela 2000-2003. Consul General of India in Sao Paulo - 1996 to 2000. Previous postings include New York (mission to the United Nations), Mauritius, Libya, Pakistan and Portugal.

He is "Passionate about Latin America" and writes blogs and articles, gives speeches, has authored books, promotes business and has a website 'businesswithlatinamerica.com'.

Dr. Jaskiran Arora-Independent Director is a full time Professor in the area of Accounting and Finance at BML Munjal University. She brings with her over 16 years of industry and teaching experience with reputed institutions. She takes accounting and finance specialization courses with MBA and Executive MBA classes. Prior to joining BML Munjal University, she has held senior positions in reputed academic institutions and corporate houses. Her academic qualifications include PhD; MBA Finance; B.Com; CFA (Level-I), USA and UGC-Net qualification.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To
The Board of Directors of
LANCO INFRATECH LIMITED

We, the undersigned, in our respective capacities as the Managing Director and Chief Financial Officer of Lanco Infratech Limited ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed Financial Statements and the Cash Flow Statements for the Year ended 31st March, 2016 and based on our knowledge and belief:
 - I. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - II. these statements along with notes and disclosures together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable Laws and Regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken and propose to take to rectify these deficiencies.
- d) We have indicated, wherever applicable, to the Auditors and Audit Committee:
 - I. significant changes, if any, in internal control over financial reporting during the year;
 - II. significant changes, if any, in Accounting Policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

For **Lanco Infratech Limited**

G. Venkatesh Babu
Managing Director

T. Adi Babu
Chief Financial Officer

Place: Gurgaon

Date : May 27, 2016

Corporate Governance Compliance Certificate

**To the Members of
M/s Lanco Infratech Limited**

We have examined the relevant records of M/s. Lanco Infratech Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the period from April 01, 2015 to November 30, 2015 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from December 01, 2015 upto March 31, 2016. We have obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purposes of Certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the Conditions of the Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance.

For **KBG Associates**
Company Secretaries

Srikrishna S Chintalapati
Partner
C.P. No. 6262

Place: Hyderabad

Date: August 02, 2016

Form AOC-1

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013
[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1]
PART "A" : SUBSIDIARIES

Sl. No.	Subsidiary Name	Date since when subsidiary was acquired	Reporting Currency	Capital	Reserves	Total Liabilities	Total Assets	Investment #	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding as per Companies Act 2013	% of Shareholding as per AS - 21
1	Lanco Power Limited	31/05/2006	INR	5,707.33	(13.27)	119.61	5,813.67	-	26.04	(2.49)	(0.73)	(1.76)	-	100.00%	100.00%
2	Lanco Thermal Power Limited	31/03/2006	INR	4,797.24	(20.90)	1,687.91	6,464.25	-	14.65	(3.61)	-	(3.61)	-	100.00%	100.00%
3	Lanco Kondapalli Power Limited	31/05/2006	INR	407.57	1,136.99	3,804.79	5,349.35	-	1,464.29	194.40	-	194.40	-	58.91%	58.91%
4	Lanco Tanjore Power Company Limited	7/6/2006	INR	115.05	418.64	55.40	589.09	0.11	224.86	19.34	7.24	12.10	-	58.45%	58.45%
5	Lanco Amarkantak Power Limited	7/6/2006	INR	2,185.03	36.07	10,195.08	12,416.18	24.75	783.90	(146.99)	-	(146.99)	-	80.82%	80.82%
6	Lanco Anpara Power Limited	30/3/2012	INR	1,364.60	(402.04)	4,364.20	5,326.76	-	3,237.28	538.05	21.29	516.76	-	100.00%	100.00%
7	Lanco Vidarbha Thermal Power Limited	5/6/2015	INR	932.74	-	3,970.09	4,902.83	-	-	-	-	-	-	100.00%	94.29%
8	Lanco Babandh Power Limited	2/6/2015	INR	1,432.32	-	5,718.95	7,151.27	-	-	-	-	-	-	99.96%	99.10%
9	Aneb Power Private Limited	15/11/2010	INR	2.07	-	0.00	2.07	-	-	-	-	-	-	99.52%	93.75%
10	Portia Properties Private Limited	30/6/2012	INR	69.67	0.38	0.01	70.07	-	-	1.07	0.20	0.87	-	99.99%	99.99%
11	Lanco Hydro Power Limited	31/03/2006	INR	667.46	(209.85)	515.59	973.20	-	10.79	0.74	0.14	0.60	-	100.00%	100.00%
12	Lanco Mandakini Hydro Energy Private Limited	31/03/2006	INR	233.24	-	665.37	898.60	-	-	-	-	-	-	100.00%	100.00%
13	Lanco Rambara Hydro Private Limited	4/1/2013	INR	0.01	(0.01)	0.01	0.00	-	-	-	-	-	-	100.00%	100.00%
14	Diwakar Solar Projects Limited	3/9/2010	INR	238.33	-	109.87	348.20	-	-	-	-	-	-	100.00%	100.00%
15	Lanco Solar Energy Private Limited	21/04/2010	INR	540.57	70.85	727.29	1,338.71	1.53	517.00	2.77	(0.57)	3.34	-	100.00%	100.00%
16	Lanco Solar Services Private Limited	16/01/2011	INR	0.60	(0.67)	14.14	14.07	-	9.76	(1.91)	0.54	(2.45)	-	100.00%	100.00%
17	Lanco Solar Private Limited	16/07/2008	INR	490.08	(28.85)	1,137.12	1,598.34	28.04	116.40	(3.51)	-	(3.51)	-	100.00%	100.00%
18	Khaya Solar Projects Private Limited	2/9/2010	INR	28.63	(7.89)	46.87	67.61	-	10.93	(0.24)	-	(0.24)	-	100.00%	100.00%
19	Bhanu Solar Projects Private Limited	3/9/2010	INR	0.01	(0.03)	0.04	0.02	-	-	(0.00)	-	(0.00)	-	100.00%	100.00%
20	Lanco Solar Power Projects Private Limited	26/08/2011	INR	1.36	(0.06)	0.24	1.54	-	-	(0.00)	-	(0.00)	-	100.00%	100.00%
21	Orion Solar Projects Private Limited	29/09/2011	INR	0.51	(0.04)	0.03	0.50	-	-	(0.01)	-	(0.01)	-	100.00%	100.00%
22	Pasiphae Power Private Limited	13/02/2012	INR	0.01	(0.02)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00%	100.00%
23	Sabitha Solar Projects Private Limited	14/12/2011	INR	0.29	(0.03)	0.16	0.41	-	-	(0.00)	-	(0.00)	-	100.00%	100.00%
24	Helene Power Private Limited	10/10/2011	INR	0.60	-	0.13	0.72	-	-	-	-	-	-	100.00%	100.00%
25	Newton Solar Private Limited	28/03/2016	INR	15.26	(6.97)	48.26	56.55	-	9.57	(1.02)	-	(1.02)	-	100.00%	100.00%
26	Lanco Wind Power Private Limited	4/12/2007	INR	40.62	-	4.22	44.84	-	-	-	-	-	-	100.00%	100.00%

(₹ Crores)⁎

Sl. No.	Subsidiary Name	Date since when subsidiary was acquired	Reporting Currency	Capital	Reserves	Total Liabilities	Total Assets	Investment #	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding as per Companies Act 2013	% of Shareholding as per AS - 21
27	Amrutha Power Private Limited	4/7/2008	INR	0.31	(0.02)	3.89	4.18	-	-	(0.02)	-	(0.02)	-	100.00%	100.00%
28	Spire Rotor Private Limited	23/10/2008	INR	0.04	-	0.01	0.05	-	-	-	-	-	-	100.00%	100.00%
29	Emerald Orchids Private Limited	28/03/2012	INR	0.08	-	0.00	0.09	-	-	-	-	-	-	87.80%	87.80%
30	JH Patel Power Project Private Limited	19/02/2011	INR	0.16	-	3.91	4.07	-	-	-	-	-	-	99.94%	99.94%
31	National Energy Trading and Services Limited	15/04/2006	INR	36.53	52.65	188.12	277.30	-	657.50	3.78	1.69	2.09	-	99.83%	99.83%
32	Mahatamil Mining and Thermal Energy Limited	2/9/2011	INR	90.59	-	114.73	205.32	-	-	-	-	-	-	99.81%	73.90%
33	Mercury Projects Private Limited	15/02/2007	INR	208.43	2.80	204.84	416.07	-	143.03	0.19	0.06	0.13	-	100.00%	100.00%
34	Tasra Mining & Energy Company Private Limited	19/09/2013	INR	7.18	-	2.76	9.94	-	-	-	-	-	-	100.00%	100.00%
35	Lanco Hills Technology Park Private Limited	28/10/2005	INR	480.50	(161.78)	2,307.14	2,625.86	-	155.54	1.28	-	1.28	-	87.83%	79.14%
36	Lanco Property Management Company Private Ltd	30/05/2015	INR	0.60	(0.58)	0.01	0.03	-	-	(0.02)	-	(0.02)	-	97.48%	97.48%
37	Lanco Kanpur Power Limited	29/09/2015	INR	0.10	-	0.00	0.10	-	-	-	-	-	-	100.00%	100.00%
38	Uranus Projects Private Limited	31/05/2006	INR	18.57	(0.25)	0.00	18.32	-	-	(0.01)	-	(0.01)	-	99.99%	99.97%
39	Jupiter Infratech Private Limited	26/06/2009	INR	1.52	(0.05)	0.00	1.47	-	-	(0.00)	-	(0.00)	-	100.00%	100.00%
40	Uranus Infratech Private Limited	26/06/2009	INR	1.35	(0.06)	0.00	1.29	-	-	(0.00)	-	(0.00)	-	100.00%	100.00%
41	Leda Properties Private Limited	26/06/2009	INR	6.78	(0.09)	0.00	6.69	-	-	(0.01)	-	(0.01)	-	100.00%	100.00%
42	Coral Orchids Private Limited	31/03/2011	INR	4.87	(0.18)	0.02	4.72	-	-	(0.03)	-	(0.03)	-	100.00%	100.00%
43	Thebe Properties Private Limited	26/06/2009	INR	13.46	(0.14)	0.00	13.32	-	-	(0.00)	-	(0.00)	-	100.00%	100.00%
44	Gresidia Properties Private Limited	31/05/2006	INR	3.31	(0.07)	0.00	3.24	-	-	(0.00)	-	(0.00)	-	100.00%	100.00%
45	Nix Properties Private Limited	22/08/2011	INR	6.13	(0.12)	0.00	6.01	-	-	(0.00)	-	(0.00)	-	100.00%	100.00%
46	Cordelia Properties Private Limited	31/05/2006	INR	2.02	(0.17)	0.06	1.91	-	-	(0.00)	-	(0.00)	-	99.98%	99.98%
47	Deimos Properties Private Limited	31/05/2006	INR	3.57	(0.14)	0.01	3.43	-	-	(0.02)	-	(0.02)	-	99.99%	99.99%
48	Dione Properties Private Limited	31/05/2006	INR	4.29	(0.17)	0.00	4.12	-	-	(0.00)	-	(0.00)	-	99.99%	100.00%
49	Neptune Projects Private Limited	31/05/2006	INR	1.90	(0.06)	0.00	1.84	-	-	(0.00)	-	(0.00)	-	99.72%	99.72%
50	Pearl Farms Private Limited	31/05/2006	INR	9.54	(2.68)	0.49	7.35	-	-	0.05	0.01	0.04	-	99.99%	99.99%
51	Telesro Properties Private Limited	31/05/2006	INR	5.73	(0.10)	3.90	9.53	-	-	0.20	0.05	0.15	-	99.99%	99.98%
52	Lanco Hoskote Highway Limited	1/4/2014	INR	190.29	44.49	811.93	1,046.72	-	62.58	(52.16)	-	(52.16)	-	100.00%	75.32%
53	Lanco Devihalli Highways Limited	1/4/2014	INR	189.95	53.61	470.29	713.84	-	53.78	-18.02	-	(18.02)	-	100.00%	74.99%
54	Lanco Kanpur Highways Limited	16/03/2011	INR	196.50	(2.03)	0.82	195.29	-	-	(2.03)	-	(2.03)	-	100.00%	99.99%
55	Lanco Energy Private Limited	24/10/2015	INR	3.08	-	0.08	3.16	-	-	-	-	-	-	100.00%	100.00%
56	Lanco International Pte Limited *	1/12/2009	USD	66.33	1,022.04	2,202.58	3,290.96	-	683.55	169.34	30.87	138.46	-	100.00%	100.00%
57	Lanco Infratech (Mauritius) Limited *	9/4/2008	USD	0.66	0.59	0.03	1.28	-	-	(0.07)	-	(0.07)	-	100.00%	100.00%
58	Lanco Enterprise Pte Limited *	1/12/2009	CNY	0.99	0.03	0.45	1.48	-	16.79	0.74	0.21	0.52	-	100.00%	100.00%

(₹ Crores) ^

Sl. No.	Subsidiary Name	Date since when subsidiary was acquired	Reporting Currency	Capital	Reserves	Total Liabilities	Total Assets	Investment #	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding as per Companies Act 2013	% of Shareholding as per AS- 21
59	Lanco Infratech Nepal Private Limited *	17/04/2011	NPR	0.80	(0.06)	0.00	0.74	-	-	-	-	-	-	100.00%	100.00%
60	LE New York - LLC *	6/8/2010	USD	1.19	0.34	0.72	2.25	-	-	-	-	-	-	100.00%	100.00%
61	Lanco Power International Pte Limited	6/12/2010	USD	0.66	(12.09)	11.45	0.02	-	-	(0.04)	-	(0.04)	-	100.00%	100.00%
62	Lanco Solar International Pte Limited	6/12/2010	USD	66.33	(75.85)	199.82	190.30	-	-	0.83	0.13	0.70	-	100.00%	100.00%
63	Lanco Solar Holding Netherland B.V *	7/2/2011	EURO	49.99	(63.16)	20.57	7.40	-	-	0.87	-	0.87	-	100.00%	100.00%
64	Lanco Solar International USA Inc. *	6/12/2010	USD	1.99	(1.98)	-	0.01	-	-	-	-	-	-	100.00%	100.00%
65	Green Solar SRL *	6/12/2010	EURO	0.08	(0.07)	-	0.01	-	-	-	-	-	-	100.00%	100.00%
66	Lanco Resources International Pte Limited *	6/12/2010	USD	663.33	(354.32)	7,382.81	7,691.82	-	-	(123.34)	-	(123.34)	-	100.00%	100.00%
67	Lanco Holding Netherland B.V *	22/07/2010	EURO	0.13	(0.56)	-	(0.42)	-	-	0.02	-	0.02	-	100.00%	100.00%
68	PT Lanco Indonesia Energy *	16/10/2009	IDR	-	-	-	-	-	-	(0.03)	-	(0.03)	-	100.00%	100.00%
69	Lanco Resources Australia Pty. Limited *	13/12/2010	AUD	1,085.20	(1,326.92)	6,375.92	6,134.21	-	-	(83.51)	-	(83.51)	-	100.00%	100.00%
70	The Griffin Coal Mining Company Pty Limited *	28/02/2011	AUD	27.47	3,168.30	4,139.54	7,335.31	-	490.50	(273.22)	-	(273.22)	-	100.00%	100.00%
71	Carpenter Mine Management Pty Limited *	28/02/2011	AUD	-	62.14	272.18	334.32	-	762.04	65.90	-	65.90	-	100.00%	100.00%
72	Western Australia Coal Terminal Pty Ltd *	2/8/2012	AUD	-	-	-	-	-	-	-	-	-	-	100.00%	100.00%
73	Bhola Electricity Pvt Ltd *	9/7/2012	BDT	0.02	(2.77)	2.77	0.02	-	-	(2.75)	-	(2.75)	-	100.00%	100.00%
74	Sirajganj Electric Pvt Limited *	17/7/2013	BDT	0.01	(0.02)	0.02	0.01	-	-	(0.02)	-	(0.02)	-	100.00%	100.00%

Entities becoming as subsidiaries as per companies act which are not considered in the consolidation as per the Accounting Standards

		12/9/2013	INR	552.74	-	3.82	556.56	-	-	-	-	-	-	100.00%	26.67%
1	Himavat Power Limited	12/9/2013	INR	3.68	(0.07)	0.01	3.62	-	-	(0.00)	-	(0.00)	-	86.14%	50.00%
2	Mimas Trading Private Limited	12/9/2013	INR	4.17	(0.12)	0.01	4.06	-	-	(0.01)	-	(0.01)	-	93.76%	34.00%
3	Phoebe Trading Private Limited	12/9/2013	INR	2.72	-	0.00	2.72	-	-	-	-	-	-	100.00%	45.10%
4	Regulus Power Private Limited	12/9/2013	INR	70.14	-0.49	0.00	69.65	-	-	(0.00)	-	(0.00)	-	100.00%	26.03%
5	Ananke Properties Private Limited	12/9/2013	INR	10.66	-	0.00	10.66	-	-	-	-	-	-	99.93%	26.00%
6	Pragdisa Power Private Limited	30/5/2014	INR	15.26	-	1.53	16.79	-	-	-	-	-	-	100.00%	26.00%
7	Vainateya Power Private Limited	30/5/2014	INR	4.38	-	0.00	4.38	-	-	-	-	-	-	99.83%	26.00%
8	Avior Power Private Limited	12/9/2013	INR	0.49	-	0.00	0.49	-	-	-	-	-	-	98.48%	26.00%
9	Mirach Power Limited	12/9/2013	INR	15.11	(0.17)	5.07	20.00	-	-	(0.04)	-	(0.04)	-	98.28%	-
10	Charon Trading Pvt Ltd	12/9/2013	INR	69.92	(0.49)	0.00	69.44	-	-	(0.01)	-	(0.01)	-	100.00%	26.03%
11	Tethys Properties Private Limited	12/9/2013	INR	69.92	(0.54)	0.09	69.47	-	0.02	(0.06)	-	(0.06)	-	100.00%	26.03%
12	Blanca Properties Private Limited	12/9/2013	INR	69.92	(0.54)	0.09	69.47	-	0.02	(0.06)	-	(0.06)	-	100.00%	26.03%

(₹ Crores) ^

Sl. No.	Subsidiary Name	Date since when subsidiary was acquired	Reporting Currency	Capital	Reserves	Total Liabilities	Total Assets	Investment #	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding as per Companies Act 2013	% of Shareholding as per AS - 21
13	Belinda Properties Private Limited	12/9/2013	INR	69.92	(0.49)	0.00	69.44	-	-	(0.01)	-	(0.01)	-	100.00%	26.03%
14	Basava Power Private Limited	30/5/2014	INR	0.10	-	0.00	0.10	-	-	-	-	-	-	92.21%	26.00%
15	Siddheswara Power Private Limited	30/5/2014	INR	0.16	-	0.00	0.16	-	-	-	-	-	-	95.38%	26.00%
16	Banas Thermal Power Private Limited	2/6/2014	INR	2.79	-	1.28	4.06	-	-	-	-	-	-	99.91%	-
17	Nekkar Power Private Limited	30/5/2014	INR	0.09	(0.07)	0.00	0.02	-	-	(0.07)	-	(0.07)	-	88.89%	-
18	Lanco Operation and Maintenance Company Limited	12/9/2013	INR	0.50	(0.07)	0.00	0.43	-	-	0.08	0.01	0.07	-	99.88%	-
19	Lanco Horizon Properties Private Limited *	12/9/2013	INR	72.52	0.02	0.76	73.30	-	-	-	-	-	-	99.99%	-

1 The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rate on 31.03.2016.

INR vs.	USD	GBP	EURO	CNY	ZAR (Rand)	AUD	BDT	NPR	IDR
Exchange rate	66.33	95.09	75.10	10.28	4.49	50.74	0.84	1.60	0.01

2 * Based on the unaudited financial statements

3 ^ Amounts below INR fifty thousand are appearing as zero.

4 # Investments except investment in subsidiaries, joint ventures and associates.

Names of Subsidiaries which are yet to commence operations -

Sl. No.	Name of the Companies	Sl. No.	Name of the Companies
1	Arneb Power Private Limited	18	Lanco Infratech Nepal Private Limited
2	Lanco Teesta Hydro Power Limited	19	Lanco Vidarbha Thermal Power Limited
3	Lanco Mandakini Hydro Energy Private Limited	20	Himavat Power Limited
4	Lanco Rambara Hydro Private Limited	21	Regulus Power Private Limited
5	Diwakar Solar Projects Limited	22	Pragdisa Power Private Limited
6	Helene Power Private Limited	23	Vainateya Power Private Limited
7	Lanco Wind Power Private Limited	24	Avior Power Private Limited
8	Amrutha Power Private Limited	25	Mirach Power Limited
9	Spire Rotor Private Limited	26	Basava Power Private Limited
10	Emerald Orchids Private Limited	27	Siddheswara Power Private Limited
11	JH Patel Power Project Private Limited	28	Lanco Babandh Power Limited
12	Mahatamil Mining and Thermal Energy Limited	29	Banas Thermal Power Private Limited
13	Tasra Mining & Energy Company Private Limited	30	Lanco Energy Private Limited
14	Bhola Electricity Pvt Ltd	31	Nekkar Power Private Limited
15	Sirajganj Electric Pvt Limited	32	Lanco Horizon Properties Private Limited
16	Lanco Kanpur Highways Limited	33	Lanco Kanpur Power Private Limited
17	Western Australia Coal Terminal Pty Ltd		

Names of Subsidiaries which have been liquidated or sold during the year -

Sl. No.	Name of the Companies
1	Udupi Power Corporation Limited
2	Lanco IT PV Investments B.V.
3	Omega Solar Projects Private Limited

PART "B" : ASSOCIATES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies
[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1]

Sl. No.	Name of Associates	Date on which became Associate	Latest audited Balance Sheet Date	Shares of Associate held by the company on the year end			Network attributable to Shareholding as per latest audited Balance Sheet (₹ in crore)	Profit/Loss for the year		
				No.	Amount of Investment in Associates (₹ in crore)	Extend of Holding % *		Considered in Consolidation (₹ in crore)	Not Considered in Consolidation	Reason why the associate is not consolidated
1	DDE Renewable Energy Private Limited	14/02/2011	3/31/2016	74,52,900	7.80	49.00%	3.50	-1.24	NA	NA
2	Electromech Maritech Private Limited	22/02/2011	3/31/2016	74,52,900	8.16	49.00%	5.29	-0.27	NA	NA
3	Finehope Allied Engineering Private Limited	14/04/2011	3/31/2016	74,51,800	7.54	49.00%	4.58	-0.30	NA	NA
4	KVK Energy Ventures Private Limited#	11/4/2011	3/31/2016	11,35,08,500	116.23	49.00%	112.74	-	NA	NA
5	Saidham Overseas Private Limited	11/4/2011	3/31/2016	74,75,100	7.61	49.00%	5.27	-0.21	NA	NA
6	Vasavi Solar Power Private Limited	14/4/2011	3/31/2016	74,51,500	7.63	49.00%	4.03	-0.55	NA	NA
7	Bay of Bengal Gateway Terminal Private Limited#	31/08/2010	3/31/2016	74,97,000	0.01	26.00%	-	-	NA	NA
8	Genting Lanco Power (India) Private Limited	31/5/2006	3/31/2016	4,86,702	2.10	26.00%	14.02	2.58	NA	NA
9	Lanco Teesta Hydro Power Limited	20/10/2015	3/31/2016		668.95	48.94%	668.95	-	NA	NA

Note A : There is significant influence due to percentage(%) of Share Capital

* Based on Equity & Convertible Preference share holding

Based on the unaudited financial statements

Names of Associates which are yet to commence operations :-

Sl. No.	Name of the Companies
1	KVK Energy Ventures Private Limited
2	Lanco Teesta Hydro Power Limited
3	Bay of Bengal Gateway Terminal Private Limited

Names of Associates which have been liquidated or sold during the year -

Sl. No.	Name of the Companies
	Nil

**For and on behalf of the Board of Directors of
Lanco Infratech Limited**

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

G. Venkatesh Babu
Managing Director
DIN - 00075079

T. Adi Babu
Chief Financial Officer

A. Veerendra Kumar
Company Secretary

Date: May 27, 2016

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To

The Members of **Lanco Infratech Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Lanco Infratech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

Attention is invited to

- a) Note 50 to the financial statements, which explain the structuring undertaken by the management during the year ended March 31, 2012. The Company's investment as of March 30, 2012 in various subsidiaries and associates was transferred to wholly owned step down subsidiaries and to an associate of wholly owned step down subsidiary aggregating to ₹6,815.51 Crores that require lenders and customer approvals. Management has received many such approvals aggregating to 96% in value, of the lenders consenting to the structuring, the management is confident of receiving balance approvals from lenders and customer and has taken the effect of these transfers while preparing these financial statements. In case any of these residual approvals are not granted, the management will have to revisit the structure and the consequential impact would then be recorded in these financial statements.
- b) (i) Note 51 to the financial statements, regarding the adequacy of disclosure concerning the Company's ability to meet its financial obligations, repayment of various loans and unpaid interest and the ability to fund various obligations pertaining to operations

including unpaid/overdue creditors, for ensuring/commencing normal operations and further investments required towards ongoing projects. These matters essentially require the Company to garner such additional cash flows to fund and meet the requirements.

- (ii) The Company incurred a Net Loss of ₹ 445 Crores for the year and has unpaid loans and other unpaid dues aggregating ₹ 1,447 Crores falling due over next twelve month period which also includes repayment of loans sanctioned under restructuring in respect of which, the Company obtained certain reliefs in relation to repayment timelines of loans and accumulation of unpaid interest and additional funding for commencing normal operations.
- (iii) Certain variances in sanctioned/contracted terms under CDR scheme in regard to disbursements made and their utilization thereon, together with considerable delay in implementation of CDR scheme, eventually did not enable the Company to achieve the anticipated performance levels of operations at EPC. Incurrence of further losses and cost overruns in project companies due to delayed execution have been reported. As explained by the management, the Company commenced operations at EPC as well as at the projects which are under construction and in our view, there may be further delays in time lines agreed with project companies which may result in further cost overruns, which in turn may require the Company to arrange the funding for the additional cost. As further explained by the management, the Company is making efforts to reorganise the funding pattern to ensure the completion of under construction projects and disposal of assets to meet the funding gaps. These submissions and assertions by the management, are under evaluation by lenders which envisage that the Company will have the ability to garner the required cash flows, which have not been independently assessed by us.
- (iv) Notwithstanding the efforts as stated above to meet the funding obligations which would involve time to materialise, these financial statements have been prepared based on the assumption, and considering the management assessment to get requisite further funding from various sources including additional funding from the lenders, disbursement of sanctioned facilities and the Company's efforts in disposing assets. Relying on the above, no adjustments have been made in these financial statements towards any possible impact on account of low key operations and delayed execution of projects under implementation.
- c) Note 52 to the financial statements, dealing with cancellation of coal blocks by the Hon'ble Supreme Court, which included coal mine jointly allotted to Tamil Nadu Electricity Board and Maharashtra State Mining Corporation Limited, the Allottees. Mahatamil Mining and Thermal Energy Limited (MMTEL), a subsidiary of the Company, entered into Coal Mining Services Agreement with the Allottees of the mine, pursuant to which, the amount invested amounting to ₹ 171.26 Crores, the realizability of which is dependent on the compensation to be awarded under the Ordinance issued by Government of India. The Company obtained a legal opinion in this regard based on which, the investment is considered to be recoverable and, hence no adjustments have been made in these financial statements.
- d) Note 53 to the financial statements, in relation to the carrying value of assets held by step down subsidiaries of Lanco Resources International Pte Limited (LRIPL) a subsidiary of the Company, in view of continued losses exceeding net worth of LRIPL, considering the management's initiatives to be implemented with significant financial resources to be deployed in the mining activity and the development of associated infrastructure, being the port, the management is of the view that the carrying value of the assets are realizable at the value stated therein. Accordingly, no adjustments have been made in these financial statements.
- e) Note 54 to the financial statements, in relation to Lanco Kanpur Highways Limited (LKHL), a subsidiary of the Company, has received a notice of termination to the Concession Agreement from National Highways Authority of India (NHAI) and LKHL has also issued a notice of termination to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. As on March 31, 2016 LKHL has incurred certain costs towards the project, the realizability of these amounts is dependent on the outcome of the arbitration proceedings.

Our opinion is not qualified in the respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order"), issued by the Central Government of India in terms of Sub Section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in Paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in the Clause (b) and Clause (d) of the Emphasis of Matter Paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report "Annexure B" and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 40 to the financial statements.
 - ii. The Company has made provisions, as required under applicable laws or accounting standards in respect of the material foreseeable losses on the long term contract. The Company did not have any long term derivative contracts.
 - iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Brahmayya & Co.,
Chartered Accountants
Firm's Regn No. 000511S

Lokesh Vasudevan
Partner
Membership No. 222320

Place : Gurgaon
Date : May 27, 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**Annexure A to the Independent Auditor's Report**

Referred to in Clause 1 of "Report on Other Legal and Regulatory Requirements" Paragraph of the Independent Auditor's Report of even date to the members of Lanco Infratech Limited on the financial statements as of and for the year ended March 31, 2016

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification of inventory. In respect of inventories lying with third parties, these have substantially been confirmed by them.
- (iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii), (iii) (a), (iii) (b) and (iii) (c) of Paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 with respect to the loans, advances and guarantee made. The provisions of Section 186 are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities though there have been delays in some instances.

According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities which were outstanding at the year end for a period of more than six months from the date they became payable except as follows: -

Name of the Statute	Nature of the Dues	Amount (₹ in Crores)	Due Date	Date of Payment
The Building and Other Construction Workers Welfare Cess Act, 1996	Labour Building and Other Construction Workers Welfare Cess	0.25	FY 2012-13 to FY 2015-16	Yet to be remitted
Mines and Minerals (Development and Regulation) Act, 1957	Royalty and Seinerage	0.01	FY 2014-15 to FY 2015-16	Yet to be remitted.

- (b) According to the records of the Company and the explanation and information given to us, the dues outstanding of income tax or sales tax or service tax or duty of custom or duty of excise or value added tax or cess, that have not been deposited, on account of dispute are as follows:

Name of the Statute	Nature of the Dues	Amount (₹ in Crores)	Amount paid under Protest (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.97	-	Assessment year 2002-03	Honorable High Court-Hyderabad
Income Tax Act, 1961	Income Tax	2.26	-	Assessment Year 2003-04	Honorable High Court-Hyderabad
Income Tax Act, 1961	Income Tax	2.06	-	Assessment Year 2003-04	Honorable High Court-Hyderabad
Income Tax Act, 1961	Income Tax	0.13	-	Assessment Year 2004-05	Honorable High Court-Hyderabad
Income Tax Act, 1961	Income Tax	0.46	-	Assessment Year 2006-07	Honorable High Court-Hyderabad.
Income Tax Act, 1961	Income Tax	0.41	-	Assessment Year 2007-08	Honorable High Court-Hyderabad
Income Tax Act, 1961	Income Tax	11.85	-	Assessment year 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	226.49	-	Assessment Year 2011-12	Dispute Resolution Panel-Hyderabad
Income Tax Act, 1961	Income Tax	0.48	-	Assessment year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.02	-	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.00*	-	Assessment Year 2012-13	Dispute Resolution Panel-Hyderabad
Andhra Pradesh General Sales Tax Act 1956	Sales Tax	0.03	-	Financial Year 2001-02	The Sales Tax Appellate Tribunal, Hyderabad
Andhra Pradesh Tax on Entry of Goods Act 2001	Entry Tax	0.02	-	Financial Year 2007-08	Commercial Tax Officer, Begumpet
Tamil Nadu Value Added Tax Act 2006	Sales Tax (Including Penalty)	0.38	-	Financial Year 2007-08	The Appellate Deputy Commissioner, CT Chennai
Tamil Nadu Value Added Tax Act 2006	Value Added Tax	0.46	-	Financial Year 2007-08	Assistant Commissioner (CT), T. Nagar (East) Assessment Circle, Chennai
Bihar Value Added Tax Act, 2005	Sales Tax	1.08	-	Financial Year 2007-08	The Joint Commissioner of Commercial Taxes (Appeals) Central Division, Patna
Tamil Nadu Value Added Tax Act 2006	Value Added Tax	0.85	-	Financial Year 2008-09	Assistant Commissioner (CT), T. Nagar (East) Assessment Circle, Chennai
Andhra Pradesh Value Added Tax Act 2005	Sales Tax	0.01	-	Financial Year 2009-10	The Appellate Deputy Commissioner, CT. Panjagutta-Hyderabad
Tamil Nadu Value Added Tax Act 2006	Value Added Tax	17.18	-	Financial Year 2009-10	Assistant Commissioner (CT), T. Nagar (East) Assessment Circle, Chennai
Uttar Pradesh Value Added Tax Act, 2008	VAT	236.49	-	Financial Year 2009-10	Jt. Commissioner of Commercial Taxes, Varanasi Zone
Uttar Pradesh Value Added Tax Act, 2008	Entry Tax	3.40	-	Financial Year 2009-10	Jt. Commissioner of Commercial Taxes, Varanasi Zone

Name of the Statute	Nature of the Dues	Amount (₹ in Crores)	Amount paid under Protest (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu Value Added Tax Act 2006	Sales Tax	0.89	-	Financial Year 2010-11	Joint Commissioner (North) Chennai
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	49.78	-	Financial Year 2010-11	Assistant Commissioner (CT), T. Nagar (East) Assessment Circle, Chennai
West Bengal Value Added Tax, 2003	Value Added Tax	0.10	-	Financial Year 2010-11	Joint Commissioner of Commercial Taxes, CTO, Raiganj
Maharashtra Value Added Tax Act, 2002	Value Added Tax	0.12	-	Financial Year 2010-11	Assistant Commissioner of Commercial Taxes, Audit Wing – 2
Maharashtra Value Added Tax Act, 2002	Sales Tax	1.09	-	Financial Year 2010-11	Assistant Commissioner of Commercial Taxes, Audit Wing – 2
Maharashtra Value Added Tax Act, 2002	Sales Tax	20.47	-	Financial Year 2011-12	Dy. Commissioner of Sales Tax, Mumbai
Andhra Pradesh Value Added Tax Act, 2005	VAT	0.17	-	Financial Year 2010-11	Commercial Tax Officer, Begumpet
Gujarat Value Added Tax Act, 2003	Value Added Tax	1.06	-	Financial Year 2010-11	ACCT, Vyara, Gujarat
Uttar Pradesh Value Added Tax Act, 2008	VAT	194.25	-	Financial Year 2010-11	Jt. Commissioner of Commercial Taxes, Varanasi Zone
Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	0.05	-	Financial Year 2010-11	Jt. Commissioner of Commercial Taxes, Varanasi Zone
Uttar Pradesh Value Added Tax Act, 2008	Entry Tax	0.60	-	Financial Year 2010-11	Jt. Commissioner of Commercial Taxes, Varanasi Zone
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	19.99	-	Financial Year 2011-12	Assistant Commissioner (CT), T. Nagar (East) Assessment Circle, Chennai
The Central Sales Tax Act, 1956	Central Sales Tax	0.20	-	Financial Year 2011-12	Assistant Commissioner (CT), T. Nagar (East) Assessment Circle, Chennai
Andhra Pradesh Value Added Tax Act, 2005	Penalty	0.06	-	Financial Year 2011-12	ACTO, Begumpet Circle, Hyderabad
Maharashtra Value Added Tax Act, 2002	VAT	2.44	-	Financial Year 2011-12	Dy. Commissioner of Sales Tax, Mumbai
Uttar Pradesh Value Added Tax Act, 2008	VAT	54.28	-	Financial Year 2011-12	Jt. Commissioner of Commercial Taxes, Varanasi Zone
Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	0.05	-	Financial Year 2011-12	Jt. Commissioner of Commercial Taxes, Varanasi Zone
Uttar Pradesh Value Added Tax Act, 2008	Entry Tax	1.10	-	Financial Year 2011-12	Jt. Commissioner of Commercial Taxes, Varanasi Zone

Name of the Statute	Nature of the Dues	Amount (₹ in Crores)	Amount paid under Protest (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	3.80	-	Financial Year 2012-13	Assistant Commissioner (CT), T. Nagar (East) Assessment Circle, Chennai
Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	0.26	-	Financial Year 2012-13	Additional Commissioner of Commercial Taxes, Jabalpur Division.
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	0.11	-	Financial Year 2013-14	Assistant Commissioner of Commercial Taxes, T. Nagar East Assessment Circle, Chennai
Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	2.76	-	Financial Year 2013-14	Additional Commissioner of Commercial Taxes, Jabalpur, Division 1
The Finance Act, 1994	Service Tax	0.14	-	April 2005 - March 2008	CESTAT, Bengaluru
The Finance Act, 1994	Service Tax	15.47	-	April 2005 - March 2008	CESTAT, Hyderabad
The Finance Act, 1994	Service Tax	0.16	-	June 2005 - August 2008	CESTAT, Bengaluru
The Finance Act, 1994	Service Tax	15.58	2.66	June 2007- March 2008	CESTAT, Bengaluru
The Finance Act, 1994	Service Tax	3.86	-	June 2007- July 2008	CESTAT, Bengaluru
The Finance Act, 1994	Service Tax	0.01	0.01	April 2008 - March 2009	CESTAT, Hyderabad
The Finance Act, 1994	Service Tax	6.58	-	April 2008 - June 2009	CESTAT, Hyderabad
The Finance Act, 1994	Service Tax	0.38	0.38	July 2008- September 2009	CESTAT, Bengaluru
The Finance Act, 1994	Service Tax	0.00**	-	April 2008 - March 2009	The Commissioner-Delhi
The Finance Act, 1994	Service Tax	8.98	-	July 2009- March 2010	CESTAT, Hyderabad
The Finance Act, 1994	Service Tax	0.11	-	October 22, 2009 - February 28, 2011	CESTAT, Bengaluru
The Finance Act, 1994	Service Tax	64.42	-	April 2010 - March 2011	The Commissioner-Gurgaon
The Finance Act, 1994	Service Tax	0.48	-	March 2011 - March 2012	The Commissioner-Delhi
The Finance Act, 1994	Service Tax	18.02	-	April 2011 - March 2012	The Commissioner-Gurgaon
The Finance Act, 1994	Service Tax	6.01	-	April 2012 - March 2013	The Commissioner-Gurgaon
The Finance Act, 1994	Service Tax	0.23	-	April 2013-March 2014	The Commissioner, Delhi

*Case is pending with Dispute Resolution Panel - refer Note 40(A).

**Amount involved is ₹ 16,927.

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of principal of ₹42.33 Crores to the lenders as on the reporting date. Details of default to the Banks and Financial Institutions are as follows:

(₹ Crores)

Sl. No.	Bank	Amount
1.	Allahabad Bank	3.75
2.	Andhra Bank	1.52
3.	Bank of Baroda	1.08
4.	Bank of Maharashtra	3.21
5.	Canara Bank	1.71
6.	Central Bank of India	6.47
7.	Corporation Bank	0.52
8.	Dena Bank	1.60
9.	ICICI Bank	3.20
10.	IDBI Bank	2.75
11.	Kotak Mahindra Bank	0.45
12.	Indian Overseas Bank	4.22
13.	Jammu and Kashmir Bank	0.47
14.	Oriental Bank of Commerce	1.56
15.	Punjab and Sind Bank	0.30
16.	Punjab National Bank	3.23
17.	State Bank of Bikaner and Jaipur	0.24
18.	State Bank of Hyderabad	0.24
19.	State Bank of India	1.55
20.	State Bank of Patiala	1.80
21.	Union Bank of India	0.59
22.	United Bank of India	1.02

Sl. No.	Financial Institution	Amount
1.	Life Insurance Corporation	0.85

- (ix) Based on the information and explanations given to us by the management, term loans disbursed, including Priority Loan under CDR scheme have been utilized for the purposes of CDR Scheme cash flows envisaged as approved by the lenders under the CDR package.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of clause (xii) of the paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties, prima facie are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with directors. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provision of clause (xvi) of the paragraph 3 of the Order is not applicable to the Company.

For Brahmayya & Co.,
Chartered Accountants
Firm's Regn No. 000511S

Lokesh Vasudevan
Partner
Membership No. 222320

Place : Gurgaon
Date : May 27, 2016

Annexure B to the Independent Auditor's Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Lanco Infratech Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting as issued by The Institute of Chartered Accountants of India & Standard Operating Procedures as adopted by the Company". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting as issued by The Institute of Chartered Accountants of India & Standard Operating Procedures as adopted by the Company"

For Brahmayya & Co.,
Chartered Accountants
Firm's Regn No. 000511S

Lokesh Vasudevan
Partner
Membership No. 222320

Place : Gurgaon
Date : May 27, 2016

Balance Sheet as at March 31, 2016

		(₹ Crores)	
	Notes	As at March 31, 2016	As at March 31, 2015
I EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	273.78	245.09
Reserves and Surplus	4	1,482.14	1,785.21
		1,755.92	2,030.30
Non Current Liabilities			
Long Term Borrowings	5	5,510.80	5,433.45
Other Long Term Liabilities	7	3,679.10	4,032.10
Long Term Provisions	8	33.96	29.18
		9,223.86	9,494.73
Current Liabilities			
Short Term Borrowings	9	1,258.65	1,155.18
Trade Payables	10	2,634.05	2,007.28
Other Current Liabilities	11	4,157.12	5,779.69
Short Term Provisions	8	16.90	23.34
		8,066.72	8,965.49
TOTAL		19,046.50	20,490.52
II ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	768.81	895.85
Intangible Assets	13	1.82	3.10
Capital Work in Progress	14	1.34	1.73
		771.97	900.68
Non Current Investments	15	9,979.82	9,708.29
Deferred Tax Assets (net)	6	17.75	17.75
Long Term Loans and Advances	16	1,235.59	1,409.91
Other Non Current Assets	17	422.34	718.68
		12,427.47	12,755.31
Current Assets			
Current Investments	18	-	1,253.76
Inventories	19	1,403.23	1,426.64
Trade Receivables	17.1	2,162.74	1,445.53
Cash and Bank Balances	20	65.38	329.65
Short Term Loans and Advances	16	2,880.11	3,020.18
Other Current Assets	17.2	107.57	259.45
		6619.03	7735.21
TOTAL		19,046.50	20,490.52
Summary of Significant Accounting Policies	2.1		

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

For and on behalf of the Board of Directors of Lanco Infratech Limited

For Brahmayya & Co
Chartered Accountants
Firm Registration No. 000511S

Lokesh Vasudevan
Partner
Membership No. 222320

Place: Gurgaon
Date: May 27, 2016

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

T. Adi Babu
Chief Financial Officer

Place: Gurgaon
Date: May 27, 2016

G. Venkatesh Babu
Managing Director
DIN - 00075079

A. Veerendra Kumar
Company Secretary

Statement of Profit and Loss for the year ended on March 31, 2016

(₹ Crores)			
	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
I. INCOME			
Revenue from Operations	21	2,671.34	1,395.52
Other Income	22	73.60	135.19
Total Revenue (I)		2,744.94	1,530.71
II. EXPENSES			
Cost of Materials Consumed	23	1,318.06	764.67
Purchase of Traded Goods	24	143.39	-
Subcontract Cost		419.32	308.28
Construction and Site Expenses	25	106.91	70.77
(Increase) / Decrease in Construction Work in Progress	26	67.74	3.65
Employee Benefits Expenses	27	205.70	181.51
Other Expenses	28	(22.57)	125.62
Total Expenses (II)		2,238.55	1,454.50
III. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		506.39	76.21
Finance Cost	29	925.21	772.31
Depreciation and Amortization Expense	30	110.71	121.28
IV. Profit / (Loss) before Exceptional Items and Tax		(529.53)	(817.38)
V. Exceptional Items	31	84.62	99.75
VI. Profit / (Loss) before Tax (IV + V)		(444.91)	(717.63)
VII. Tax Expense			
Current Tax / Minimum Alternate Tax (MAT) Payable		-	-
Less: MAT Credit Entitlement		-	-
Net Current Tax		-	-
Relating to Previous Periods		0.09	(45.40)
Deferred Tax		-	-
Total Tax Expense		0.09	(45.40)
VIII. Profit / (Loss) after Tax for the Period (VI - VII)		(445.00)	(672.23)
(Balance Carried to Balance Sheet)			
Earnings Per Equity Share - (Face value of share ₹ 1/-) :	32		
Basic (₹)		(1.73)	(2.83)
Diluted (₹)		(1.73)	(2.83)
Summary of Significant Accounting Policies	2.1		

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

**For and on behalf of the Board of Directors of
Lanco Infratech Limited**

For Brahmayya & Co
Chartered Accountants
Firm Registration No. 000511S

Lokesh Vasudevan
Partner
Membership No. 222320

Place: Gurgaon
Date: May 27, 2016

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

T. Adi Babu
Chief Financial Officer

Place: Gurgaon
Date: May 27, 2016

G. Venkatesh Babu
Managing Director
DIN - 00075079

A. Veerendra Kumar
Company Secretary

Cash Flow Statement for the year ended on March 31, 2016

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	(444.91)	(717.63)
Adjustments for:		
Depreciation and Amortization	110.71	121.28
(Profit) / Loss on Sale of Non - Current Investments	(97.92)	(73.30)
(Profit) / Loss on Sale of Fixed Assets	0.55	27.03
Unrealised (Gain) / loss on Foreign Exchange Fluctuations (Net)	(56.14)	19.05
Provision for diminution in value of Investment in Subsidiary company	-	0.03
Liabilities and Provisions no longer required written back	(9.33)	(0.79)
Provision for Advances / Claims / Debts	23.39	18.51
Employee Stock Option Charge during the year	0.33	3.33
Interest Income	(35.25)	(111.07)
Dividend Income	(0.44)	(3.92)
Finance cost	925.21	772.31
Cash Generated Before Working Capital Changes	416.20	54.83
Movement In Working Capital		
Increase / (Decrease) in Trade Payables	540.31	(209.80)
Increase / (Decrease) in Provisions (Short Term & Long Term)	(1.66)	(2.93)
Increase / (Decrease) in Other Liabilities	(437.86)	(115.63)
Increase / (Decrease) in Other Long Term Liabilities	0.33	(0.01)
Increase / (Decrease) in Advance from Customers	(2,071.17)	459.77
(Increase) / Decrease in Trade Receivables	(375.98)	116.66
(Increase) / Decrease in Inventories	23.41	(4.20)
(Increase) / Decrease in Long Term Loan and Advances	210.80	(164.05)
(Increase) / Decrease in Short Term Loan and Advances	18.68	64.40
(Increase) / Decrease in Other Current Assets	112.17	(125.32)
Cash Generated /(Used) From Operations	(1,564.77)	73.73
Direct Taxes Paid	(27.31)	(30.62)
Net Cash Flow From / (Used in) Operating Activities	(1,592.08)	43.11
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(26.69)	(12.91)
Proceeds from Sale of Fixed Assets	30.12	8.93
Proceeds from Sale of Non Current Investments - Subsidiaries	1,159.04	370.27
Proceeds from Sale of Non Current Investments - Others	-	74.55
Purchase of Non Current Investments - Subsidiaries	(405.70)	(433.80)
Purchase of Non Current Investments- Others	(0.17)	(169.22)
Inter Corporate Loans (Given) / Refunded (Net)	37.57	(570.28)
Maturities / (Purchase) of FDs/MMDs (Net)	(19.44)	(20.47)
Advance received against proposed sale of Investments	-	517.00
Advance for investment given to Subsidiaries (Net)	(0.30)	-
Dividend Income received from others	0.44	3.92
Interest Income Received	10.42	21.32
Net Cash Flow From / (Used in) Investing Activities	785.29	(210.69)

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
(Repayment) / Proceeds of/from Short - Term Borrowings (Net)	44.37	(134.75)
Proceeds from Foreign Currency Loan	130.02	119.09
Repayment of Foreign Currency Loan	(7.62)	(108.87)
Proceeds from Long Term Rupee Loan	1,498.83	1,438.36
Repayment of Long Term Rupee Loan	(349.55)	(83.38)
Proceeds on account of exercise of ESOP shares	-	0.39
Inter Corporate Loans (Repaid)/Received (Net)	(52.11)	(365.42)
Interest Paid	(735.94)	(507.46)
Net Cash Flow From / (Used in) Financing Activities	528.00	357.96
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(278.79)	190.38
Cash and Cash Equivalents at the beginning of the year	303.68	113.30
Cash and Cash Equivalents at the end of the year	24.89	303.68
Components of Cash and Cash Equivalents		
Cash and cheques on Hand	0.06	0.07
Balances with Banks		
- On Current Accounts	24.83	298.71
- On Deposit Accounts	-	4.90
Cash and cash Equivalent (as per Note 20)	24.89	303.68

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements, specified under section 133 of the Companies Act, 2013
- Previous year's figures have been regrouped and reclassified to conform to those of the current year.

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

**For and on behalf of the Board of Directors of
Lanco Infratech Limited**

For Brahmayya & Co
Chartered Accountants
Firm Registration No. 000511S

Lokesh Vasudevan
Partner
Membership No. 222320

Place: Gurgaon
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Managing Director
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A. Veerendra Kumar
Company Secretary

Notes and other explanatory information to financial statements for the year ended March 31, 2016

1. Corporate Information

Lanco Infratech Limited is an integrated infrastructure developing company. The company provides engineering, procurement, construction, commissioning and project management services on a turnkey basis to the power Sector for thermal (coal fired and gas fired) and hydro power plants as well and also construction of highways, power plants, water supply and irrigation projects including dam, tunnels etc. The Company is also into generation of energy from wind and solar power plants.

2. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act 2013('Act'), read with Rule 7 of the Companies(Accounts) Rules,2014 and the relevant provisions of the Act(to the extent notified). The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

i. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

ii. Revenue Recognition

Revenue is recognized based on the nature of activity to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

The company collects service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognised.

EPC and Construction Services

For EPC and construction contracts, contract prices are either fixed or subject to price escalation clauses.

Revenues are recognised on a percentage of completion method measured on the basis of stage of completion which is as per joint surveys and work certified by the customers.

Profit is recognised in proportion to the value of work done (measured by the stage of completion) when the outcome of the contract can be estimated reliably.

The estimates of contract cost and the revenue thereon are

reviewed periodically by management and the cumulative effect of any changes in estimates in proportion to the cumulative revenue is recognised in the period in which such changes are determined. When the total contract cost is estimated to exceed total revenues from the contract, the loss is recognised immediately. Modifications to contracts involving technical aspects/inputs are based on management assessment.

Amounts due in respect of price escalation claims and/or variation in contract work are recognized as revenue only if the contract allows for such claims or variations and/or there is evidence that the customer has accepted it and are capable of being reliably measured.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

Sale of Power

Revenue from sale of energy is recognized on the accrual basis in accordance with the provisions of Power Purchase Agreement. Claims for delayed payment charges and any other claims, which the company is entitled to under the Power Purchase Agreement, are accounted for in the year of acceptance.

Sale of Goods

Revenue from the sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer as per the respective agreements and revenue can be reliably measured.

Carbon Credits

Revenue from sale of Verified Emission Reductions (VERs) and Certified Emission Reductions (CERs) is recognized on sale of eligible credits.

Insurance Claims

Insurance claims are recognized on actual receipt / acceptance of the claim.

Management Consultancy

Income from project management / technical consultancy is recognized as per the terms of the agreement on the basis of services rendered.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance sheet date.

iii. Tangible Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working

condition for its intended use. Borrowing costs relating to acquisition of tangible assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The company adjusts exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

iv. Intangible Fixed Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

v. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vi. Depreciation / Amortisation:

Tangible Assets:-

Depreciation is provided on Straight Line Method as per the provisions of schedule II of the Companies Act, 2013 or based on the useful life estimated on the technical assessment whichever has a lower life.

Leasehold land is amortised over the period of the lease.

Leasehold improvements included in "furniture and fixtures" are amortized over the period of lease or estimated useful life whichever is shorter.

Certain project related assets including temporary structures are depreciated over the respective estimated project periods. Depreciation on 'Wooden Scaffoldings' and 'Metal Scaffoldings' is provided considering the useful life of 1 Years and 3 Years respectively, which are grouped under plant and machinery.

In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

Intangible Assets:-

Computer Software is amortised over an estimated useful life of 4 years.

vii. Investments

Investments, those are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

viii. Inventories

Construction materials, raw materials, Consumables, Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction Work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

ix. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

x. Duty drawback claims

Claims for duty drawback are accounted for on accrual basis:

- i. Where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and
- ii. Where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

xi. Employee Benefits

- i. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

- ii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Retention bonus liability is provided for on the basis of an actual liability at end of each financial year.
- iv. Compensated absences are provided for on the basis of an actuarial valuation on unit credit method at the end of each financial year.
- v. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.
- vi. The amount of Non-current and Current portions of gratuity and compensated absences is classified as per the actuarial valuation at the end of each financial year.

xii. Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of the company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange difference arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to acquisition/ construction of a depreciable capital asset, are capitalized and depreciated over the balance life of the asset and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the company's financial statements and amortised over the balance period of such long term asset or liability, by recognition as income or expense in each of such period. For this purpose, the company treats a foreign monetary item as "long term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

Forward Exchange Contracts not intended for trading or speculation purposes

In case of forward exchange contracts or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risks the premium or discount arising at the inception of the contract is amortised as expenses or income over the life of the contract. Exchange differences

arising on such contracts are recognized in the period in which they arise.

Derivative Instruments

Losses(net of gains) on account of outstanding Forward exchange contracts which are on account of firm commitments and / or in respect of highly probable forecast transaction on balance sheet date are accounted on Mark to Market basis keeping in view of the principle of prudence. The same is as per ICAI announcement on derivatives.

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under (AS) - 11, Accounting for the Effects of Changes in Foreign Exchange Rates are marked to market on a portfolio basis, and the net loss is charged to the income statement. Net gains are ignored.

xiii. Leases

Operating Lease

As Lessee

Assets acquired on leases where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of profit and loss on straight line basis over the lease term.

As Lessor

Assets given on leases where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Lease rentals are recognised in the statement of profit and loss on accrual basis.

Finance Lease

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

xiv. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xv. Employee Stock Option Scheme

The Company has formulated an Employees Stock Option Scheme to be administered through a Trust. The scheme provides that subject to continued employment with the company, employees of the company and its subsidiaries are granted an option to acquire equity shares of the company that may be exercised within a specified period. The company follows the intrinsic value method for computing the compensation cost for all options granted which will be amortized over the vesting period. ESOP has been accounted as per the SEBI guidelines and guidance note issued by ICAI.

xvi. Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax laws. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

xvii. Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The

company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

xviii. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The company has a present obligation as a result of past event,
- b) A probable outflow of resources is expected to settle the obligation; and
- c) The amount of the obligation can be reliably estimated

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of

- a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) A present obligation arising from past events, when no reliable estimate is possible;
- c) A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

xix. Cash and Cash equivalents:

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

xx. Measurement of EBITDA

As permitted by the Schedule III to the Companies Act, 2013, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

3 Share Capital

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Authorised		
12,000 (March 31, 2015: 12000) Crores Equity Shares of ₹ 1/- each	12,000.00	12,000.00
	12,000.00	12,000.00
Issued, Subscribed and Paid Up		
Equity Shares		
274.93 (March 31, 2015: 246.24) Crores Equity Shares of ₹ 1/- each, fully paid up	274.93	246.24
Less: Amount recoverable from LCL - Foundation (ESOP Trust)	1.15	1.15
	273.78	245.09

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. Crores	₹ Crores	No. Crores	₹ Crores
Equity Shares of ₹ 1.Each, Fully paid up				
At the Beginning	246.24	246.24	240.78	240.78
Issued during the period - Conversion*	28.69	28.69	5.46	5.46
At the end	274.93	274.93	246.24	246.24

- * 1. During the Year, 2.17 (March 31, 2015 :5.46) Crores Equity Shares of ₹ 1/- each were allotted to ICICI Bank Limited at a Price of ₹ 6.23/- per Equity Share (premium of ₹ 5.23/- per share), by conversion of ₹ 13.56 (March 31, 2015 : ₹ 34) Crores Funded Interest Term Loan into Equity Share Capital of the Company.
2. During the Year, 26.52 (March 31, 2015 :NIL) Crores Equity Shares of ₹ 1/- each were allotted to Lanco Group Limited at a Price of ₹ 6.30/- per Equity Share (premium of ₹ 5.30/- per share), by conversion of ₹ 167.06 (March 31, 2015 : NIL) Crores Inter Corporate Loan into Equity Share Capital of the Company

3.2 Terms / Rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 1/- Per share. Each Holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

3.3 Shares held by holding / ultimate holding and / or their subsidiary / associates

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. Crores	₹ Crores	No. Crores	₹ Crores
Equity Shares of ₹ 1/- each fully paid up held by				
Lanco Group Limited, the holding company	161.89	161.89	135.37	135.37

3.4 Details of Shareholder holding more than 5% shares of the company:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. Crores	% Holding in the Class	No. Crores	% Holding in the Class
Equity Shares of ₹ 1/- each fully paid up held by				
Lanco Group Limited, the holding company	161.89	58.88	135.37	54.98

The above information is as per register of share holders / members.

3.5 Details of Shares Reserved for issue under Options

For details of shares reserved for issue under Employee Stock Options (ESOP) plan of the Company, refer note 36.

During the year ended March 31, 2014 the Company's proposal to restructure the debt has been approved by the Corporate Debt Restructuring Empowered Group (CDREG) vide letter of approval dated December 20, 2013. The company executed Master Restructuring Agreement (MRA) on December 27, 2013. As a result of this the lenders of CDR have a right to convert restructured debt into equity shares at the sole discretion and on demand as per the agreed terms in the MRA.

In relation to the loans restructured by the CDR lenders a total amount to ₹ 3,431.45 (March 31, 2015 : ₹ 2,894.41) Crores would qualify for the conversion of 563.60 (March 31, 2015 : 473.29) Crores shares at the sole discretion and on demand of the CDR lenders.

In relation to the promoters contribution a total amount to ₹ NIL (March 31, 2015 : ₹ 167.06) Crores would qualify for the conversion of NIL (March 31, 2015 : 26.82) Crores shares at the sole discretion of the promoters.

During the year, Debentures of ₹ 321.45 (March 31, 2015 : NIL) Crores have been allotted to Non-CDR lender after conversion of term Loan and interest payable on term loan upto March 10, 2016 and would qualify for the conversion into equity shares at the end of 12 months (i.e. March 14, 2017) from the date of allotment alongwith outstanding interest at the SEBI determined price or price applicable to CDR lenders whichever is higher.

4 Reserves and Surplus

	(₹ Crores)	
	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
As at the commencement of the year	4.29	4.29
	4.29	4.29
Securities Premium Account		
As at the commencement of the year	1,928.25	1,895.51
Add : Received during the year	151.93	28.54
Add : Premium on account of ESOPs exercised	4.41	4.20
	2,084.59	1,928.25
Share Option Outstanding Account		
Employee Stock Options (ESOP) Outstanding (net of ESOP Suspense) at the commencement of the year	19.78	19.33
Add: ESOP Costs recognised during the year (Refer Note 27)	0.33	3.33
Add: ESOP Costs recovered from subsidiaries	(1.85)	1.32
Less: Transfer to Security Premium on account of ESOPs exercised	4.41	4.20
	13.85	19.78
General Reserve		
As at the commencement of the year	1.46	1.46
	1.46	1.46
Foreign Currency Monetary Item Translation Difference Account (Net)		
As at the commencement of the year	(7.20)	(5.05)
Additions during the year	2.95	(2.64)
Less: Amortized during the year	11.43	0.49
	(15.68)	(7.20)
Surplus / (deficit) in the Statement of Profit and Loss		
As at the commencement of the year	(161.37)	519.11
Add :- Loss for the year	(445.00)	(672.23)
Less :- Depreciation adjustment*	-	8.25
Net Surplus in the Statement of Profit and Loss	(606.37)	(161.37)
	1,482.14	1,785.21

*On transition to schedule II of the Companies Act, 2013

5 Long Term Borrowings

	(₹ Crores)			
	Non Current Portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Debentures				
Unsecured				
32.15 Crores 10.5 % Cumulative Compulsory convertible debentures of ₹ 10 each (Refer (a) below)	321.45	-	-	-
Rupee Term Loans				
Secured				
From Banks (Refer (b) below)	4,769.60	4,610.97	1,095.19	116.53
From Financial Institutions (Refer c (1) below)	53.36	63.00	9.96	1.29

(₹ Crores)

	Non Current Portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Unsecured				
From Financial Institutions (Refer c (2) below)	-	199.29	-	84.16
Foreign Currency Term Loans				
Secured				
From Banks (Refer (d) below)	366.39	408.19	66.22	8.33
Loans and Advances from Related Parties (Note No. 38)				
Unsecured				
Other Loans and Advances (Refer (e) below)	-	152.00	-	-
	5,510.80	5,433.45	1,171.37	210.31
Amount disclosed under the head Other Current Liabilities (Note 11)			(1,171.37)	(210.31)
Net Amount	5,510.80	5,433.45	-	-

The Board of Directors of LITL in its meeting held on July 27, 2013 had accorded its approval for restructure of the debts of the Company under Corporate Debt Restructuring (CDR) Mechanism of the Reserve Bank of India. CDR Empowered Group (CDR EG) in its meeting held on December 11, 2013 has approved the CDR scheme submitted by the Company and issued letter of approval on December 20, 2013.

The details of securities and terms of repayment are as follows:

a) Debentures

32.15 Crores 10.5% cumulative compulsory convertible debentures of ₹ 10 each, ₹ 321.45 (March 31, 2015 : ₹ Nil) Crores have been allotted to Non-CDR lender after conversion of term Loan and interest payable on term loan upto March 10, 2016. These debentures are unsecured. However, collateral securities have been provided by way of pledge of shares of a subsidiary held by another subsidiary and also by pledge of shares of the Company held by one of the Promoters. Debentures are convertible into equity shares at the end of 12 months (i.e. March 14, 2017) from the date of allotment alongwith outstanding interest at the SEBI determined price or price applicable to CDR lenders whichever is higher.

b) Rupee Term Loans from Banks*

1. Term Loan of ₹ 657.68 (March 31, 2015 : ₹ 666.45) Crores out of which ₹ 104.34 (March 31, 2015 : ₹ 13.33) Crores is current, WCTL- I of ₹ 985.62 (March 31, 2015 : ₹ 998.01) Crores out of which ₹ 157.28 (March 31, 2015 : ₹ 19.96) Crores is current, WCTL- II of ₹ 552.28 (March 31, 2015 : ₹ 556.56) Crores out of which ₹ 90.33 (March 31, 2015: ₹ 11.13) Crores is current, FITL of ₹ 517.15 (March 31, 2015 : ₹ 532.16) Crores out of which ₹ 81.92 (March 31, 2015 : ₹ 10.64) Crores is current as per the CDR package approved by CDR EG and MRA dated December 27, 2013. These loans are having charge on the TRA of the Company and first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters , subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates. These loans are having moratorium period of 2 years from the cutoff date of April 1, 2013 and are repayable in 30 quarterly installments starting from June 30, 2015. Further Land admeasuring 924 acres (approx.) held by one of the step down subsidiary is offered as collateral security for ₹ 394.00 Crores of the Term Loan and shares of subsidiary held by another subsidiary are offered as collateral security for ₹ 213.43 Crores of the Term Loan.
2. Priority Loan of ₹ 2284.14 (March 31, 2015 : ₹ 1,678.17) Crores out of which ₹ 625.16 (March 31, 2015: ₹ 33.94) Crores is current classified as long term borrowings as per the CDR package approved by CDR EG and MRA dated December 27, 2013. These loans are having priority charge on the Trust and Retention Account (TRA) of the company and first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates. These loans are having moratorium period of 2 years from the cutoff date of April 1, 2013 and are repayable in 18 quarterly installments starting from June 30, 2015.

3. Long Term Working Capital Loan of ₹ 432.16 (March 31, 2015 : NIL) Crores, All Non - Current classified as long term borrowings as per proposal appraised by the lead bank, IDBI and respective sanctions of the banks. These loans are having first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates. These loans are having moratorium period of 2 years from the cutoff date of April 1, 2015 and are repayable in 24 quarterly installments starting from June 30, 2017 to March 31, 2023.
4. ₹ 35.41 (March 31, 2015 : ₹ 40.76) Crores, Term Loan availed from Non-CDR lender, out of which ₹ 5.35 (March 31, 2015: ₹ 5.36) Crores is Current is secured by way of mortgage on immovable assets pertaining to solar projects and hypothecation of movable assets both present and future of the solar project of company on first charge basis and is being repaid in 48 quarterly installments ending on September 30, 2023.
5. ₹ 400.35 (March 31, 2015 : ₹ Nil) Crores, Term Loan availed from Non-CDR lender, out of which ₹ 30.81 (March 31, 2015 : ₹ Nil) Crores is Current are secured by way of first Charge on the cash flows, project documents pertaining to the solar projects and all accounts including TRA, DSRA for the solar projects, mortgage on the immovable assets pertaining to the solar power projects and hypothecation of movable assets both present & future of those projects on first charge basis and is being repaid in 82 structured quarterly installments starting from October 1, 2015 and ending on March 31, 2036. Further Land admeasuring 572.29 acres held by one of the associate company and personal guarantee of promoter of the company are offered as collateral security for this Term Loan.
6. ₹ Nil (March 31, 2015 : ₹ 255.39) Crores, Term Loan availed from Non-CDR lender, out of which ₹ Nil (March 31, 2015 : ₹ 22.17) Crores is Current are secured by way of mortgage on the immovable assets pertaining to the solar power projects and hypothecation of movable assets both present & future of those projects on first charge basis.

c) Rupee Term Loans from Financial Institutions*

1. ₹ 63.32 (March 31, 2015 : ₹ 64.29) Crores, out of which ₹ 9.96 (March 31, 2015 : ₹ 1.29) Crores is current, This Loan is having charge on the TRA of the Company and first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates. This loan is having moratorium period of 2 years from the cutoff date i.e. April 1, 2013 and is repayable in 30 structured quarterly installments starting from June 30, 2015.
2. ₹ NIL (March 31, 2015 : ₹ 283.45) Crores, term Loan availed from Non-CDR lender, out of which ₹ NIL (March 31, 2015: ₹ 84.16) Crores is Current were unsecured. However, collateral securities have been provided by way of pledge of shares of a subsidiary held by another subsidiary and also by pledge of shares of the Company held by one of the Promoters.

d) Foreign Currency Term Loans*

1. Foreign Currency Non - Resident (FCNR) Loan from banks of ₹ 432.61 (March 31, 2015: ₹ 416.52) Crores out of which ₹ 66.22 (March 31, 2015 : ₹ 8.33) Crores is current is having first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates. These loans are having moratorium period of 2 years from the cutoff date i.e. April 1, 2013 and are repayable in 30 quarterly installments starting from June 30, 2015.

- e) Other loans and advances are Inter Corporate Loans, Interest free unsecured loan of ₹ NIL (March 31, 2015 : ₹ 152.00) Crores received from Promoter Company as Promoter's contribution as per terms and conditions of CDR package with conversion option into equity and repayable at the end of 10 years after approval of the CDR lenders.**

*Rate of interest on the above borrowings is as per the agreement with the respective banks i.e. bank rate (+/-) spread as applicable.

6 Deferred Tax Liability / (Asset) - Net

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liabilities		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	75.01	75.01
Gross Deferred Tax Liabilities (A)	75.01	75.01
Deferred Tax Assets		
Provision for Employee Benefits, Doubtful Debts and Others	28.00	28.00
Carry Forward Losses as per the Income Tax Act, 1961*	64.76	64.76
Gross Deferred Tax Assets (B)	92.76	92.76
Deferred Tax Liability / (Asset) - Net (A) - (B)	(17.75)	(17.75)

* Based on the existing orders on hand, the Company has recognised Deferred Tax Asset on unabsorbed depreciation relating to previous years.

7 Other Long Term Liabilities

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Trade Payables (including acceptances)		
Total outstanding dues of creditors other than micro enterprises and small enterprises	784.30	821.34
Others		
Advance from Customers	2,893.43	3,209.72
Other Liabilities	1.37	1.04
	3,679.10	4,032.10

8 Provisions

(₹ Crores)

	Long Term		Short Term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provision for Compensated Absences	22.22	19.45	8.81	8.96
Provision for Gratuity	11.53	9.55	4.27	3.46
Provision for Bonus	-	-	0.77	0.11
Provision for Retention Bonus	-	-	2.10	6.39
Provision for Taxation (Net of Advance taxes)	-	-	0.64	0.64
Provision for Lease Equalisation	0.21	0.18	0.31	3.78
	33.96	29.18	16.90	23.34

9 Short Term Borrowings

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Cash Credits and Working Capital Demand Loan from Banks (Secured) (Refer (a) below)	1,116.34	1,071.97
Foreign Currency Loans and Advances		
Secured		
From Banks (Refer (b) below)	127.31	1.04
Loans and Advances from Related Parties (Note No.38)		
Unsecured		
Rupee Loans and Advances (Refer (c) below)	15.00	82.17
	1,258.65	1,155.18

a) Cash Credits and Working Capital Demand Loans from Banks*:-

₹ 1,116.34 (March 31, 2015: ₹ 1,071.97) Crores is having first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge as per the CDR scheme approved by CDR EG. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates.

b)* ₹ 127.31 (March 31, 2015: 1.04) Crores, Foreign Currency Term Loans (Buyers Credit) from banks is secured by hypothecation of movable assets both present and future of the project were having first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge along with pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, company and its step down subsidiaries and associates.

c) Unsecured Loans and Advances includes:-

- i. ₹ 15.00 (March 31, 2015 : ₹ 67.11) Crores, Inter Corporate Loans from one subsidiary bearing interest rate of 13% p.a. to be repayable on or before March 31, 2017. (March 31, 2015 : ₹ 67.11 Crores, Inter Corporate Loans from two subsidiaries bearing interest rate of 13% p.a. and 12% p.a. to be repayable on or before March 31, 2016).
- ii. Interest free unsecured loan of ₹ NIL (March 31, 2015 : ₹ 15.06) Crores from holding company is repayable on or before March 31, 2016 and having an option to lenders to convert in to equity at price to be arrived as per SEBI guidelines.

* Rate of interest on the above borrowings is as per the agreement with the respective banks i.e. bank rate (+/-) spread as applicable

10 Trade Payables

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Trade Payables (including acceptances)		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 44)	3.26	2.50
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,630.79	2,004.78
	2,634.05	2,007.28

11 Other Current Liabilities

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Current maturities of long term borrowings (Refer Note 5)	1171.37	210.31
Interest accrued but not due on borrowings	2.38	5.10
Interest accrued and due on borrowings	221.12	65.50
Advance from Customers	2460.03	4259.77
Advance received against sale of Investments	-	517.00
Taxes Payable	37.31	22.33
Salaries & Other Employee benefits Payable	38.18	37.21
Other Payables#	226.73	662.47
	4157.12	5779.69

#Includes amount of ₹ NIL (March 31, 2015 : ₹ 438.00) Crores payable to one of its subsidiaries pursuant to novation of EPC agreement.

Particulars	Owned Assets								(₹ Crores)
	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures*	Vehicles	Office Equipment	Total	
Gross Block									
As at April 01, 2014	13.42	9.97	72.77	1,200.17	94.12	21.79	57.57	1,469.81	
Additions	-	-	-	14.15	0.15	0.27	0.36	14.93	
Disposals	-	-	1.52	36.60	1.23	1.63	1.34	42.32	
Adjustments									
- Exchange Difference	-	-	-	3.15	-	-	-	3.15	
- Reclassification	-	-	-	0.11	0.01	(0.11)	(0.01)	-	
As at March 31, 2015	13.42	9.97	71.25	1,180.98	93.05	20.32	56.58	1,445.57	
Additions	-	-	14.34	11.03	0.48	0.27	0.81	26.93	
Disposals	-	0.46	8.74	59.21	30.92	3.56	8.69	111.58	
Adjustments									
- Exchange Difference	-	-	-	0.02	-	-	-	0.02	
- Reclassification	-	-	-	-	-	-	0.01	0.01	
As at March 31, 2016	13.42	9.51	76.85	1,132.82	62.61	17.03	48.71	1,360.95	
Depreciation									
As at April 01, 2014	0.74	-	49.92	319.59	37.79	9.48	23.82	441.34	
For the Period	0.47	-	6.90	80.28	10.37	3.28	13.51	114.81	
On Disposals	-	-	1.39	15.19	1.08	0.95	0.87	19.48	
Adjustments									
- Exchange Difference	-	-	-	4.80	-	-	-	4.80	
- Transferred to Retained Earning	-	-	0.02	1.94	0.02	0.03	6.24	8.25	
- Reclassification	-	-	-	0.10	0.01	(0.10)	(0.01)	-	
As at March 31, 2015	1.21	-	55.45	391.52	47.11	11.74	42.69	549.72	
For the Period	0.46	-	5.91	78.35	10.50	2.67	6.58	104.47	
On Disposals	-	-	8.28	30.19	18.32	2.31	7.74	66.85	
Adjustments									
- Exchange Difference	-	-	-	4.80	-	-	-	4.80	
As at March 31, 2016	1.67	-	53.08	444.48	39.29	12.10	41.52	592.14	
Net Block									
As at March 31, 2015	12.21	9.97	15.80	789.46	45.94	8.58	13.89	895.85	
As at March 31, 2016	11.75	9.51	23.77	688.34	23.32	4.93	7.19	768.81	

12.1 * Includes Leasehold Improvements of Gross Block as on April 1, 2014 - ₹ 54.84 Crores, as on March 31, 2015 - ₹ 54.96 Crores, as on March 31, 2016 - ₹ 30.62 Crores and Accumulated Depreciation as on April 1, 2014 - ₹ 21.09 Crores, as on March 31, 2015 - ₹ 27.61 Crores, as on March 31, 2016 - ₹ 20.08 Crores.

12.2 Out of the net block an amount of ₹ NIL (March 31, 2015 : ₹ 19.02) Crores worth of assets are held for sale.

13 Intangible Assets

(₹ Crores)

Particulars	Computer Software
Gross Block	
As at April 01, 2014	31.21
Additions	0.01
Disposals	0.02
As at March 31, 2015	31.20
Additions	0.15
Disposals	0.09
As at March 31, 2016	31.26
Depreciation	
As at April 01, 2014	26.43
For the Period	1.69
On Disposals	0.02
Adjustments:-	
- Transferred to Retained Earnings	0.00
As at March 31, 2015	28.10
For the Period	1.44
On Disposals	0.10
As at March 31, 2016	29.44
Net Block	
As at March 31, 2015	3.10
As at March 31, 2016	1.82

14 Capital Work In Progress

(₹ Crores)

	For the Year Ended March 31, 2016	As at and Up to March 31, 2015
Asset Under Construction	1.34	1.73
Asset Under Construction	1.34	1.73

15 Non Current Investments

(At cost unless otherwise stated)

	As at March 31, 2016 No. Crores	As at March 31, 2015 No. Crores	As at March 31, 2016 ₹ Crores	As at March 31, 2015 ₹ Crores
I Investment in Subsidiary Companies (Unquoted)				
(a) Equity Shares of ₹ 10/- each, fully paid up				
Bhola Electricity Private Limited \$	0.00	0.00	0.01	0.01
Diwakar Solar Projects Limited	23.83	23.83	238.33	238.33
Lanco Devihalli Highways Limited	13.19	13.19	131.94	131.94
Lanco Energy Private Limited	0.31	-	3.09	-
Lanco Hills Technology Park Private Limited	22.20	22.20	222.00	222.00
Lanco Hoskote Highway Limited	14.33	14.33	143.33	143.33
Lanco International Pte Limited #	1.00	1.00	45.66	45.66

	As at March 31, 2016 No. Crores	As at March 31, 2015 No. Crores	As at March 31, 2016 ₹ Crores	As at March 31, 2015 ₹ Crores
Lanco Kanpur Highways Limited	1.00	1.00	10.00	10.00
Lanco Kanpur Power Limited	0.01	-	0.10	-
Lanco Mandakini Hydro Energy Private Limited	0.42	0.42	4.23	4.23
Lanco Power Limited	570.73	564.27	5,710.07	5,645.43
Lanco Resources International Pte Limited #	10.00	10.00	534.16	534.16
Lanco Solar Energy Private Limited	47.84	32.12	632.89	321.23
Lanco Wind Power Private Limited	4.06	4.06	40.62	40.62
Mahatamil Mining and Thermal Energy Limited	0.05	0.05	0.50	0.50
Mercury Projects Private Limited	0.00	0.00	0.01	0.01
National Energy Trading and Services Limited	3.65	3.65	31.17	31.17
Sirajganj Electric (Pvt.) Limited \$	0.00	0.00	0.01	0.01
Tasra Mining & Energy Company Private Limited	0.72	0.51	7.18	5.10
Uranus Projects Private Limited	0.12	0.11	1.20	1.07
Sub Total			7,756.50	7,374.80
# Face Value of USD 1/-				
\$ Face Value of Bangladesh Taka 1000/-				
(b) Preference Shares				
0.01% Redeemable Convertible Cumulative Preference Shares of ₹ 100/- each, fully paid up				
Lanco Hills Technology Park Private Limited	2.00	2.00	200.00	200.00
0.001% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid up				
Arneb Power Private Limited	0.19	0.19	1.91	1.91
Coral Orchids Private Limited	0.04	0.04	0.41	0.41
Cordelia Properties Private Limited	0.01	0.01	0.14	0.14
Cressida Properties Private Limited	0.01	0.01	0.05	0.05
Deimos Properties Private Limited	0.00	0.00	0.01	0.01
Lanco Devihalli Highways Limited	1.40	1.40	14.03	14.03
Mercury Projects Private Limited	20.84	20.84	208.42	208.42
Pearl Farms Private Limited	0.58	0.58	5.82	5.82
Telesto Properties Private Limited	0.40	0.40	3.95	3.95
Uranus Projects Private Limited	1.74	1.74	17.37	17.37
0.001% Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each, fully paid up				
Lanco Kanpur Highways Limited	18.65	18.65	186.50	186.50
Lanco Babandh Power Limited	6.48	-	64.85	-
0.1% Optionally Convertible Preference Shares of ₹ 10/- each, fully paid up				
Mahatamil Mining and Thermal Energy Limited	8.99	8.98	89.92	89.80
0.01% Cumulative Redeemable Preference shares of ₹ 10/- each, fully paid up				
Lanco Solar Energy Private Limited	-	16.00	-	160.00
0.01% Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each, fully paid up				
Lanco Vidarbha Thermal Power Limited	2.82	-	28.24	-
Sub Total			821.62	888.41
(c) Debentures				
0% Convertible Debentures of ₹ 10/- each, fully paid up with redeemable option				
Lanco Devihalli Highways Limited	9.54	8.16	95.42	81.64
Lanco Hills Technology Park Private Limited	82.23	80.48	822.28	804.79
Lanco Hoskote Highway Limited	24.41	22.59	244.15	225.88
Sub Total			1,161.85	1,112.31
Total Investment in Subsidiary Companies			9,739.97	9,375.52

	As at March 31, 2016 No. Crores	As at March 31, 2015 No. Crores	As at March 31, 2016 ₹ Crores	As at March 31, 2015 ₹ Crores
II Trade Investments				
(a) Investment in Equity Shares of ₹ 10/- each, fully paid up				
(i) Investment in Associate Company (Unquoted)				
Ananke Properties Private Limited	0.11	0.10	1.05	1.04
Avior Power Private Limited	0.00	0.00	0.00	0.00
Bay of Bengal Gateway Terminal Private Limited	0.00	0.00	0.01	0.01
Belinda Properties Private Limited	0.10	0.10	1.04	1.04
Bianca Properties Private Limited	0.10	0.10	1.04	1.04
Genting Lanco Power (India) Private Limited	0.05	0.05	2.10	2.10
Mirach Power Private Limited	0.00	0.00	0.00	0.00
Pragdisa Power Private Limited	0.00	0.00	0.00	0.00
Tethys Properties Private Limited	0.10	0.10	1.04	1.04
Vainateya Power Private Limited	0.00	0.00	0.00	0.00
Sub Total			6.28	6.27
(b) Investment in Preference Shares				
(i) Investment in Associate Company (Unquoted)				
0.001% Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each, fully paid up				
Himavat Power Limited	0.19	0.19	1.88	1.88
Mirach Power Limited	0.03	0.03	0.30	0.30
0.001% Optionally Convertible Cumulative Redeemable Preference shares @ ₹ 10/- each, fully paid up				
Ananke Properties Private Limited	3.30	3.30	32.99	32.99
Avior Power Private Limited	0.02	0.02	0.18	0.18
Basava Power Private Limited	0.01	0.01	0.09	0.08
Belinda Properties Private Limited	3.30	3.30	32.98	32.98
Bianca Properties Private Limited	3.30	3.30	32.98	32.98
Mirach Power Private Limited	0.02	0.02	0.18	0.18
Mimas Trading Private Limited	0.00	0.00	0.01	0.01
Regulus Power Private Limited	0.02	0.02	0.22	0.22
Siddheswara Power Private Limited	0.02	0.02	0.15	0.15
Tethys Properties Private Limited	3.30	3.30	32.98	32.98
Vainateya Power Private Limited	1.52	1.52	15.25	15.25
0.01% Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each, fully paid up				
Lanco Vidarbha Thermal Power Limited	-	2.82	-	28.24
(ii) Investment in Other Company (Unquoted)				
6% Optionally Convertible Redeemable Cumulative Preference Shares of ₹ 1/- each, fully paid up				
Clarion Power Corporation Limited	0.25	0.25	0.25	0.25
Rithwik Energy Systems Limited	0.14	0.14	0.14	0.14
0.001% Cumulative Compulsory Convertible Preference Shares of ₹ 10/- each, fully paid up				
Lanco Babandh Power Limited	-	6.48	-	64.85
0.001% Optionally Convertible Cumulative Redeemable Preference shares @ ₹ 10/- each				
Banas Thermal Power Private Limited	0.28	0.28	2.78	2.78
Nekkar Power Private Limited	0.01	0.01	0.08	0.08
0.01% Redeemable Cumulative Convertible Preference Shares @ ₹ 10/- each				
Lanco Horizon Properties Private Limited	7.25	7.25	72.51	72.51
Sub Total			225.95	319.03
Total Trade Investments			232.23	325.30

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	No. Crores	No. Crores	₹ Crores	₹ Crores
III Non Trade Investments				
(a) Investment in Equity Shares of ₹ 10/- each, fully paid up				
Investment in Other Company (Quoted)				
Andhra Bank	0.00	0.00	0.21	0.21
Bank of Baroda (sub divided into ₹ 2/- each)	0.00	0.00	0.17	0.17
Central Bank of India	0.00	0.00	0.02	0.02
Indian Bank	0.00	0.00	0.06	0.06
Power Finance Corporation Limited	0.02	0.02	5.02	5.02
Rural Electrification Corporation Limited	0.00	0.00	0.99	0.99
Sub Total			6.47	6.47
(b) Investment in 9.2% Debentures of ₹ 0.10 Crores each fully paid up (Unquoted)				
Central Bank of India	0.00	0.00	1.00	1.00
			1.00	1.00
(c) Investment in Mutual Funds/ ULIPs/ Insurances (Unquoted)				
Birla Sunlife Insurance Platinum Premier Plan	0.06	0.08	1.15	1.15
Canara HSBC OBC Insurance ISP	0.02	0.02	0.36	0.27
MetLife-Met Smart One	0.00	0.00	0.05	0.05
MetLife-Met Suvidha Non Par Single	-	-	0.30	0.30
SBI Life Insurance Company Ltd	0.02	-	0.06	-
Star Union Dai-Ichi Life Insurance	-	-	1.03	1.03
Sub Total			2.95	2.80
Total Non Trade investment			10.42	10.27
Total Non Current Investments			9,982.62	9,711.09
Provision for Diminution in Value of Investments - (Aggregate Value)			(2.80)	(2.80)
Total Non Current Investments (Net of provision)			9,979.82	9,708.29
Aggregate amount of Quoted Investments			6.47	6.47
Market Value of Quoted Investments			5.85	9.39
Aggregate amount of Non - Quoted Investments			9,973.35	9,701.82
Details of Shares pledged with Banks and Financial Institutions				
Non Current Investments #			As at March 31, 2016	As at March 31, 2015
			No. Crores	No. Crores
Lanco Hoskote Highways Private Limited - Equity Shares			14.33	14.33
Lanco Devihalli Highways Private Limited - Equity Shares			13.19	13.19
Lanco Hills Technology Park Private Limited - Equity Shares			22.20	22.20
Lanco Hills Technology Park Private Limited - Preference Shares			2.00	2.00
Diwakar Solar Projects Limited - Equity Shares			19.18	18.83
Lanco Kanpur Highways Limited - Equity Shares			-	0.29
Lanco Kanpur Highways Limited - Preference Shares			-	5.41
Lanco Resources International PTE Ltd.- Equity Shares			10.00	10.00
Lanco Mandakini Hydro Energy Private Limited - Equity Shares			0.42	0.42
Lanco Vidarbha Thermal Power Ltd - Preference Shares			2.82	2.82

The above shares were pledged with banks and financial institutions who have extended loans and credit facilities to the respective investee companies.

16 Loans and Advances

(₹ Crores)

	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Capital Advances				
Unsecured, Considered Good	0.08	0.08		
	0.08	0.08		
Security Deposit				
Unsecured, Considered Good	14.13	11.92	1.48	1.34
Doubtful	-	-	0.38	0.38
	14.13	11.92	1.86	1.72
Less: Provision for Bad & doubtful Security Deposit	-	-	0.38	0.38
	14.13	11.92	1.48	1.34
Loans & Advances to Related Party (Note No.38) \$				
Unsecured, Considered Good				
Advances for Investment*	0.30	-	-	-
Loans Receivable	493.27	484.31	648.87	686.44
Advances Recoverable in Cash or in kind #				
Unsecured, Considered Good	147.37	523.61	1,614.20	1,739.81
Doubtful	-	-	-	3.40
	640.94	1,007.92	2,263.07	2,429.65
Less: Provision for doubtful Other Loans and Advances	-	-	-	3.40
	640.94	1,007.92	2,263.07	2,426.25
Other Loans & Advances (Unsecured, Considered good otherwise stated)				
Advance Tax (Net of Provision for Tax)	148.22	121.00	-	-
Minimum Alternate Tax Credit Entitlement	23.13	23.13	-	-
Loans and Advances to Employees	-	-	1.90	1.24
Prepaid Expense	-	-	4.95	4.04
Cenvat / Vat / Service Tax Credit Receivable	24.60	31.44	185.48	163.24
Taxes Paid Under protest	4.01	2.89	-	-
Advances Recoverable in Cash or in kind				
Unsecured, Considered Good	380.48	211.53	423.23	424.07
Doubtful	-	-	28.65	16.14
	580.44	389.99	644.21	608.73
Less: Provision for doubtful Other Loans and Advances	-	-	28.65	16.14
	580.44	389.99	615.56	592.59
	1,235.59	1,409.91	2,880.11	3,020.18

Refer Note No. 50

* Amounts paid to related parties and others, towards share application money, to the extent not refunded/allotted, have been considered as advances for investment and will be adjusted on allotment.

\$ Loans & Advances due by the Firms or Private Company in which any directors is director, Partner or Member

(₹ Crores)

	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Vainateya Power Private Limited	-	-	-	1.34
Lanco Kerala Seaports Private Limited	-	-	-	0.00
Lanco Transport Network Company Private Limited	-	-	-	0.00
Lanco Horizon Properties Private Limited	-	-	0.02	0.02
	-	-	0.02	1.36

17 Trade Receivables And Other Assets

(₹ Crores)

	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
17.1 Trade Receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, Considered Good			262.64	324.71
Doubtful			10.29	10.29
			272.93	335.00
Less : Allowance for Bad & Doubtful Debts			10.29	10.29
			262.64	324.71
Other Receivable				
Unsecured, Considered Good	411.31	712.57	1,900.10	1,120.82
Sub Total (A)	411.31	712.57	2,162.74	1,445.53
17.2 Other Assets				
Non Current Bank Deposits (as per Note 20)	11.03	6.11		
Interest Accrued on Deposits / Inter Corporate Loans			93.08	132.79
Others (Including contract claims)			14.49	126.66
Sub Total (B)	11.03	6.11	107.57	259.45
Total (A + B)	422.34	718.68	2,270.31	1,704.98

18 Current Investments

(₹ Crores)

	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(a) Investment in Equity Instruments (Unquoted)				
(I) Investment in Subsidiary Companies (Unquoted)				
(a) Equity Shares of ₹ 10/- each, fully paid up				
Udupi Power Corporation Limited	-	2.25	-	19.61
Sub Total			-	19.61
(b) Preference Shares				
(i) Investment in Subsidiary Companies				
1% Cumulative Compulsory Convertible Redeemable Preference Shares @ ₹ 10 each, fully paid up				
Udupi Power Corporation Limited	-	123.42	-	1,234.15
Sub Total			-	1,234.15
Total Current Investments			-	1,253.76
Aggregate amount of Non - Quoted Investments			-	1,253.76
Details of Shares pledged with Banks and Financial Institutions				
			As at March 31, 2016	As at March 31, 2015
			No. Crores	No. Crores
Current Investments #				
Udupi Power Corporation Limited - Equity Shares			-	2.25
Udupi Power Corporation Limited - Preference Shares			-	123.42

The above shares were pledged with banks and financial institutions who have extended loans and credit facilities to the respective investee companies.

19 Inventories

(At lower of cost and net realisable value unless otherwise stated)

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Raw Materials	127.33	85.95
Construction Work In Progress (WIP)	1,259.64	1,327.38
Consumables, Stores and Spares	16.26	13.31
	1,403.23	1,426.64
Details of Closing Inventory - Raw Materials		
Steel	72.20	48.30
Materials	48.54	34.62
Semi Finished Goods	0.01	0.33
Others	6.58	2.70
	127.33	85.95

20 Cash and Bank Balance

(₹ Crores)

	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents				
Balances with Banks				
- On Current Accounts			24.83	298.71
- On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)			-	4.90
Cash on Hand			0.06	0.07
			24.89	303.68
Other Bank Balances				
On Deposit Accounts				
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit			-	3.52
Having Maturity more than 12 Months from date of deposit	7.35	2.46	26.97	-
On Margin Money Deposit Accounts*	3.68	3.65	13.52	22.45
	11.03	6.11	40.49	25.97
Amount disclosed under non Current assets (Note 17.2)	(11.03)	(6.11)	-	-
	-	-	65.38	329.65

*The Margin Money Deposits are towards Letter of Credit and Bank Guarantees given by the bankers on behalf of the Company.

21 Revenue From Operations

(₹ Crores)

		For the year ended March 31, 2016	For the year ended March 31, 2015
Contract Operations	(A)	2,370.47	1,253.22
Sale of Services			
Management Consultancy		73.52	47.03
	(B)	73.52	47.03
Sale of Products			
Electrical Energy		77.59	77.08
Steel and Other Goods		147.51	11.50
	(C)	225.10	88.58
Other Operating Revenue			
Revenue from Hiring of Equipment / Machinery		0.27	1.16
Scrap Sales		1.98	5.53
	(D)	2.25	6.69
Net Revenue from Operations	(A+B+C+D)	2,671.34	1,395.52

22 Other Income

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income on		
Deposits and Margin money	6.29	2.91
Loans Receivable	35.16	110.98
Long Term Investments	0.09	0.09
Others	4.92	6.59
Dividend Income on		
Long Term Investments	0.44	3.92
Net Gain on sale of		
Long Term Investments	13.30	-
Other Non-Operating Income		
Insurance Claims Received / Receivable	1.91	4.16
Liabilities and Provisions no longer required written back	9.33	0.79
Rental Income	0.46	0.73
Miscellaneous Income	1.70	5.02
	73.60	135.19

23 Cost of Materials Consumed

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Construction Material Consumed	1,318.06	764.67
	1,318.06	764.67

24 Purchase Of Traded Goods

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Steel and Other Goods	143.39	-
	143.39	-

25 Construction and Site Expenses

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Equipment / Machinery Hire charges	16.19	9.65
Repairs, Operations and Maintenance	16.21	7.25
Consumption of Stores and Spares	11.79	3.94
Insurance	16.76	12.66
Electricity	13.37	10.13
Security Charges	12.36	8.87
Others	20.23	18.27
	106.91	70.77

26 (Increase) / Decrease in Construction Work in Progress (WIP)

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Construction Work in Progress (WIP)		
WIP at the beginning of the period	1,327.38	1,331.03
Less : WIP at the end of the period	1,259.64	1,327.38
(Increase) / Decrease in WIP	67.74	3.65

27 Employee Benefits Expense

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, allowances and benefits to employees	184.01	159.94
Contribution to provident fund and other funds	10.75	8.82
Employee Stock Option Charge	0.33	3.33
Recruitment and training	1.74	1.21
Staff welfare expenses	8.87	8.21
	205.70	181.51

28 Other Expenses

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent, Rates & Taxes	24.58	22.52
Repairs and Maintenance:		
Office Building	0.48	-
Others	3.20	1.77
Office maintenance	5.12	4.10
Insurance	0.12	0.11
Printing and stationery	0.92	0.80
Consultancy and other professional charges	10.89	10.47
Directors sitting fee	0.24	0.11
Electricity charges	4.76	4.12
Net (Gain) / Loss on Foreign Exchange Fluctuations	(110.10)	23.29
Remuneration to auditors (As Auditor):		
Audit Fee	0.80	0.80
Tax audit fees	0.06	0.05
Reimbursement of expenses to Auditors	0.11	0.08
Travelling and conveyance	15.11	13.81
Communication expenses	2.82	2.88
Net Loss on Sale/ Write off of fixed assets	0.55	27.03
Provision for Advances / claims / debts	23.39	18.51
Business Promotion and Advertisement	1.31	2.31
Miscellaneous expenses	1.44	0.55
	(14.20)	133.31
Less: Recovery of Common Expenses	8.37	7.69
	(22.57)	125.62

29 Finance Cost

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest	887.85	705.15
Other Borrowing Cost	37.36	67.16
	925.21	772.31

30 Depreciation And Amortisation Expense

(₹ Crores)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation on Tangible Assets	109.27	119.59
Amortisation on Intangible Assets	1.44	1.69
	110.71	121.28

31 Exceptional Items

Exceptional item of ₹ 84.62 Crores for the year ended March 31, 2016 is on sale of investments in a step down subsidiary.

Exceptional item of ₹ 99.75 Crores for the year ended March 31, 2015 includes profit on sale of external long term investments ₹ 73.30 Crores and reversal of excess provisions made in previous years for ₹ 26.45 Crores.

32 Earning Per Share (EPS)

(₹ Crores)

		March 31, 2016	March 31, 2015
Net Profit/(Loss) for calculation of basic EPS	(A)	(445.00)	(672.23)
Net Profit as above		(445.00)	(672.23)
Add : Interest on Loan convertible into equity shares		368.81	323.42
Net Profit / (Loss) for calculation of diluted EPS	(B)	(76.19)	(348.81)
Weighted average number of Equity Shares for Basic EPS	(C)	256.70	237.51
Effect of dilution :			
Stock options under ESOP*		0.29	0.19
Convertible loan into equity shares*		566.14	500.10
Weighted Average number of Equity shares for Diluted EPS	(D)	823.13	737.80
Basic EPS on the basis of Total Operations	(A) / (C)	(1.73)	(2.83)
Diluted EPS on the basis of Total Operations*	(B) / (D)	(1.73)	(2.83)

*Diluted EPS when anti dilutive is restricted to basic EPS.

33 Disclosure pursuant to Accounting Standard 7 (Revised) –“Construction Contracts”

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Amount of contract revenue recognised as revenue during the period	2,370.47	1,253.22
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date (includes foreseeable losses)	24,883.95	30,051.24
Amount of customer advances outstanding for contracts in progress	5,195.67	6,554.21
Retention amount due from customers for contracts in progress	1,218.14	1,525.21
Gross amount due from customers for contract works as an asset	1,248.64	1,508.17
Gross amount due to customers for contract works as a liability	41.39	53.44

34 Employee Benefits**Defined Benefit Plans**

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary for each completed year of service subject to a maximum of ₹ 0.15 Crores. The plan for the same is unfunded.

(₹ Crores)

	Gratuity	
	As at March 31, 2016	As at March 31, 2015
Net Employee benefit expense recognized in the employee cost		
Current service cost	2.35	2.01
Interest cost on benefit obligation	1.04	0.86
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	0.41	0.22
Net benefit expense	3.80	3.09
Balance Sheet		
Benefit asset/liability		
Present value of defined benefit obligation	15.80	13.01
Fair value of plan assets	-	-
Plan asset / (liability)	(15.80)	(13.01)
(Assets) / Liability recognized in the balance sheet		
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	13.01	9.73
Current service cost	2.35	2.01
Interest cost	1.04	0.86
Actuarial (gain) / loss on obligation	0.41	0.22
Benefit transferred in	1.06	2.11
Benefit transferred Out	(0.64)	(0.56)
Benefits paid	(1.43)	(1.36)
Closing defined benefit obligation	15.80	13.01
Assumptions		
Discount Rate (%)	7.50	8.00
Attrition Rate	19.00	19.00
Expected rate of salary increase (%)	6.00	6.00
Expected Average Remaining Service (years)	22.24	22.02
Expected Average Remaining Service/ MW (years)	3.98	3.97

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts of Defined benefit plan for the current and previous four periods are as follows

(₹ Crores)

	Present value of Defined benefit obligation	Surplus / (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
March 31, 2016	15.80	(15.80)	(0.08)	-
March 31, 2015	13.01	(13.01)	0.20	-
March 31, 2014	9.73	(9.73)	0.62	-
March 31, 2013	9.96	(9.96)	1.35	-
March 31, 2012	11.95	(11.95)	1.11	-

Defined Contribution Plans

In respect of the defined contribution plan (Provident Fund), an amount of ₹ 6.85 (March 31, 2015: ₹ 5.65) Crores has been recognized as expenditure in the Statement of Profit and Loss.

In respect of the State Plans (Employee State Insurance), an amount of ₹ NIL (March 31, 2015: ₹ 0.00078) Crores has been recognized as expenditure in the Statement of Profit and Loss.

Other Employee Benefits

During the year the Company has provided / (reversed) retention bonus of ₹ (1.73) (March 31, 2015: ₹ 0.30) Crores.

The provision for compensated absences as per actuarial valuation as at March 31, 2016 is ₹ 31.03 (March 31, 2015 is ₹ 28.41) Crores.

35 Employee Stock Option Scheme

The Company has till March 31, 2016 allotted 1.11 (March 31, 2015: 1.11) Crores equity shares of ₹ 10 each to LCL Foundation (ESOP - Trust) towards the Employee Stock Option Plan 2006 (The plan) which was formulated by the Company. The plan provides for grant of stock options of equity shares of the Company to employees of the Company and its subsidiaries subject to continued employment with the Company or group.

Each option comprises of one equity share which will vest on annual basis at 20% each over five years and shall be capable of being exercised within a period of ten years from the date of first annual vesting.

Each option granted under the above plans entitles the holder to one equity share of the Company at an exercise price, which is approved by the compensation committee.

The plan is in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999.

Consequent to the splitting of Equity Share of ₹ 10 each into 10 equity shares of ₹ 1 each in the year 2009-10, the number of shares allotted to the trust and the options granted, forfeited, exercised are disclosed at ₹ 1 each.

A summary of the status of the Company's plan is given below:

	March 31, 2016		March 31, 2015	
	No. Crores	Weighted Average Exercise Price (₹)	No. Crores	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	0.51	0.24	0.65	0.24
Granted during the year	-	-	-	-
Forfeited during the year	(0.10)	-	(0.06)	-
Exercised during the year	(0.10)	0.24	(0.08)	0.24
Expired during the year	-	-	-	-
Outstanding at the end of the year	0.31	0.24	0.51	0.24
Exercisable at the end of the year	0.31	0.24	0.42	0.24

The weighted average share price for the period over which stock options were exercised was ₹ 5.61 (March 31, 2015 ₹ 6.26).

The details of exercise price for stock options outstanding at the end of the year are:

Grant No. (Grant Date)	March 31, 2016			
	Range of Exercise Price (₹)	Number of Options outstanding (Crores)	Weighted average remaining contractual life of options (in years)	Weighted Average Exercise Price (₹)
Grant 1 (24.06.2006)	0.24	0.00	-	0.24
Grant 2 (02.07.2007)	0.24	0.06	-	0.24
Grant 3 (26.09.2007)	0.24	0.01	-	0.24
Grant 4 (24.04.2008)	0.24	0.03	-	0.24
Grant 5 (04.07.2008)	0.24	0.02	-	0.24

Grant No. (Grant Date)	March 31, 2016			
	Range of Exercise Price (₹)	Number of Options outstanding (Crores)	Weighted average remaining contractual life of options (in years)	Weighted Average Exercise Price (₹)
Grant 6 (01.11.2008)	0.24	0.00	-	0.24
Grant 7 (19.02.2009)	0.24	0.01	-	0.24
Grant 8 (29.07.2009)	0.24	0.05	-	0.24
Grant 9 (27.01.2010)	0.24	0.02	-	0.24
Grant 10 (30.04.2010)	0.24	0.01	0.08	0.24
Grant 11 (13.08.2010)	0.24	0.10	0.37	0.24
Grant 12 (12.11.2010)	0.24	0.00	0.62	0.24
		0.31		

Grant No. (Grant Date)	March 31, 2015			
	Range of Exercise Price (₹)	Number of Options outstanding (Crores)	Weighted average remaining contractual life of options (in years)	Weighted Average Exercise Price (₹)
Grant 1 (24.06.2006)	0.24	0.00	-	0.24
Grant 2 (02.07.2007)	0.24	0.10	-	0.24
Grant 3 (26.09.2007)	0.24	0.01	-	0.24
Grant 4 (24.04.2008)	0.24	0.04	-	0.24
Grant 5 (04.07.2008)	0.24	0.08	-	0.24
Grant 6 (01.11.2008)	0.24	0.00	-	0.24
Grant 7 (19.02.2009)	0.24	0.01	-	0.24
Grant 8 (29.07.2009)	0.24	0.07	0.33	0.24
Grant 9 (27.01.2010)	0.24	0.02	0.83	0.24
Grant 10 (30.04.2010)	0.24	0.02	1.08	0.24
Grant 11 (13.08.2010)	0.24	0.15	1.37	0.24
Grant 12 (12.11.2010)	0.24	0.01	1.62	0.24
		0.51		

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of previous closing price of underlying equity shares on the date of the grant of options over the exercise price of the options given to employees under the employee stock option schemes of the Company and is recognised as deferred stock compensation cost and is amortised on a straight line basis over the vesting period of the options. Company is using Black Sholes Model for calculating fair values of ESOP granted for determining impact of the fair value method of accounting of employee compensation in financial statement, the impact on net income and earnings per share is provided below:

Particulars	March 31, 2016	March 31, 2015
Net Income - As reported	₹ Crores (445.00)	(672.23)
Add: ESOP Cost under Intrinsic Value Method	₹ Crores 0.33	3.33
Less : ESOP Cost under Fair Value Method (Black Sholes)	₹ Crores 0.36	3.34
Net Income – Proforma	₹ Crores (445.03)	(672.24)
Basic Earnings per Share:		
As reported	(1.73)	(2.83)
Proforma	(1.73)	(2.83)
Diluted Earnings per Share:		
As reported	(1.73)	(2.83)
Proforma	(1.73)	(2.83)

36 Leases

Operating Lease : Company as lessee

The Company has entered into certain cancellable and non-cancellable operating lease agreements mainly for office premises. The lease rentals charged during the year and maximum obligations on long term non-cancellable operating lease payable as per the agreements are as follows :

(₹ Crores)

Particulars	March 31, 2016	March 31, 2015
Lease rentals charged during the year		
Lease rentals charged during the year - Under Cancellable Leases	6.97	12.96
Lease rentals charged during the year - Under Non-Cancellable Leases	-	-
Future minimum lease payments under Non Cancellable Leases - not later than one year	-	-

37 Segment Reporting

Segment information under Accounting Standard- 17 "Segment Reporting" has not been presented in these financial statements as the same has been presented in the Consolidated Financial Statements of the Company.

38 Related Party Transactions

a) Names of Related Parties and description of relationship.

i. Names of related parties by or over which control exists

S.No	Holding Company
1	Lanco Group Limited (LGL)

S. No.	Subsidiary Companies
1	Amrutha Power Private Limited (APPL)
2	Arneb Power Private Limited (ArPPL)
3	Bhanu Solar Projects Private Limited (BSPPL)
4	Bhola Electricity (Pvt) Limited (BEPL)
5	Carpenter Mine Management PTY Ltd
6	Coral Orchids Private Limited (COPL)
7	Cordelia Properties Private Limited
8	Cressida Properties Private Limited
9	Deimos Properties Private Limited (DPPL)
10	Dione Properties Private Limited
11	Diwakar Solar Projects Limited (DSPL)
12	Emerald Orchids Private Limited
13	Green Solar SRL
14	Helene Power Private Limited
15	JH Patel Power Project Private Limited (JhPL)
16	Jupiter Infratech Private Limited (JIPL)
17	Khaya Solar Projects Private Limited (KSPPL)
18	Lanco Amarkantak Power Limited (LAPL)
19	Lanco Anpara Power Limited (LANPL)
20	Lanco Babandh Power Limited (LBPL) (from 03.06.2015)
21	Lanco Devihalli Highways Limited (LDHL)
22	Lanco Enterprise Pte. Ltd, China (LEPL)
23	Lanco Hills Technology Park Private Limited (LHTPPL)
24	Lanco Holding Netherlands B.V
25	Lanco Hoskote Highway Limited (LHHL)
26	Lanco Hydro Power Limited (LHPL)
27	Lanco Infratech (Mauritius) Limited (LIML)
28	Lanco Infratech Nepal Private Limited
29	Lanco International Pte Limited (LIPL)
30	Lanco IT P.V. Investments B. V.
31	Lanco Kanpur Highways Limited (LKHL)
32	Lanco Kanpur Power Limited (LKAPL)
33	Lanco Kondapalli Power Limited (LKPL)
34	Lanco Mandakini Hydro Energy Private Limited (LMHEPL)
35	Lanco Power International Pte. Limited (LPIPL)
36	Lanco Power Limited (LPL)
37	Lanco Rambara Hydro Power Private Limited
38	Lanco Resources Australia Pty. Limited (LRAPL)
39	Lanco Resources International Pte. Limited (LRIPL)
40	Lanco Solar Energy Private Limited (LSEPL)
41	Lanco Property Management Company Pvt. Ltd. (LPMCPL) (from 30.05.2015)
42	Lanco Solar Holding Netherlands B.V.
43	Lanco Solar International Limited (LSIL)
44	Lanco Solar International Pte Limited (LSIPL)
45	Lanco Solar International USA Inc.
46	Lanco Solar Power Projects Private Limited (LSPPL)

S. No.	Subsidiary Companies		
47	Lanco Solar Private Limited (LSPL)	65	Orion Solar Projects Private Limited
48	Lanco Solar Services Private Limited (LSSPL)	66	P. T Lanco Indonesia Energy (LInE)
49	Lanco SP P.V. Investments B.V. (till 25.11.2014)	67	Pasiphae Power Private Limited
50	Lanco Tanjore Power Company Limited (LTPCL)	68	Pearl Farms Private Limited (PFPL)
51	Lanco Teesta Hydro Power Limited (LTHPL) (till 19.10.2015)	69	Portia Properties Private Limited (PPPL)
52	Lanco Thermal Power Limited (LTPL)	70	Sabitha Solar Projects Private Limited
53	Lanco US P. V. Investments B. V. (till 09.01.2015)	71	Sirajganj Electric (Pvt.) Limited (SEPL)
54	Lanco Vidarbha Thermal Power Limited (LVTPL) (from 06.06.2015)	72	Spire Rotor Private Limited (SRPL)
55	Lanco Wind Power Private Limited (LWPPL)	73	Tasra Mining & Energy Company Private Limited (TMECPL)
56	LE New York - LLC	74	Telesto Properties Private Limited (TePPL)
57	Leda Properties Private Limited (LPPL)	75	The Griffin Coal Mining Company Pty Ltd (GCMCPL)
58	Mahatamil Mining and Thermal Energy Limited (MMTEL)	76	Thebe Properties Private Limited (ThPPL)
59	Mercury Projects Private Limited (MPPL)	77	Udupi Power Corporation Limited (UPCL) (till 20th April 2015)
60	National Energy Trading and Services Limited (NETS)	78	Uranus Infratech Private Limited (UIPL)
61	Neptune Projects Private Limited (NPPL)	79	Uranus Projects Private Limited (UPPL)
62	Newton Solar Private Limited (NSPL) (from 28.03.2016)	80	Western Australia Coal Terminal Pty. Ltd
63	Nix Properties Private Limited	81	Lanco Energy Private Limited (LEPL) (from 24.10.2015)
64	Omega Solar Projects Private Limited (till 14.03.2016)		

ii. Name of other related parties with whom transactions were carried out

S.No.	Fellow Subsidiary
1	Lanco Babandh Power Limited (LBPL) (till 02.06.2015)

S.No.	Enterprises where Significant Influence Exists		
1	Ananke Properties Private Limited (AnPPL)	14	Lanco Vidarbha Thermal Power Limited (LVTPL) (till 05.06.2015)
2	Avior Power Private Limited (AvPPL)	15	Mimas Trading Private Limited (MTPL)
3	Basava Power Private Limited (BPPL)	16	Mirach Power Limited (MiPL)
4	Bay of Bengal Gateway Terminal Private Limited (BBGTPL)	17	Newton Solar Private Limited (NSPL) (till 27.03.2016)
5	Belinda Properties Private Limited (BePPL)	18	Phoebe Trading Private Limited (PTPL)
6	Bianca Properties Private Limited (BiPPL)	19	Pragdisa Power Private Limited (PrPPL)
7	Charon Trading Private Limited (CTPL)	20	Regulus Power Private Limited (RPPL)
8	DDE Renewable Energy Private Limited (DREPL)	21	Saidham Overseas Private Limited (SOPL)
9	Electromech Maritech Private Limited (EMPL)	22	Siddheswara Power Private Limited
10	Finehope Allied Engg. Private Limited (FAEPL)	23	Tethys Properties Private Limited (TPPL)
11	Genting Lanco Power (India) Limited	24	Vainateya Power Private Limited (VPPL)
12	Himavat Power Limited (HPL)	25	Vasavi Solar Power Private Limited (VSPPL)
13	KVK Energy Ventures Private Limited (KEVPL)	26	Lanco Teesta Hydro Power Limited (LTHPL) (from 20.10.2015)

S.No	Key Management Personnel		
1	Sri L. Madhusudhan Rao (Chairman) (LMR)	3	Mr. S. C. Manocha (Whole Time Director) (SCM) (till 15.03.2016)
2	Sri G. Bhaskara Rao (Vice Chairman) (GBR)	4	Sri G. Venkatesh Babu (Managing Director) (GVB)

S.No	Relatives of Key Management Personnel		
1	Sri L. Sridhar (Brother of LMR) (LS)	4	Smt. L. Sirisha (Spouse of LS) (LSi)
2	Smt L. Rajya Lakshmi (Spouse of LMR) (LRL)	5	Sri G. Avinash (Son of GBR) (GA)
3	Smt. G. Padmavathi (Spouse of GBR) (GP)		

S.No	Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
1	Chatari Hydro Power Private Limited (CaPTL)	7	Lanco Foundation (LF)
2	Cygnus Solar Projects Private Limited (Csppl)	8	Lanco Horizon Properties Private Limited (LHrPPL)
3	Himachal Hydro Power Private Limited (HHPPL)	9	Lanco Rani Joint Venture (LR)
4	Lanco Bay Technology Park Private Limited (LBTPPL)	10	LCL Foundation (LCL)
5	Lanco Kerala Seaports Private Limited (LKSPL)	11	Ravi Hydro Electric Private Limited (RHEPL)
6	Lanco Transport Network Company Private Limited (LTNCPL)	12	Nekkar Power Private Limited (NePPL)

b) Summary of transactions with related parties are as follows:

(₹ Crores)

Nature of Transaction	For the Year Ended March 31, 2016													
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Rent Received			LTPCL	0.20										
Contract Services Rendered			LBPL	642.14			LTHPL	6.39						
			LAPL	395.81										
			LAnPL	200.24										
			Others	449.32										
				1,687.51				6.39						
Contract Services/ Shared Services Provided/ (Availed)			LPL	2.28			HPL	0.28						
			LSEPL	1.00			LTHPL	0.20						
			LAPL	0.85										
			LAnPL	0.85										
			Others	2.88										
				7.86				0.48						
Interest Received on Intercompany Loans			LRPL	28.20										
			Others	6.96										
				35.16										
Interest Paid on Intercompany Loans			LAnPL	3.35										
			NETS	2.85										
				6.20										

Nature of Transaction	For the Year Ended March 31, 2016													
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Interest on Mobilisation Advance - Paid/(Received)			LAPL	13.64										
			LAnPL	8.18										
			MPPL	(3.03)										
				18.79										
Managerial Remuneration									GVB	3.85				
									SCM	2.26				
									GBR	0.60				
									LMR	0.60				
										7.31				
Employee Cost											GA	0.37		
Sitting Fee											LS	0.02		
Purchase /(Sale) of Shares			LHPL	(25.00)			PrPPL	3.08	GBR	0.01	LRL	0.01		
			NETS	(55.46)					LMR	0.01	GP	0.01		
			LTPL	(89.11)							LSi	0.01		
											LS	0.01		
				(169.57)				3.08		0.02		0.04		
Investment in Debentures			LHHL	18.27										
			LHTPPL	17.50										
			LDHL	13.78										
				49.55										
Share Application Money Paid during the year			LSEPL	193.83			AnPPL	0.01						
			LVTPL	70.25			BPPL	0.01						
			LPL	64.65										
			Others	27.73										
				356.46				0.02						
Management Consultancy Fee Charged			LTPL	34.62			LTHPL	1.34						
			LAnPL	14.40										
			LAPL	7.20										
			Others	15.95										
				72.17				1.34						
Work Contract Expenses			LInPL	659.67										
Operation & Maintenance Expenses			LSSPL	3.51										
			LTHPL	0.12										
				3.63										
Claims Recovered			LTPL	83.54										
			PPPL	42.47										
				126.01										

Nature of Transaction	For the Year Ended March 31, 2016													
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Receipts/Payments/Adjustments (Net)+(-)			LSEPL	206.88			HPL	271.69	GVB	(0.01)			LF	0.01
			LSPL	(150.50)			Others	0.46	SCM	0.01			Others	0.00
			LAPL	(173.75)										
			LVTPL	(175.73)										
			UPCL	(291.56)										
			LBPL	(328.52)										
			LTPL	(445.66)										
			Others	(264.16)										
				(1,623.00)				272.15		0.00				0.01
Purchase of Goods/Power			MPPL	35.37										
			LSEPL	29.66										
			LHTPPL	2.57										
				67.60										
Sale of Goods/Power			MPPL	106.18										
			LSEPL	0.95										
				107.13										
Inter Corporate Loans given/(refunded)/(Conversion into investment) during the year			LHTPPL	7.26										
			LWPPL	0.09										
			LAPL	(17.00)										
			LSEPL	(46.77)										
				(56.42)										
Inter Corporate Loans (taken)/Repaid/Conversion into Equity during the year	LGL	167.06	LAnPL	45.00										
			NETS	7.11										
		167.06		52.11										
Purchase of Fixed Assets			LSEPL	0.16										
			Others	0.02										
				0.18										
Sale of Fixed Assets			LHTPPL	10.47										
			Others	0.02										
				10.49										
Debts Outstanding in respect of Corporate Guarantee Given to Bank/FI on Behalf of Related Parties			LAPL	7,639.80			SOPL	48.11						
			LRIPL	5,837.30			DREPL	40.25						
			LBPL	5,131.62			VSPPL	28.44						
			LVTPL	3,777.24			FAEPL	28.44						
			LKPL	3,431.26			EMPL	25.52						
			Others	2,410.78										
				28,228.00				170.76						

(₹ Crores)

Nature of Transaction	For the Year Ended March 31, 2016													
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Outstanding Bank Guarantee given to beneficiaries on behalf of Related Parties			LSEPL	530.41			HPL	99.10						
			LBPL	212.03										
			LAPL	184.17										
			LANPL	129.10										
			Others	123.36										
				1,179.06				99.10						
Balance Receivable at the year end-Share Application Money			TMECP	0.30									CaPTL	0.03
Balance Receivable at the year end-Inter Corporate Loans			LRPL	493.27										
			LTPL	293.96										
			LHPL	196.19										
			Others	158.72										
				1,142.14										
Balance Receivable at the year end-OTHERS (Trade Receivables and Other Receivables)			LTPL	979.19			LTHPL	113.30					LR	11.57
			LAPL	444.37			HPL	3.67					Others	0.55
			LBPL	429.93			VPPL	1.34						
			LInPL	321.32										
			Others	874.23										
				3,049.04				118.31						12.12
Balance Payable at the year end-Inter Corporate Loans			NETS	15.00										
Balance Payable at the year end-OTHERS			LBPL	1,506.49			HPL	223.69	GVB	0.02			LR	0.89
			LInPL	1,180.16			LTHPL	172.79					LF	0.17
			LAPL	1,094.03			Others	187.24					LCL	0.14
			LVTPL	919.49									LHrPPL	0.07
			Others	954.32										
				5,654.49				583.72		0.02				1.27

b) Summary of transactions with related parties are as follows:

(₹ Crores)

Nature of Transaction	For the Year Ended March 31, 2015													
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Rent Received			LTPCL	0.20										
Contract Services Rendered			UPCL	51.01									LF	0.46
			LSEPL	42.66										
			LHTPPL	18.05										
			Others	47.68										
				159.40										0.46
Contract Services / Shared Services Provided/(Avalied)			LAPL	1.10	LBPL	1.10	HPL	0.55						
			LAnPL	1.10										
			LPL	1.10										
			LTHPL	0.62										
			Others	2.12										
				6.04		1.10		0.55						
Interest Received on Intercompany Loans			LHTPPL	78.51										
			LRPL	16.21										
			LHHL	11.34										
			LDHL	3.79										
			LSEPL	0.59										
			LSPL	0.54										
				110.98										
Interest Paid on Intercompany Loans			UPCL	32.10										
			LAnPL	5.40										
			LSEPL	3.70										
			NETS	3.63										
				44.83										
Managerial Remuneration									GVB	4.20				
									SCM	2.23				
									GBR	0.88				
									LMR	0.81				
										8.12				
Sitting Fee											LS	0.01		
Purchase /(Sale) of Shares			LTPL	1,050.07			AnPPL	46.85						
			LHPL	(26.95)			BiPPL	46.85						
			LSEPL	(42.30)			TPPL	46.85						
							BePPL	38.50						
							AvPPL	0.01						
				980.82				179.06						

(₹ Crores)

Nature of Transaction	For the Year Ended March 31, 2015													
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Share Application Money Paid during the year			LPL	67.96	LBPL	93.04	LVTPL	85.94						
			LAPL	48.00			Others	1.39						
			LSPL	42.30										
			LMHEPL	31.18										
			Others	17.23										
				206.67		93.04		87.33						
Share Application Money Refunded during the year			TMECPL	2.50			LVTPL	11.72						
Management Consultancy Fee Charged			LAnPL	14.40										
			UPCL	14.40										
			LAPL	7.20										
			Others	11.03										
				47.03										
Work Contract Expenses			LInPL	277.51										
Operation & Maintenance Expenses			LSSPL	3.30										
Receipts/Payments/Adjustments (Net)+(-)			UPCL	1,163.80	LBPL	(165.31)	HPL	261.05	GVB	(0.01)			LF	(0.60)
			LInPL	286.00			PTPL	0.05	SCM	(0.01)			LR	(2.44)
			LHTPPL	187.38			LVTPL	(72.83)					Others	(0.79)
			LHHL	114.85										
			LDHL	93.28										
			LMHEPL	(90.47)										
			LHPL	(97.30)										
			LSPL	(107.71)										
			LAPL	(220.43)										
			LAnPL	(229.47)										
			LTPL	(274.39)										
			Others	78.76										
				904.30		(165.31)		188.27		(0.02)				(3.83)
Purchase of Goods/Power			LSEPL	1.72										
			LSSPL	0.12										
				1.84										
Inter Corporate Loans given/(refunded) during the period			LTPL	293.96										
			LRIPL	246.28										
			LHTPPL	177.13										
			Others	69.88										
				787.25										

Nature of Transaction	For the Year Ended March 31, 2015													
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Inter Corporate Loans (taken)/ Repaid during the period	LGL	(15.06)	UPCL	309.44										
			LSEPL	68.88										
			NETS	2.16										
		(15.06)		380.48										
Purchase of Fixed Assets			LPL	0.18	LBPL	0.01	HPL	0.01						
			LSSPL	0.16										
			Others	0.02										
				0.36		0.01		0.01						
Sale of Fixed Assets			LAnPL	0.08										
			LDHL	0.07										
				0.15										
Debts Outstanding in respect of Corporate Guarantee Given to Bank/FI on Behalf of Related Parties			LR IPL	4,678.66	LBPL	4,064.65	HPL	262.50						
			UPCL	3,944.77			Others	264.26						
			Others	3,614.89										
				12,238.32		4,064.65		526.76						
Outstanding Bank Guarantee given to beneficiaries on behalf of Related Parties	LGL	22.17	LSEPL	488.67	LBPL	218.55	HPL	99.10						
			LAPL	227.82			LVTPL	39.75						
			LANPL	129.10										
			Others	185.94										
		22.17		1,031.52		218.55		138.85						
Balance Receivable at the year end-Share Application Money													CaPTL	0.03
														0.03
Balance Receivable at the year end-Inter Corporate Loans			LR IPL	465.44										
			LTPL	293.96										
			LHPL	196.19										
			LPL	112.08										
			Others	103.08										
				1,170.75										
Balance Receivable at the year end-OTHERS (Trade Receivables and Other Receivables)			LTPL	1,217.44	LBPL	208.95	LVTPL	53.30					LR	11.57
			LInPL	576.66			Others	3.91					Others	0.54
			LAPL	410.34										
			Others	907.39										
				3,111.83		208.95		57.21						12.11
Balance Payable at the year end-Inter Corporate Loans	LGL	167.06	LAnPL	45.00										
			NETS	22.11										
		167.06		67.11										

(₹ Crores)

Nature of Transaction	For the Year Ended March 31, 2015													
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Enterprise where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Balance Payable at the year end-OTHERS			LAPL	1,605.28	LBPL	1,599.84	LVTPL	930.58	SCM	0.01			LR	0.89
			UPCL	967.77			HPL	494.57	GVB	0.01			LF	0.17
			LInPL	837.12			Others	184.18					LCL	0.14
			Others	1,877.15									LHrPPL	0.07
				5,287.32		1,599.84		1,609.33		0.02				1.27

39 Capital and Other Commitments

(₹ Crores)

Particulars	March 31, 2016	March 31, 2015
a) Investment Commitment in Subsidiaries and Associates	4,482.91	5,989.47
b) Contractual obligations for purchase of fixed assets	-	15.29

40 Contingent Liabilities - Not probable and therefore not provided for

(₹ Crores)

Particulars	March 31, 2016	March 31, 2015
A. Claims disputed by the company		
Income Tax Demands disputed by the Company, under appeal*	246.13	264.41
Claims against the Company not accepted by the company	502.87	325.04
Sales Tax / Entry Tax Demands disputed by the Company, under appeal	613.53	200.46
Service Tax demands disputed by the Company, under appeal	140.44	140.21
*Does not include the amounts not quantifiable at present pertaining to draft assessment order of AY 2012-13 which is under appeal with Dispute Resolution Panel.		
B. Outstanding Corporate Guarantees		
Given to Financial Institutions, Banks on behalf of other group companies	28,398.75	16,829.73

41 Forward Contracts

(₹ Crores)

Particulars	March 31, 2016	March 31, 2015
Details of Forward Cover for amount outstanding as on Balance sheet date		
For Buy	-	-

Details of Unhedged Foreign Currency Exposure

	March 31, 2016			
	Currency	Exchange Rate	Amount in Foreign Currency (Crores)	Amount in INR (Crores)
Trade Receivables	USD	66.33	14.32	950.21
Trade Payables	USD	66.33	26.28	1,743.29
Trade Payables	EURO	75.10	0.06	4.41
Advance to Suppliers	USD	54.45	7.53	410.16
Advance to Suppliers	EURO	72.15	0.01	0.38
Advance from Customers	USD	46.22	18.34	847.59
Loan Receiveable	USD	66.33	8.17	541.87
Foreign currency term loans	USD	66.33	8.44	559.92

	March 31, 2015			
	Currency	Exchange Rate	Amount in Foreign Currency (Crores)	Amount in INR (Crores)
Trade Receivables	USD	62.59	12.66	792.45
Trade Payables	USD	62.59	22.01	1,377.69
Trade Payables	EURO	67.51	0.06	3.92
Advance to Suppliers	USD	44.83	12.93	579.50
Advance from Customers	USD	45.17	34.83	1,573.29
Loan Receiveable	USD	62.59	7.68	480.84
Foreign Currency Term Loan	USD	62.59	6.67	417.58

42 Deferral/capitalisation of Exchange Difference

The company has selected the option given in paragraph 46A of the Accounting Standard – 11, "The Effects of Changes in Foreign Exchange Rates" with effect from April 1, 2011. The foreign exchange (gain) / loss arising on revaluation of long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets to be depreciated over the balance life of such assets and in other cases the foreign exchange (gain) / loss to be amortised over the balance period of such long term foreign currency monetary items. On availment of option under this notification, foreign exchange difference remains unamortized is ₹ 79.39 Crores (March 31 2015: ₹ 75.67) Crores.

43 Disclosure in respect of Loans and advances in the nature of Loans as required under regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ Crores)

Name of the Company	Amount outstanding as at		Maximum amount outstanding during the year	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Subsidiaries				
Lanco Hydro Power Limited #	196.19	196.19	196.19	196.19
Lanco Thermal Power Limited#	293.96	293.96	293.96	293.96
Lanco Amarkantak Power Limited #	31.54	48.55	41.54	287.79
Lanco Solar Energy Private Limited	-	46.77	46.77	57.00
Lanco Solar Private Limited	4.50	4.50	4.50	4.50
Lanco Power Limited #	112.08	112.08	112.08	112.08
Lanco Resources International Pte Limited	493.27	465.44	493.27	468.23

(₹ Crores)

Name of the Company	Amount outstanding as at		Maximum amount outstanding during the year	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Lanco Hills Technology Park Private Limited	7.26	-	10.78	790.35
Lanco Wind Power Private Limited #	3.34	3.25	3.34	3.25
Lanco Hoskote Highway Limited	-	-	-	181.00
Lanco Devihalli Highways Limited	-	-	-	70.67

Lower than bank rate

44 Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises

(₹ Crores)

Particulars	March 31, 2016	March 31, 2015
(a) Amount remaining unpaid to micro, small and medium enterprises at the end of the year		
Principal Amount	3.26	2.50
Interest thereon	1.05	0.41
Total	4.31	2.91
(b) Amount of payments made to micro, small and medium enterprises beyond the appointed date during the year		
Principal Amount	2.69	0.02
Interest Actually paid under section 16 of the Act	0.01	-
Total	2.70	0.02
(c) Interest accrued (Including interest under section 16 of the Act) and remaining unpaid at the end of the year		
Interest accrued during the year	0.64	0.41
Interest remaining unpaid during the year	1.05	0.41

45 CIF Value of Imports

(₹ Crores)

Particulars	March 31, 2016	March 31, 2015
EPC, Construction goods and Traded goods	667.60	277.51
Capital Goods	-	0.17
	667.60	277.68

46 Expenditure In Foreign Currency (Accrual Basis)

(₹ Crores)

Particulars	March 31, 2016	March 31, 2015
Technical Consultation Fee	13.34	13.00
Travel	0.07	0.53
Interest on Foreign Currency Term Loan	0.30	0.93
Others	0.21	1.27
	13.92	15.73

47 Imported and Indigenous raw materials, components and spare parts consumed

	March 31, 2016 % of Total Consumption	March 31, 2016 ₹ Crores	March 31, 2015 % of Total Consumption	March 31, 2015 ₹ Crores
Raw Materials				
Imported	50%	667.60	33%	277.92
Indigenous*	50%	662.04	67%	574.58
	100%	1,329.64	100%	852.50
Components				
Indigenous	100%	12.54	100%	5.24
	100%	12.54	100%	5.24
Spare Parts				
Indigenous	100%	11.79	100%	3.94
	100%	11.79	100%	3.94

* excludes cost of provision for AS-7 (₹ 24.12) (March 31, 2015: ₹ 93.07) Crores.

48 Earnings In Foreign Exchange (Accrual Basis)

(₹ Crores)

Particulars	March 31, 2016	March 31, 2015
Interest	28.20	16.21
Contract Receipts	-	1.13
Other Income	-	0.94
	28.20	18.28

49 'As at March 31, 2016 the Company has not paid principal amount of ₹ 42.33 (March 31, 2015 : ₹ 0.49) Crores and interest amount of ₹ 251.21 (March 31, 2015 : ₹ 52.22) Crores and LC Devolved Amount ₹ 23.17 ((March 31, 2015 : NIL) Crores.

- 50** (a) On March 30, 2012, the Company has put in place two level power holding company structure wherein Lanco Power Limited (LPL) a wholly owned subsidiary of the Company as the power holding vehicle for the Group. LPL has further two wholly owned subsidiaries namely Lanco Thermal Power Limited (LTPL) and Lanco Hydro Power Limited (LHPL) as thermal power holding company and hydro power holding company respectively.
- (b) As approved by the members vide their resolution dated March 19, 2010 the Company has sold its shareholding in some of its Subsidiaries and Associate Companies (hereinafter referred as 'related entities') to its wholly owned step down subsidiaries i.e. Lanco Thermal Power Limited, Lanco Hydro Power Limited and to an associate, Regulus Power Private Limited (an erstwhile subsidiary) on March 30, 2012 for total cash consideration amounting to ₹ 6,815.51 Crores. As of March 31, 2016 ₹ 1,161.52 (March 31, 2015 ₹ 1,385.07) Crores representing the balance amount of consideration for sale of shares is receivable from the above entities and it includes further sale of shares of some of its subsidiaries to LTPL and LHPL .
- (c) As a result of the above change, one of the associate company on March 30, 2012 namely Lanco Babandh Power Limited, consequent to the sale of its equity shares to an associate i.e. Regulus Power Private Limited, has become an associate of an associate. During the year on further infusion of equity by step down subsidiary in LBPL, LBPL became step down subsidiary to the company.
- (d) The aforesaid transfer of shares in various subsidiaries and associates requires lenders / customer approvals. Pending the receipt of approvals, the Company has recorded the sale of investments in related entities in the financial statements. Up to the year ended March 31, 2016, the management has obtained approvals from the most of the lenders and the management is confident of receiving the residual approvals and share transfer is in progress. In case such approvals are not received, the loans given by the lenders to the respective related entities may become due if the Company still wants to pursue transfer of shares, or the sold investments will be purchased back by the company. Based on legal advice, the management is of the opinion that the company complied with relevant laws and regulations.

- 51** As on March 31, 2016, the Company has loans aggregating ₹ 1,172.26 Crores which includes unpaid principal amount of ₹ 42.33 (March 31, 2015 ₹ 215.41) Crores falling due over next twelve months period and also unpaid interest & devolved letter of credits dues of ₹ 274.38 (March 31, 2015 ₹ 52.22) Crores of the company as at March 31, 2016. Apart from this, the Company has commitments to support the subsidiaries and associates for their various ongoing projects. These matters require the Company to garner such additional cash flows to fund the operations as well as investment obligations to ongoing projects. The management is actively considering the aspects like dilution of stake in subsidiary companies, disposal of non-core assets, additional funding from the lenders and exercising the conversion options available in the loan documents, would reduce the obligations and/or bring in the additional cash flows into the system to meet its obligations.
- 52** Mahatamil Mining and Thermal Energy Limited (MMTEL), a subsidiary of the company had entered into Coal Mining Services (CMS) agreement with Mahatamil Collieries Limited (MCL) for developing and mining of Gare pelma II Coal block located in the state of Chhattisgarh, the said coal block was cancelled by the Hon'ble Supreme Court's order dated September 24, 2014. As per CMSA, MMTEL has incurred an amount of ₹ 204.66 Crores till March 31, 2015 towards exploration, infrastructure and earnest money deposit. The amount incurred has been claimed by MMTEL as per terms of CMSA and the provisions of the Coal Mines (Special Provisions) Ordinance, 2014 and the management is confident on recoverability of the claim.
- 53** Lanco Resources International Pte Limited (LRIPL) along with its subsidiary companies (Griffin Coal Mine Operations, Australia), a subsidiary of the company has been incurring losses from acquisition onwards. The management is taking necessary steps to optimise its mining cost and to improve the coal mining capacity by expanding the associated infrastructure including development of port to scale up the export sales. Upon implementation of long term initiatives, the management is confident of improving the profitability of the business in long period and carrying value of the assets are realizable at the value stated in the books.
- 54** Lanco Kanpur Highways Limited (LKHL), a subsidiary of the company had entered into concession agreement with NHAI for developing a road project in Uttar Pradesh state under BOOT mechanism. The construction work is delayed due to pending approvals and right of way to be arranged by NHAI. During the previous year LKHL had received notice of termination of concession agreement from NHAI and issued a notice of termination of concession agreement to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. Based on the expert legal opinion, the management is confident on the recoverability of its claims submitted and is not expecting any liability on counter claims filed by NHAI.
- 55** Previous year figures have been regrouped / reclassified where ever necessary, to conform to those of the current year.
- 56** On exercising of the option available under Schedule III to prepare the financials in Crores rounded off to two decimals, the amounts / numbers below fifty thousands in the financials are appearing as zero.

As per our report of even date.

**For and on behalf of the Board of Directors of
Lanco Infratech Limited**

For Brahmayya & Co
Chartered Accountants
Firm Registration No. 000511S

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

G. Venkatesh Babu
Managing Director
DIN - 00075079

Lokesh Vasudevan
Partner
Membership No. 222320

T. Adi Babu
Chief Financial Officer

A. Veerendra Kumar
Company Secretary

Place: Gurgaon
Date: May 27, 2016

Place: Gurgaon
Date: May 27, 2016

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Lanco Infratech Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Lanco Infratech Limited** ("the Holding Company" or "the Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub section (10) of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Sub Paragraph (a) and (b) of the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Financial Statements.

Basis for Qualified Opinion

Attention is invited to

- a. Note 38 to the Consolidated Financial Statements, include Financial Statements of Lanco Resources International Pte Limited (LRIPL) and its subsidiaries, Lanco International Pte Limited (LIPL) and certain subsidiaries, whose consolidated accounts reflect total assets of ₹ 11,022.03 Crores as at March 31, 2016, the total revenue of ₹ 1,185.07 Crores and total profit of ₹ 5.92 Crores for the year then ended March 31, 2016. These financial statements and other financial information have been prepared by the management and which have not been audited and our opinion is based solely on the management accounts. We are unable to comment on adjustments that may have been required to these Consolidated Financial Statements, had such Consolidated Financial Statements been audited.

- b. Note 52 to the Consolidated Financial Statements, where the Lanco Kondapalli Power Limited (LKPL), a step down subsidiary of the Company, has capitalised borrowing costs amounting to ₹159.63 Crores and ₹ 601.36 Crores for the year ended and cumulatively up to March 31, 2016 (July 1, 2013 to January 9, 2016) respectively incurred on a plant which is substantially completed, notwithstanding the management's view, pending commissioning in respect of which, LKPL has to secure the supply of requisite natural gas. However, in our opinion, the capitalisation of such expenses is not in accordance with the relevant Accounting Standard. Further on account of aforesaid capitalization the depreciation expense for the year ended March 31, 2016 is higher by ₹ 8.21 Crores. Had the aforesaid expenditure not been capitalised and depreciation not been charged, loss of the Group (Net of Minority Interest) for the year ended March 31, 2016 and cumulatively up to March 31, 2016 would have been higher by ₹ 89.20 Crores and ₹ 349.42 Crores respectively.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at March 31, 2016 and their consolidated loss and its consolidated cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, your attention is invited to:

- a. Note 37 to the consolidated financial statements, which explain the structuring undertaken by the management during the year ended March 31, 2012. The Company's investment as of March 30, 2012 in various subsidiaries and associates was transferred to wholly owned step down subsidiaries and to an associate of wholly owned step down subsidiary aggregating to ₹ 6,815.51 Crores that required lenders and customer approval. Management has received many such approvals aggregating to 96% in value, of the lenders consenting to the structuring, the management is confident of receiving balance approvals from lenders and customer and has taken the effect of these transfers while preparing these consolidated financial statements. In case any of these residual approvals are not granted, the management will have to revisit the structure and the consequential impact would then be recorded in these consolidated financial statements.
- b. (i) Note 40 to the consolidated financial statements, regarding the adequacy of disclosure concerning the Group's ability to meet its financial obligations including repayment of various loans and unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/overdue creditors, for ensuring/commencing normal operations and further investments required towards ongoing projects. These matters essentially require the Group to garner such additional cash flows to fund and meet the requirements.
- (ii) The Group incurred a Net Loss of ₹ 265.60 Crores for the year and has unpaid loans and other unpaid dues aggregating ₹ 3,293.07 Crores falling due over next twelve month period which also includes repayment of loans sanctioned under restructuring in respect of which, the Group obtained certain reliefs in relation to repayment timelines of loans and accumulation of unpaid interest and additional funding for commencing normal operations.
- (iii) In view of certain variances in sanctioned/contracted terms under CDR scheme in regard to disbursements made and their utilization thereon, together with considerable delay in implementation of CDR scheme, eventually did not enable the Group to achieve the anticipated performance levels of operations at EPC. Incurrence of further losses and cost overruns in project companies due to delayed execution have been reported. As explained by the management, the Group commenced operations at EPC as well as at the projects which are under construction and in our view, there may be further delays in time lines agreed with project companies which may results in further cost overruns, which in turn may require the Group to arrange the funding for the additional cost. As further explained by the management, the Group is making efforts to reorganise the funding pattern to ensure the completion of under construction projects and disposal of assets to meet the funding gaps. These submissions and assertions by the management, are under evaluation by lenders which envisage that the Company will have the ability to garner the required cash flows, which have not been independently assessed by us.
- (iv) Notwithstanding the efforts as stated above to meet the funding obligations which would involve time to materialise, these consolidated financial statements have been prepared based on the assumption, and considering the management assessment to get requisite further funding from various sources including additional funding from the lenders, disbursement of sanctioned facilities and the Group's efforts in disposing assets. Relying on the above, no adjustments have been made in these consolidated financial statements towards any possible impact on account of low key operations and delayed execution of projects under implementation.

- c. Note 52 (a) to the consolidated financial statements, regarding the uncertainty of the availability of natural gas to operate all units at optimum levels of Lanco Kondapalli Power Limited (LKPL), a step down subsidiary of the Company. Pending availability of requisite gas required for the operations no impact has been assessed on these consolidated financial statements on the eventual availability of gas to operate all the units, which is indeterminable at this point of time.
- d. Note 54 (b) to the consolidated financial statements, which explains the management's assessment with respect to the order of Haryana Electricity Regulatory Commission (HERC) dated January 23, 2015, in regard to the litigation in respect of tariff determination in terms of the power purchase agreement relating to one of the power generating units of Lanco Amarkantak Power Limited (LAPL), a step down subsidiary of the Company. LAPL has sought relief in Appellate Tribunal for Electricity (APTEL) against the said order of HERC. Consequently, recognition of revenue amounting to ₹ 18.47 Crores for the year ended March 31, 2016 (₹ 213.71 Crores upto March 31, 2016), is treated as recoverable and no provision is considered necessary in these consolidated financial statements based on the management's assessment and legal opinion obtained.
- e. Note 56 to the consolidated financial statements, in regard to one of the power generating units of Lanco Amarkantak Power Limited (LAPL), a step down subsidiary of the Company, revenue continues to be recognized by LAPL on provisional basis, based on the tariff filing submitted to power purchaser for approval of tariff for the period 2014-2019. Pending the tariff determination, no adjustments have been made in these consolidated financial statements.
- f. Note 64 to the consolidated financial statements, in relation to Lanco Vidarbha Thermal Power Limited (LVTPL), a step down subsidiary of the Company, which explains the matter before the Maharashtra Electricity Regulatory Commission (MERC) relating to termination of Long Term Power Purchase Agreement (PPA) with Maharashtra State Electricity Distribution Company Limited (MSEDCL) and the Bank Guarantee encashment of ₹ 51 Crores by MSEDCL for delay in commissioning of the project beyond the Scheduled Commercial Operation Date (SCOD) as per PPA. Based on the management analysis and representation and relying on the legal expert opinion, management is of the opinion that LVTPL can recover the Bank Guarantee amount encashed and further it is not liable to pay liquidated damages of ₹ 351.90 Crores claimed by MSEDCL. Relying on the assessment of the management on the non-tenability of the claim towards levy of liquidated damages no adjustment has been made in these consolidated financial statements.
- g. Note 73 to the consolidated financial statements, which explain the management's view with respect to the impact of unprecedented flash floods in Uttarakhand that seriously affected Lanco Mandakini Hydro Energy Private Limited (LMHEPL), a step down subsidiary of the Company implementing a Hydel Power Project of 76 MW capacity. The insurance survey was completed and the claims were lodged with the insurer. LMHEPL had received an interim payment from the Insurer in the financial year 2014-15 against the claim lodged. During the year, the restoration works were being carried out, and suitable submissions as represented by the management, were made to the Insurance Surveyors. In the assessment of management, the potential damage to the carrying value of asset is unlikely to exceed the expected insurance claim. The management is also confident that the project would achieve its scheduled commercial operation within the timelines approved/to be approved by the lenders and regulator. Relying on the assessment of the management which have not been independently evaluated by us, no adjustments have been made in these consolidated financial statements.
- h. Note 76 to the consolidated financial statements, which explains the matter in Lanco Teesta Hydro Power Limited (LTHPL), an associate of the Company relating to termination of Long Term PPA with Maharashtra State Electricity Distribution Company Limited (MSEDCL) and the time and consequential cost overrun of the project and the management's plans to meet the cost overrun of the project. There has been an extension of Commercial Operation Date (COD) due to the circumstances beyond the control of LTHPL resulting in extended execution of the Hydropower Project. Lenders in their efforts to revive the Project, resorted to the Strategic Debt Restructuring (SDR) Scheme under the Reserve Bank of India (RBI) guidelines, wherein, the lenders had converted a portion of outstanding debt and unpaid interest into equity shares, to facilitate subsequent strategic divestment. In the opinion of management, the execution of the project with the increased cost and extended timelines for bringing the assets to its intended use is still viable even taking into account the current level of low implementation activities which does not amount to interruption thus continued to capitalise all the costs including interest. The management expects that suitable arrangements for power sale would be completed in the due course and therefore the carrying value of the project asset doesn't warrant any adjustment.
- i. Note 82 to the consolidated financial statements, which explain land dispute at Lanco Hills Technology Park Private Limited (LHTPPL), a subsidiary of the Company, the ultimate outcome of these matters cannot presently be determined. The management of LHTPPL, based upon its assessment and legal advice obtained, is confident of the outcome of the matter in its favour.
- j. Note 83 to the consolidated financial statements, in relation to LHTPPL, with regard to recoverability of cost of Development Work in Progress and Capital Work in Progress pending capitalization, which in the opinion of the management is based on its business plans envisaged on certain market assertions towards new developmental initiatives, is completely recoverable and does not warrant any adjustments in the financial statements towards the carrying value. As the realization of carrying values of both categories of Work in Progress is dependent on certain factors detailed in the note and the impact if any on the financial statements on account of non-achievement of envisaged initiatives is currently not ascertainable at this point in time.

- k. Note 90 to the consolidated financial statements, dealing with cancellation of coal blocks by the Honourable Supreme Court, which included coal mine jointly allotted to Tamil Nadu Electricity Board and Maharashtra State Mining Corporation Limited, the Allottees. Mahatamil Mining and Thermal Energy Limited (MMTEL), a subsidiary of the Company, entered into Coal Mining Services Agreement with the Allottees of the mine, pursuant to which, MMTEL incurred an amount of ₹ 204.66 Crores towards the Project, the realizability of which is dependent on the compensation to be awarded under the Ordinance issued by Government of India. MMTEL has obtained a legal opinion in this regard based on which, the amount incurred is considered to be recoverable and, hence no adjustments have been made in these consolidated financial statements.
- l. Note 91 to the consolidated financial statements, in relation to Lanco Kanpur Highways Limited (LKHL), a subsidiary of the Company, has received a notice of termination to the Concession Agreement from National Highways Authority of India (NHAI) and LKHL has also issued a notice of termination to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. As on March 31, 2016 LKHL has incurred certain costs towards the project, the realizability of these amounts is dependent on the outcome of the arbitration proceedings.
- m. Note 92 to the consolidated financial statements, in relation to the carrying value of assets held by step down subsidiaries of Lanco Resources International Pte Limited (LRPL) a subsidiary of the Company, in view of continued losses exceeding net worth of LRPL, considering the management's initiatives to be implemented with significant financial resources to be deployed in the mining activity and the development of associated infrastructure, being the port, the management is of the view that the carrying value of the assets are realizable at the value stated therein. Accordingly, no adjustments have been made in these consolidated financial statements.

Our opinion is not qualified in respect of the above matters

Other Matters

- a. We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of ₹ 2,829.82 Crores as at March 31, 2016 and total revenue of ₹ 273.94 Crores for the year ended March 31, 2016. These audited financial statement and other financial information for these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on these consolidated financial statements is based on the reports of the other auditors.
- b. We did not audit the financial statements of certain associates, whose financial statements reflect the Group's share of Loss of ₹ 2.42 Crores for the year ended March 31, 2016. These financial statements and other financial information for these associates have been audited by the other auditors whose reports have been furnished to us by the Management, and our opinion on these consolidated financial statements is based solely on the reports of the other auditors.
- c. We did not audit the financial statements of certain associates, whose financial statements reflect the Group's share of Profit of ₹ 2.25 Crores for the year ended March 31, 2016. These financial statements and other financial information of the associates has been prepared by the management and our opinion on these consolidated financial statements is based solely on the management accounts.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors..

Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143 (3) of the Act, we report to the extent applicable that:
 - a. We have sought and, except for the effect of the matter described in sub paragraph (a) of the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d. Except for the effects of the matter described in sub paragraph (b) of the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. The matter described in sub paragraphs (b), (c), (f), (h), (i), (j), (k), (l), and (m) to the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies, none of the directors of the Group companies and its associate companies are disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- h. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualification Opinion paragraph above.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the effect of the matter described in sub paragraph (a) of the Basis for Qualified Opinion paragraph above, the Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate companies
 - ii. Except for the effect of the matter described in sub paragraph (b) of the Basis for Qualified Opinion paragraph above, provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group and its associate companies.

For Brahmayya & Co.
Chartered Accountants
Firm's Regn No. 000511S

Lokesh Vasudevan
Partner
Membership No. 222320

Place: Gurgaon
Date: May 27, 2016

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements

Report on the Internal Financial Controls under Clause(i) of Sub-section 3 of Section 143 of the Companies Act,2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of **Lanco Infratech Limited** as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Lanco Infratech Limited ("the Holding Company" or "the Company"), its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date (together referred to as the "Covered Entities" in this report). Refer Annexure B for the list of Covered Entities.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Covered Entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on the reports issued on internal controls over financial reporting in case of the Covered Entities, which are incorporated in India, certain material weakness have been identified as at March 31, 2016 in case of a subsidiary and step down subsidiary concerning design and implementation of internal control components, which as represented by

the management are in the process of being remediated. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Holding Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the effects of material weakness described in the Basis for Qualified Opinion Paragraph, the covered entities, in all material respects, maintained adequate internal financial control over financial reporting and were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the covered entities, considering the essential components of internal control stated in Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the Covered Entities as listed in Annexure B is based on the corresponding reports of the auditors of such companies.

Our report is not qualified with respect to our reliance on the work done by and the reports of other auditors

For Brahmayya & Co.
Chartered Accountants
Firm's Regn No. 000511S

Lokesh Vasudevan
Partner
Membership No. 222320

Place: Gurgaon
Date: May 27, 2016

Annexure B – Covered Entities

S.No.	Name of Company	Relationship
1	Lanco Power Limited	Subsidiary
2	Arneb Power Private Limited	Subsidiary
3	Lanco Thermal Power Limited	Subsidiary
4	Lanco Kondapalli Power Limited	Subsidiary
5	Lanco Tanjore Power Company Limited	Subsidiary
6	Lanco Amarkantak Power Limited	Subsidiary
7	Lanco Vidarbha Thermal Power Limited	Subsidiary
8	Lanco Babandh Power Limited	Subsidiary
9	Lanco Anpara Power Limited	Subsidiary
10	Portia Properties Private Limited	Subsidiary
11	Lanco Hydro Power Limited	Subsidiary
12	Lanco Rambara Hydro Power Private Limited	Subsidiary
13	Lanco Mandakini Hydro Energy Private Limited	Subsidiary
14	Diwakar Solar Projects Limited	Subsidiary
15	Lanco Solar Energy Private Limited	Subsidiary
16	Lanco Solar Private Limited	Subsidiary
17	Khaya Solar Projects Private Limited	Subsidiary
18	Bhanu Solar Projects Private Limited	Subsidiary
19	Lanco Solar Services Private Limited	Subsidiary
20	Lanco Solar Power Projects Private Limited	Subsidiary
21	Orion Solar Projects Private Limited	Subsidiary
22	Pasiphae Power Private Limited	Subsidiary
23	Newton Solar Private Limited	Subsidiary
24	Sabitha Solar Projects Private Limited	Subsidiary
25	Helene Power Private Limited	Subsidiary
26	Lanco Wind Power Private Limited	Subsidiary
27	Amrutha Power Private Limited	Subsidiary
28	Spire Rotor Private Limited	Subsidiary
29	J H Patel Power Project Private Limited	Subsidiary
30	Emerald Orchids Private Limited	Subsidiary
31	National Energy Trading and Services Limited	Subsidiary
32	Mahatamil Mining & Thermal Energy Limited	Subsidiary
33	Tasra Mining & Energy Company Private Limited	Subsidiary
34	Mercury Projects Private Limited	Subsidiary
35	Lanco Property Management Company Private Limited	Subsidiary
36	Lanco Hills Technology Park Private Limited	Subsidiary
37	Nix Properties Private Limited	Subsidiary
38	Uranus Infratech Private Limited	Subsidiary
39	Thebe Properties Private Limited	Subsidiary
40	Leda Properties Private Limited	Subsidiary

S.No.	Name of Company	Relationship
41	Jupiter Infratech Private Limited	Subsidiary
42	Cressida Properties Private Limited	Subsidiary
43	Coral Orchids Private Limited	Subsidiary
44	Telesto Properties Private Limited	Subsidiary
45	Cordelia Properties Private Limited	Subsidiary
46	Dione Properties Private Limited	Subsidiary
47	Deimos Properties Private Limited	Subsidiary
48	Pearl Farms Private Limited	Subsidiary
49	Neptune Projects Private Limited	Subsidiary
50	Uranus Projects Private Limited	Subsidiary
51	Lanco Kanpur Highways Limited	Subsidiary
52	Lanco Hoskote Highway Limited	Subsidiary
53	Lanco Devihalli Highways Limited	Subsidiary
54	Lanco Energy Private Limited	Subsidiary
55	Lanco Kanpur Power Limited	Subsidiary
56	Genting Lanco Power (India) Private Limited	Associate
57	Himavat Power Limited	Associate
58	Regulus Power Private Limited	Associate
59	Mimas Trading Private Limited	Associate
60	Phoebe Trading Private Limited	Associate
61	Bianca Properties Private Limited	Associate
62	Belinda Properties Private Limited	Associate
63	Ananke Properties Private Limited	Associate
64	Tethys Properties Private Limited	Associate
65	Pragadisa Power Private Limited	Associate
66	Vainateya Power Private Limited	Associate
67	Avior Power Private Limited	Associate
68	Mirach Power Private Limited	Associate
69	Siddheswara Power Private Limited	Associate
70	Basava Power Private Limited	Associate
71	DDE Renewable Energy Private Limited	Associate
72	Electromech Maritech Private Limited	Associate
73	Finehope Allied Engineering Private Limited	Associate
74	Saidham Overseas Private Limited	Associate
75	Vasavi Solar Private Limited.	Associate
76	Lanco Teesta Hydro Power Limited	Associate
77	Bay of Bengal Gateway Terminal Private Limited	Associate

Consolidated Balance Sheet as at March 31, 2016

			(₹ Crores)
	Notes	As at March 31, 2016	As at March 31, 2015
I. EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	273.78	245.09
Reserves and Surplus	4	(996.31)	(692.86)
		(722.53)	(447.77)
Minority Interest		1,479.21	1,339.19
Non Current Liabilities			
Long Term Borrowings	5	39,360.47	33,145.02
Deferred Tax Liabilities (net)	6.1	96.45	381.12
Other Long Term Liabilities	7	1,544.16	2,986.52
Long Term Provisions	8	607.26	707.46
		41,608.34	37,220.12
Current Liabilities			
Short Term Borrowings	9	2,970.65	4,528.64
Trade Payables	10	3,742.75	3,904.43
Other Current Liabilities	11	4,435.85	6,045.02
Short Term Provisions	8	99.21	83.39
		11,248.46	14,561.48
TOTAL		53,613.48	52,673.02
II. ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	17,970.68	19,453.61
Intangible Assets	13	1,738.17	1,793.83
Capital Work in Progress	14	21,176.54	16,004.55
Intangible Assets under Development	15	-	0.00
		40,885.39	37,251.99
Non Current Investments	16	1,725.54	3,142.87
Deferred Tax Assets (net)	6.2	75.78	96.92
Long Term Loans and Advances	18	933.65	698.97
Other Non Current Assets	19	319.10	1,021.20
		43,939.46	42,211.95
Current Assets			
Current Investment	17	52.93	12.68
Inventories	20	3,365.22	3,320.32
Trade Receivables	19.1	2,988.34	3,353.99
Cash and Bank Balances	21	634.25	808.26
Short Term Loans and Advances	18	2,120.71	2,359.69
Other Current Assets	19.2	512.57	606.13
		9,674.02	10,461.07
TOTAL		53,613.48	52,673.02
Summary of Significant Accounting Policies	2.1		

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

For and on behalf of the Board of Directors of Lanco Infratech Limited

For Brahmayya & Co
Chartered Accountants
Firm Registration No. 000511S

Lokesh Vasudevan
Partner
Membership No. 222320

Place: Gurgaon
Date: May 27, 2016

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

T. Adi Babu
Chief Financial Officer

Place: Gurgaon
Date: May 27, 2016

G. Venkatesh Babu
Managing Director
DIN - 00075079

A. Veerendra Kumar
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

		(₹ Crores)	
	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
I. INCOME			
Revenue from Operations	22	7,991.35	9,371.91
Other Income	23	236.21	138.84
Total Revenue (I)		8,227.56	9,510.75
II. EXPENSES			
Cost of Materials Consumed	24	4,264.72	5,051.12
Purchase of Traded Goods	25	200.15	385.44
Subcontract Cost		265.06	261.05
Construction, Transmission, Plant / Site and Mining Expenses	26	721.42	1,025.91
(Increase) / Decrease in Inventories of Finished Goods and Construction / Development Work in Progress	27	(360.09)	(139.61)
Employee Benefits Expenses	28	353.86	351.20
Other Expenses	29	121.93	742.89
Total Expenses (II)		5,567.05	7,678.00
III. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		2,660.51	1,832.75
Finance Cost	30	2,513.95	3,060.21
Depreciation and Amortisation Expense	31	837.54	1,113.75
IV. Profit / (Loss) before Exceptional, Prior Period Items, Minority Interest, Share of Profit of Associates and Tax		(690.98)	(2,341.21)
V. Exceptional Items		209.74	123.15
VI. Profit / (Loss) before Prior Period Items, Minority Interest, Share of Profit of Associates and Tax		(481.24)	(2,218.06)
VII. Tax Expense			
Current Tax / Minimum Alternative Tax (MAT) Payable		33.24	15.79
Relating to Previous Years		0.13	(45.89)
Deferred Tax		(263.35)	(86.95)
Total Tax Expense (VII)		(229.98)	(117.05)
VIII. Profit / (Loss) after Taxation but before Prior Period Items, Minority Interest and Share of Profit of Associates (VI-VII)		(251.26)	(2,101.01)
IX. Prior Period Items		(20.31)	42.52
X. Net Profit / (Loss) after Taxation, before Minority Interest and Share of Profit of Associates (VIII-IX)		(230.95)	(2,143.53)
Add : Share of Profit / (Loss) of Associates		(0.34)	(3.29)
Less: Elimination of Unrealised Profit on Transactions with Associate Companies		0.31	(9.76)
XI. Net Profit / (Loss) after Taxation and Share of Profit of Associates before Minority Interest		(231.60)	(2,137.06)
Less: Share of Minority Interest		34.00	(100.32)
XII. Net Profit / (Loss) after Taxation, Minority Interest and Share of Profit of Associates (Balance Carried to Balance Sheet)		(265.60)	(2,036.74)
XIII. Earnings Per Equity Share - (Face value of share ₹ 1/-)			
Basic (₹)		(1.03)	(8.58)
Diluted (₹)		(1.03)	(8.58)
Summary of Significant Accounting Policies	2.1		

The accompanying notes and other explanatory information are an integral part of the Financial Statements.
As per our report of even date.

**For and on behalf of the Board of Directors of
Lanco Infratech Limited**

For Brahmayya & Co
Chartered Accountants
Firm Registration No. 000511S

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

G. Venkatesh Babu
Managing Director
DIN - 00075079

Lokesh Vasudevan
Partner
Membership No. 222320

T. Adi Babu
Chief Financial Officer

A. Veerendra Kumar
Company Secretary

Place: Gurgaon
Date: May 27, 2016

Place: Gurgaon
Date: May 27, 2016

Consolidated Cash Flow Statement for the year ended March 31, 2016

	(₹ Crores)	
	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit / (Loss) Before Exceptional, Prior Period Items, Minority Interest, Share of Profit of Associates and Tax	(690.98)	(2,341.21)
Adjustments for:		
Depreciation and Amortisation	837.54	1,113.75
(Profit) / Loss on Sale of Investments (net)	(3.11)	10.17
Loss on Sale of Fixed Assets	10.34	31.15
Unrealised Loss / (gain) on Foreign Exchange Fluctuations (Net)	(64.85)	456.95
Liabilities and Provisions no longer required written back	(29.24)	(1.43)
Provision for Advances / Claims / Debts	28.26	37.54
Employee Stock Option Charge during the year	0.64	4.37
Interest Income	(187.90)	(90.08)
Dividend Income	(0.87)	(4.05)
Interest Expenses	2,513.95	3,060.21
Cash Generated Before Working Capital Changes	2,413.78	2,277.38
Movement In Working Capital		
(Decrease) / Increase in Trade Payables	108.47	25.32
(Decrease) / Increase in Provisions	(102.46)	41.02
(Decrease) / Increase in Other Liabilities	(543.92)	333.47
(Increase) / Decrease in Trade Receivables	(702.92)	379.18
(Increase) / Decrease in Inventories	(3.06)	(58.60)
(Increase) in Loan and Advances (excluding Capital Advances)	(1,119.10)	(78.12)
(Increase) / Decrease in Other Assets	(28.04)	(112.65)
Cash Generated From Operations	22.75	2,806.99
Direct Taxes Paid	(47.51)	(74.33)
Net Cash Flow From Operating Activities	(24.76)	2,732.66
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Capital Advances)	(2,101.64)	(157.18)
Proceeds from Sale of Fixed Assets	37.09	5.77
Advance received against sale of Investments	-	743.00
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	24.64	2.83
Purchase of Non - Current Investments	(246.85)	(507.43)
Proceeds from sale of Non - Current Investments	1,468.91	174.66
Sale / (Purchase) of Current Investments (Net)	(40.10)	(12.12)
Loans Recievable Received Back / (Given)	69.67	(19.47)
Redemption of Bank Deposits	45.59	26.55
Dividend Income Received	0.87	4.05
Interest Income Received	197.17	186.87
Net Cash Flow From/(Used) in Investing Activities	(544.65)	447.52
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from Short - Term Borrowings (Net)	402.30	651.49
Proceeds from Long Term Loan	6,799.16	2,394.08
Repayment of Long Term Loan	(1,675.55)	(1,645.93)
Proceeds / (Repayment) of Minority Interest	-	405.00
Interest Expenses and Other Borrowing cost Paid	(5,237.51)	(4,754.23)
Net Cash Flow From / (Used in) Financing Activities	288.40	(2,949.59)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(281.01)	230.60
Cash and Cash Equivalents at the beginning of the year	617.16	386.57
Cash and Cash Equivalents at the end of the year	336.15	617.16
Components of Cash and Cash Equivalents		
Cash and cheques on Hand	10.58	1.12
Balances with Banks		
-On Current Accounts	318.57	584.30
-On Deposit Accounts	7.00	31.74
Cash and cash Equivalent as per Note 21	336.15	617.16

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements, specified under section 133 of the Companies Act, 2013.
- Previous year's figures have been regrouped and reclassified to confirm to those of the current year.

As per our report of even date.

For Brahmayya & Co
Chartered Accountants
Firm Registration No. 0005115

Lokesh Vasudevan
Partner
Membership No. 222320

Place: Gurgaon
Date: May 27, 2016

**For and on behalf of the Board of Directors of
Lanco Infratech Limited**

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

T. Adi Babu
Chief Financial Officer

Place: Gurgaon
Date: May 27, 2016

G. Venkatesh Babu
Managing Director
DIN - 00075079

A. Veerendra Kumar
Company Secretary

Notes and other explanatory information to Consolidated Financial Statements for the year ended March 31, 2016

1. Corporate Information

Lanco Infratech Limited ('LITL' or 'the Company') and its subsidiaries (hereinafter collectively referred to as 'Group') are engaged in the business of Construction, Engineering, Procurement and Commissioning (EPC), Infrastructure Development, Power Generation, Power Trading, Property Development, Development of Expressways and Exploration, Mining & Marketing of Coal.

EPC and Construction Business

The Company and certain entities of the Group are involved in development of infrastructure facilities including Engineering, Procurement and Commissioning Services for Power Plants, Industrial Structures, Water supply, Mass housing, Institutional Buildings and Expressways.

Power Business

The Company and certain entities of the Group are involved in the generation of power. The entities are separate special purpose vehicles formed, which have entered into Power Purchase Agreements with electricity distribution companies of the respective state governments and power trading entities and other customers. National Energy Trading and Services Limited (NETS), is involved in the power trading activity.

Property Development Business

Lanco Hills Technology Park Private Limited (LHTPPL) is involved in the development of an integrated IT park named Lanco Hills in approximately 100 acres of land at Manikonda, Hyderabad part of an exclusive "Knowledge Corridor" being promoted by the Government of earlier United Andhra Pradesh, now Telangana State. The project consists of IT office space, residential buildings, luxury premier hotels, retail and commercial complex.

Resources (Coal) Business

Griffin Coal Mining Company Pty Ltd (GCM) and Carpenter Mine Management Pty Ltd (CMM) are incorporated and operating in Australia. These company's principal activities are the exploration, mining and marketing of coal.

Solar PV Business

One of the entities in the group is with intent to establish its presence as an integrated player across the Solar PV value chain starting from manufacturing of polysilicon to development of solar farms.

2. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act 2013('Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act (to the extent notified). The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

Principles of Consolidation

The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances, transactions and the unrealized profits/losses on intra-group transactions. Unrealised losses resulting from intragroup transactions are eliminated to the extent cost can be recovered. The consolidated financial statements are drawn up by using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's individual financial statements.

The financial statements of the subsidiaries are consolidated from the date on which effective control is transferred to the company till the date such control exists. The difference between the cost of investments in subsidiaries over the book value of the subsidiaries' net assets on the date of acquisition is recognized as goodwill or capital reserve in the consolidated financial statements.

Equity method of accounting is followed for investments in Associates in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements, wherein goodwill / capital reserve arising at the time of acquisition and share of profit or losses after the date of acquisition are included in carrying amount of investment in associates. Unrealized profits and losses resulting from transactions between the Company and Associates are eliminated to the extent of the company's interest in the associate. Unrealised losses resulting from transactions between the Company and Associates are also eliminated unless cost cannot be recovered. Investments in Associates, which are made for temporary purposes, are not considered for consolidation and accounted for as investments.

The financial statements of the group companies and associates used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2016.

Notes to the consolidated financial statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.

Entities considered for consolidation

The financial statements of the following subsidiaries (including the step down subsidiaries) and associates have been considered for consolidation:-

Sr. No.	Name of company	Country of Incorporation	March 31, 2016		March 31, 2015	
			Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
1	Lanco Power Limited (LPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
2	Lanco Thermal Power Limited (LTPL)	India	Subsidiary of LPL	100.00%	Subsidiary of LPL	100.00%
3	Lanco Kondapalli Power Limited (LKPL)	India	Subsidiary of LTPL	58.91%	Subsidiary of LTPL	59.00%
4	Lanco Tanjore Power Company Limited (LTPCL)	India	Subsidiary of LTPL	58.45%	Subsidiary of LTPL	58.45%
5	Lanco Amarkantak Power Limited (LAPL)	India	Subsidiary of LTPL	80.82%	Subsidiary of LTPL	79.89%
6	Lanco Babandh Power Limited (LBPL)	India	Subsidiary of LTPL	99.10%	-	-
7	Lanco Vidarbha Thermal Power Limited (LVTPL)	India	Subsidiary of LTPL	94.29%	Associate of LTPL	26.68%
8	Udupi Power Corporation Limited (UPCL)	India	-	-	Subsidiary of LTPL	100.00%
9	Lanco Anpara Power Limited (LANPL)	India	Subsidiary of LTPL	100.00%	Subsidiary of LTPL	100.00%
10	Arneb Power Private Limited (ArPPL)	India	Subsidiary of LPL	93.75%	Subsidiary of LPL	93.75%
11	Portia Properties Private Limited (PPPL)	India	Subsidiary of LTPL	99.99%	Subsidiary of LTPL	99.99%
12	Lanco Hydro Power Limited (LHPL)	India	Subsidiary of LPL	100.00%	Subsidiary of LPL	100.00%
13	Lanco Teesta Hydro Power Limited (LTHPL)	India	Associate of LHPL	48.94%	Subsidiary of LHPL	100.00%
14	Lanco Mandakini Hydro Energy Private Limited (LMHEPL)	India	Subsidiary of LHPL	100.00%	Subsidiary of LHPL	100.00%
15	Lanco Rambara Hydro Private Limited (LRHPL)	India	Subsidiary of LHPL	100.00%	Subsidiary of LHPL	100.00%
16	Diwakar Solar Projects Limited (DSPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
17	Lanco Solar Energy Private Limited (LSEPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
18	Lanco Solar Services Private Limited (LSSPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%
19	Lanco Solar Private Limited (LSPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%
20	Khaya Solar Projects Private Limited (KSPPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%
21	Bhanu Solar Projects Private Limited (BSPL)	India	Subsidiary of LSPL	100.00%	Subsidiary of LSPL	100.00%
22	Newton Solar Private Limited (NSPL)	India	Subsidiary of LSEPL	100.00%	Associate of LSEPL	26.00%
23	Lanco Solar Power Projects Private Limited (LSPPPPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%
24	Orion Solar Projects Private Limited (OSPPL)	India	Subsidiary of LSPPPPL	100.00%	Subsidiary of LSPPPPL	100.00%
25	Pasiphae Power Private Limited (PPPL)	India	Subsidiary of LSPPPPL	100.00%	Subsidiary of LSPPPPL	100.00%
26	Sabitha Solar Projects Private Limited (SSPPL)	India	Subsidiary of LSPPPPL	100.00%	Subsidiary of LSPPPPL	100.00%
27	Helene Power Private Limited (HPPL)	India	Subsidiary of LSPPPPL	100.00%	Subsidiary of LSPPPPL	100.00%
28	Omega Solar Projects Private limited (OSPPL)	India	-	-	Subsidiary of LSEPL	51.00%
29	Lanco Wind Power Private Limited (LWPPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
30	Amrutha Power Private Limited (APPL)	India	Subsidiary of LWPPL	100.00%	Subsidiary of LWPPL	100.00%
31	Spire Rotor Private Limited (SRPL)	India	Subsidiary of LWPPL	100.00%	Subsidiary of LWPPL	100.00%
32	Emerald Orchids Private Limited (EOPL)	India	Subsidiary of LWPPL	87.80%	Subsidiary of LWPPL	86.11%
33	JH Patel Power Project Private Limited (JhPL)	India	Subsidiary of LWPPL	99.94%	Subsidiary of LWPPL	99.94%
34	National Energy Trading and Services Limited (NETS)	India	Subsidiary of LITL	99.83%	Subsidiary of LITL	99.83%
35	Mahatamil Mining and Thermal Energy Limited (MMTEL)	India	Subsidiary of LITL	73.90%	Subsidiary of LITL	73.90%
36	Mercury Projects Private Limited (MPPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
37	Lanco Property Management Company Private Ltd (LPMCPL)	India	Subsidiary of MPPL	97.48%	-	-
38	Lanco Energy Private Limited (LEPL)	India	Subsidiary of LITL	100.00%	-	-
39	Tasra Mining & Energy Company Private Limited	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
40	Lanco Hills Technology Park Private Limited (LHTPPL)	India	Subsidiary of LITL	79.14%	Subsidiary of LITL	79.14%
41	Lanco Kanpur Power Limited (LKaPL)	India	Subsidiary of LITL	100.00%	-	-
42	Lanco Kanpur Highways Limited (LKHL)	India	Subsidiary of LITL	99.99%	Subsidiary of LITL	99.99%
43	Lanco Hoskote Highway Limited (LHHL)	India	Subsidiary of LITL	75.32%	Subsidiary of LITL	75.32%
44	Lanco Devihalli Highways Limited (LDHL)	India	Subsidiary of LITL	74.99%	Subsidiary of LITL	74.99%
45	Uranus Projects Private Limited (UPPL)	India	Subsidiary of LITL	99.97%	Subsidiary of LITL	99.97%
46	Jupiter Infratech Private Limited (JIPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
47	Uranus Infratech Private Limited (UIPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
48	Leda Properties Private Limited (LPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%

Sr. No.	Name of company	Country of Incorporation	March 31, 2016		March 31, 2015	
			Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
49	Coral Orchids Private Limited (COPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
50	Thebe Properties Private Limited (ThPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
51	Cressida Properties Private Limited (CrPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
52	Nix Properties Private Limited (NiPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
53	Cordelia Properties Private Limited (CPPL)	India	Subsidiary of UPPL	99.98%	Subsidiary of UPPL	99.98%
54	Deimos Properties Private Limited (DePPL)	India	Subsidiary of UPPL	99.99%	Subsidiary of UPPL	99.99%
55	Dione Properties Private Limited (DPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
56	Neptune Projects Private Limited (NPPL)	India	Subsidiary of UPPL	99.72%	Subsidiary of UPPL	99.72%
57	Pearl Farms Private Limited (PFPL)	India	Subsidiary of UPPL	99.99%	Subsidiary of UPPL	99.99%
58	Telesto Properties Private Limited (TePPL)	India	Subsidiary of UPPL	99.98%	Subsidiary of UPPL	99.98%
59	Lanco International Pte Limited (LIPL)	Singapore	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
60	Lanco Enterprise Pte Limited (China)	China	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
61	Lanco Infratech Nepal Private Limited (LINPL)	Nepal	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
62	LE New York - LLC (LENY)	New York	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
63	Lanco Power International Pte Limited (LPIPL)	Singapore	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
64	Lanco Solar International Pte Limited (LSIPL)	Singapore	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
65	Lanco Solar Holding Netherland B.V Utrecht (LSHNBV)	Netherlands	Subsidiary of LSIPL	100.00%	Subsidiary of LSIPL	100.00%
66	Lanco Solar International US Inc. (LSI USA)	USA	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%
67	Lanco IT PV Investments B.V. (LITPV)	Netherlands	-	-	Subsidiary of LSHNBV	100.00%
68	Green Solar SRL (GSSRL)	Italy	Subsidiary of LSHNBV	100.00%	Subsidiary of LITPV	100.00%
69	Lanco Resources International Pte Limited (LRIPL)	Singapore	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
70	Lanco Holding Netherland B.V (LHNBV)	Netherlands	Subsidiary of LRIPL	100.00%	Subsidiary of LRIPL	100.00%
71	P.T. Lanco Indonesia Energy (LinE)	Indonesia	Subsidiary of LHNBV	100.00%	Subsidiary of LHNBV	100.00%
72	Lanco Resources Australia Pty. Limited (LRAPL)	Australia	Subsidiary of LRIPL	100.00%	Subsidiary of LRIPL	100.00%
73	The Griffin Coal Mining Company Pty Limited (GCM)	Australia	Subsidiary of LRAPL	100.00%	Subsidiary of LRAPL	100.00%
74	Carpenter Mine Management Pty Limited (CMM)	Australia	Subsidiary of LRAPL	100.00%	Subsidiary of LRAPL	100.00%
75	Western Australia Coal Terminal Pty Ltd (WAC)	Australia	Subsidiary of LRAPL	100.00%	Subsidiary of LRAPL	100.00%
76	Lanco Infratech (Mauritius) Limited (LIML)	Mauritius	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
77	Bhola Electricity Pvt Ltd (BEPL)	Bangladesh	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
78	Sirajganj Electric Pvt Limited (SEPL)	Bangladesh	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
79	Genting Lanco Power (India) Private Limited (GLPIPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
80	Pragdisa Power Private Limited (PrPPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
81	Vainateya Power Private Limited (VPPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
82	Avior Power Private Limited (AVPPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
83	Mirach Power Private Limited (MiPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
84	Bay of Bengal Gateway Terminal Private Limited (BBGTPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
85	Ananke Properties Private Limited (AnPPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
86	Tethys Properties Private Limited (TPPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
87	Bianca Properties Private Limited (BiPPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
88	Belinda Properties Private Limited (BePPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
89	Phoebe Trading Private Limited (PTPL)	India	Associate of LTPL	34.00%	Associate of LTPL	34.00%
90	Himavat Power Limited (HPL)	India	Associate of LTPL	26.67%	Associate of LTPL	26.67%
91	Charon Trading Private Limited (CTPL)	India	-	-	Associate of LTPL	34.33%
92	Mimas Trading Private Limited (MTPL)	India	Associate of LTPL	50.00%	Associate of LTPL	50.00%
93	Regulus Power Private Limited (RPPL)	India	Associate of LTPL	45.10%	Associate of LTPL	45.10%
94	Basava Power Private Limited (BPPL)	India	Associate of MPPL	26.00%	Associate of MPPL	26.00%
95	Siddheswara Power Private Limited (SiPPL)	India	Associate of MPPL	26.00%	Associate of MPPL	26.00%
96	DDE Renewable Energy Pvt. Ltd. (DREPL)	India	Associate of LSEPL	49.00%	Associate of LSEPL	49.00%
97	Electromech Maritech Pvt. Ltd. (EMPL)	India	Associate of LSEPL	49.00%	Associate of LSEPL	49.00%
98	Finehope Allied Engg. Pvt. Ltd. (FAPPL)	India	Associate of LSEPL	38.00%	Associate of LSEPL	38.00%
99	KVK Energy Ventures Pvt. Ltd. (KEVPL)	India	Associate of LSEPL	49.00%	Associate of LSEPL	49.00%
100	Saidham Overseas Pvt. Ltd (SOPL)	India	Associate of LSEPL	35.00%	Associate of LSEPL	35.00%
101	Vasavi Solar Power Pvt Ltd (VSPPL)	India	Associate of LSEPL	49.00%	Associate of LSEPL	49.00%

2.1 Summary of significant accounting policies**i. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

ii. Revenue Recognition

Revenue is recognized based on the nature of activity to the extent it is probable that the economic benefits will flow to the group and revenue can be reliably measured.

The group collects service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the group. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

EPC and Construction Services

For EPC and construction contracts, contract prices are either fixed or subject to price escalation clauses.

Revenues are recognised on a percentage of completion method measured on the basis of stage of completion which is as per joint surveys and work certified by the customers.

Profit is recognised in proportion to the value of work done (measured by the stage of completion) when the outcome of the contract can be estimated reliably.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates in proportion to the cumulative revenue is recognised in the period in which such changes are determined. When the total contract cost is estimated to exceed total revenues from the contract, the loss is recognised immediately. Modifications to contracts involving technical aspects/inputs are based on management assessment.

Amounts due in respect of price escalation claims and/or variation in contract work are recognized as revenue only if the contract allows for such claims or variations and/or there is evidence that the customer has accepted it and are capable of being reliably measured.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

Sale of Power

Revenue from sale of energy is recognized on the accrual basis in accordance with the provisions of Power Purchase Agreement. Claims for delayed payment charges and any other claims, which the entities in the group are entitled as per the Power Purchase Agreement, are accounted for in the year of acceptance.

Revenue from sale of infirm power is recognized on accrual basis as per the Central Electricity Regulatory Commission (CERC) norms.

Sale of Solar Modules

Revenue is recognized based on the sale of Module to the extent it is probable that the economic benefits will flow to the Group and revenue can be reliably measured.

Carbon Credits

Revenue from sale of Verified Emission Reductions (VERs) and Certified Emission Reductions (CERs) is recognized on sale of the eligible credits.

Property Development

Revenue from real estate under development is recognised upon transfer of significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the agreement for sale and when the buyer's investment is adequate enough to demonstrate a commitment to pay.

In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India (the "ICAI") the Revenue from sale of residential and commercial properties is recognized on the "percentage of completion method". Percentage of completion is determined on the basis of actual project cost (including cost of Land) incurred thereon to total estimated project cost, where the actual cost is 25 percent or more of the total estimated project cost. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for.

In case it is unreasonable to expect ultimate collection from sale of residential units, the revenue recognition is postponed to the extent of uncertainty involved.

For determining whether it is unreasonable to expect ultimate collection, the entities in the group considers the evidence of the buyer's commitment to make the complete payment. Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of all significant risks and rewards of ownership are transferred to the buyer, revenue recognition is postponed to the extent of uncertainty involved.

Sale of Coal

Revenue from the sale of coal is recognized when the substantial risks and rewards of ownership are transferred to the buyer as per the respective agreements and revenue can be reliably measured.

Insurance Claims

Insurance claims are recognized on acceptance / actual receipt of the claim.

Management Consultancy

Income from project management / technical consultancy is recognized as per the terms of the agreement on the basis of services rendered.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

iii. Tangible Fixed Assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of tangible fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The group adjusts exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Capital subsidy which is in the nature of grant relating to specific fixed asset is reduced from the gross value of the asset concerned. The grant is thus recognized in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

iv. Mining Assets**Deferred overburden**

During the commercial production stage of open pit operations, production stripping costs comprises the accumulation of expenses incurred to enable access to the coal seam, and includes direct removal costs (inclusive of an allocation of overhead expenditure) and machinery

and plant running costs.

Production stripping costs are capitalised as part of an asset, if it can be demonstrated that it is probable that future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. The asset is called Capitalised Overburden.

The capitalised overburden asset is amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied for amortisation.

Production stripping costs that do not satisfy the asset recognition criteria are expensed.

Exploration and evaluation

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to the operational activities in a particular area of interest. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Mine Development

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs are amortised over the estimated economic life of the mine on a units of production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit of production calculations are dealt with on a prospective basis.

v. Intangible Fixed Assets

Intangible fixed assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible fixed asset when the entities in the group can demonstrate:

- The technical feasibility of completing the intangible fixed asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;

- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- The ability to measure reliably the expenditure attributable to the intangible fixed asset during development.

Any expenditure so capitalized is amortised over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets under installation or under construction as at the Balance Sheet date are shown as Intangible assets under development.

vi. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vii. Depreciation / Amortisation:

Tangible Fixed Assets:-

Depreciation is provided on Straight Line Method except in case of certain assets which are under Units of Production method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment which ever has a lower life.

Leasehold land is amortised over the period of the lease.

Leasehold improvements included in "furniture and fixtures" are amortized over the period of lease or estimated useful life whichever is shorter.

Certain project related assets including temporary structures are depreciated over the respective estimated project periods. Depreciation on 'Wooden Scaffoldings' and 'Metal Scaffoldings' is providing considering the useful life of 1 year and 3 years respectively, which are grouped under plant and machinery.

In case of LTPL and LHPL, Pursuant to order Nos. 45/3/2011-CL-III& 45/5/2010-CL-III, from the Ministry of Corporate Affairs, Government of India, LTPL and LHPL are depreciating Hydraulic Works and Plant & Machinery at 2.57% and 2.71% per annum respectively.

In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

Intangible Fixed Assets:-

Toll Collection rights in respect of BOOT based road projects are amortised from the date of Commencement of Operations to till the end of concession period in the manner as specified in the schedule – II of the Companies Act, 2013.

Computer Software is amortized over an estimated useful life of 4 years. Briquetting Technology Asset is amortized over an estimated useful life of 20 years.

viii. Investments

Investments, those are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

ix. Inventories

Construction materials, raw materials, Consumables, Stores and Spares and Finished Goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction Work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

In case of LHTPPL, Development Work-in-progress related to project works is valued at cost or estimated net realizable value whichever is lower, till such time the outcome of the related project is ascertained reliably and at contractual rates thereafter. Cost includes cost of land, cost of materials, cost of borrowings to the extent it relates to specific project and other related project overheads.

x. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

xi. Duty Drawback Claims

Claims for duty drawback are accounted for on accrual basis.

- Where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and
- Where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

xii. Employee Benefits

Employee benefits are charged to the statement of Profit and Loss for the year and for the projects under construction stage are capitalised as other direct cost in the Capital Work in Progress / Intangible asset under development

- i. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii. Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Retention bonus liability is provided for on the basis of an actual liability at end of each financial year.
- iv. Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- v. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred or considered as part of other direct cost in the

Capital Work in Progress / Intangible asset under development.

- vi. The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

xiii. Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange difference arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to acquisition / construction of a depreciable capital asset, are capitalized and depreciated over the balance life of the asset and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the group's financial statements and amortised over the balance period of such long term asset or liability but not beyond accounting period ending on or before March 31, 2020, by recognition as income or expense in each of such period foreign currency monetary items. For this purpose, the group treats a foreign monetary item as "long term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

Forward Exchange Contracts not intended for trading or speculation purposes

Forward exchange contracts or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risks the premium or discount arising at the inception of the contract is amortised as expenses or income over the life of the

contract. Exchange differences arising on such contracts are recognized in the period in which they arise.

Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under (AS) - 11, Accounting for the Effects of Changes in Foreign Exchange Rates are marked to market on a portfolio basis, and the loss is charged to the statement of profit and loss. Gains are ignored.

Translation of Non Integral Foreign Operations

Financial statements of non-integral foreign operations are translated as under:

- i) Assets and Liabilities both monetary and non-monetary are translated at the rate prevailing at the end of the year.
- ii) Income and expense items are translated at exchange rates at the dates of the transactions

Exchange differences arising on translation of non-integral foreign operations are accumulated in the foreign currency translation reserve until the disposal of such operations.

xiv. Leases

Operating Lease

As Lessee

Assets acquired on leases where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Lease rentals are arrived on straight line basis and charged to the Statement of profit and loss on accrual basis.

As Lessor

Assets given on leases where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Lease rentals are recognised in the statement of profit and loss on accrual basis.

Finance Lease

Finance leases, which effectively transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the group will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

xv. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xvi. Employee Stock Option Scheme

The group has formulated an Employees Stock Option Scheme to be administered through a Trust. The scheme provides that subject to continued employment with the company or the group, employees of the company and its subsidiaries are granted an option to acquire equity shares of the company that may be exercised within a specified period. The group follows the intrinsic value method for computing the compensation cost for all options granted which will be amortized over the vesting period.

xvii. Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax laws. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the entities in the group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during

the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first. Deferred tax liability originated in as at the period end and reversing after the tax holiday period, falling within the tenure of Power Purchase Agreement and to the extent expected to be recovered through future tariff, has been disclosed as recoverable from beneficiaries (Power Buyers).

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The entities in the group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

xviii. Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the entities in the group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The entities in the group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that entities in the group will pay normal Income Tax during the specified period.

xix. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The entities in group have a present obligation as a result of past event,
- b) A probable outflow of resources is expected to settle the obligation; and
- c) The amount of the obligation can be reliably estimated

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of

- a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

- b) A present obligation arising from past events, when no reliable estimate is possible;
- c) A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

xx. Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is based on Industry / historical experience. The estimate of such warranty-related costs is revised annually.

xxi. Operations and Maintenance

Certain power related subsidiaries of the group had entered into Long Term Maintenance Agreement (LTMA) for maintenance of the main plant and Long Term Assured Parts Supply Agreement (LTAPSA) for supply of parts for planned and unplanned maintenance over the term of the agreement. Based on the obligation, amounts payable under the agreements are charged to Statement of profit and loss considering the actual Factored Fired Hours of the Gas Turbines during the year on the basis of average factored hour cost including Customs Duty applicable at the current prevailing rate. Periodical minimum payments are accounted as and when due based on contractual obligations.

xxii. Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

xxiii. Measurement of EBITDA

As permitted by the Schedule III to the Companies Act, 2013, the group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The group measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

3 Share Capital

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Authorised 12,000 (March 31, 2015: 12000) Crores Equity Shares of ₹1/- each	12,000.00	12,000.00
Issued, Subscribed and Paid Up 274.93 (March 31, 2015: 246.24) Crores Equity Shares of ₹ 1/- each, fully paid up	274.93	246.24
Less: Amount recoverable from LCL - Foundation (ESOP Trust)	1.15	1.15
	273.78	245.09

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2016		As at March 31, 2015	
Equity Shares of ₹ 1/- Each, Fully paid up	No. Crores	₹ Crores	No. Crores	₹ Crores
At the beginning of the period	246.24	246.24	240.78	240.78
Issued during the period - Conversion *	28.69	28.69	5.46	5.46
At the end of the period	274.93	274.93	246.24	246.24

*During the Year, 2.17 (March 31, 2015 : 5.46) Crores Equity Shares of ₹1/- each were allotted to ICICI Bank Limited at a Price of ₹ 6.23/- per Equity Share (premium of ₹ 5.23/- per share), by conversion of ₹13.56 (March 31, 2015 : ₹34) Crores Funded Interest Term Loan into Equity Share Capital of the Company.

*During the Year, 26.52 March 31, 2015 :NIL) Crores Equity Shares of ₹1/- each were allotted to Lanco Group Limited at a Price of ₹ 6.30/- per Equity Share (premium of ₹ 5.30/- per share), by conversion of ₹167.06 (March 31, 2015 : NIL) Crores Inter Corporate Loan into Equity Share Capital of the Company.

3.2 Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 1/- Per share. Each Holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

3.3 Shares held by holding company

	As at March 31, 2016		As at March 31, 2015	
	No. Crores	₹ Crores	No. Crores	₹ Crores
Equity Shares of ₹ 1/- each fully paid up held by Lanco Group Limited, the holding company	161.89	161.89	135.37	135.37

3.4 Details of Shareholder holding more than 5% shares of the company

	As at March 31, 2016		As at March 31, 2015	
	No. Crores	% Holding in the Class	No. Crores	% Holding in the Class
Equity Shares of ₹ 1/- each held by Lanco Group Limited, the holding company	161.89	58.88	135.37	54.98

3.5 Details of Shares Reserved for issue under Options

For details of shares reserved for issue under Employee Stock Options (ESOP) plan of the company, Refer Note 42)

During the year ended March 31, 2014 the Company's proposal to restructure the debt has been approved by the Corporate Debt Restructuring Empowered Group (CDR EG) vide letter of approval dated December 20, 2013. The company executed Master Restructuring Agreement (MRA) on December 27, 2013. As a result of this the lenders of CDR have a right to convert restructured debt into equity shares at the sole discretion and on demand as per the agreed terms in the MRA.

In relation to the loans restructured by the CDR lenders a total amount to ₹3,431.45 (March 31, 2015 : ₹2,894.41) Crores would qualify for the conversion of 563.60 (March 31, 2015 : 473.29) Crores shares at the sole discretion and on demand of the CDR lenders.

In relation to the promoters contribution a total amount to ₹NIL (March 31, 2015 : ₹167.06) Crores would qualify for the conversion of NIL (March 31, 2015 : 26.82) Crores shares at the sole discretion of the promoters.

During the year, Debentures of ₹321.45 (March 31, 2015 : NIL) Crores have been allotted to Non-CDR lender after conversion of term Loan and interest payable on term loan upto March 10, 2016 and would qualify for the conversion into equity shares at the end of 12 months (i.e. March 14, 2017) from the date of allotment along with outstanding interest at the SEBI determined price or price applicable to CDR lenders whichever is higher.

4 Reserves and Surplus #

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Capital Reserve*		
As at the commencement of the year	754.76	731.26
Add / (less): Additions / Utilisations during the year	38.25	23.50
	793.01	754.76
Capital Redemption Reserve		
As at the commencement of the year	16.77	16.77
	16.77	16.77
Securities Premium Account		
As at the commencement of the year	1,928.25	1,895.51
Add : Received during the year	151.93	28.54
Add : Premium on account of ESOPs exercised	4.41	4.20
	2,084.59	1,928.25
Foreign Currency Monetary Item Translation Difference (Net)		
As at the Commencement of the year	(13.10)	-
Add: Additions during the year	(6.77)	(13.10)
Less: Amortized during the year	11.44	-
	(31.31)	(13.10)
Share Option Outstanding Account		
Employee Stock Options (ESOP) Outstanding (net of ESOP Suspense) at the commencement of the year	19.79	19.34
Add: ESOP Costs recognised during the year	(1.53)	4.65
Less: Transfer to Security Premium on account of ESOPs exercised	4.41	4.20
	13.85	19.79
General Reserve		
As at the commencement of the year	117.10	117.10
	117.10	117.10
Foreign Currency Translation Reserve		
As at the commencement of the year	422.01	329.97
Add: Addition during the year	(208.29)	92.04
	213.72	422.01
Surplus in the Statement of Profit and Loss		
As at the commencement of the year	(3,938.44)	(1,891.65)
Add / Less:- Profit / (Loss) for the year	(265.60)	(2,036.74)
Less : Depreciation Transitional Adjustment	-	10.05
Net Surplus in the Statement of Profit and Loss	(4,204.04)	(3,938.44)
	(996.31)	(692.86)

* On consolidation - after netting off goodwill on consolidation of ₹ 376.33 (March 2015: ₹351.08) Crores. Additions / (Utilisations) includes ₹ 66.45 (March 2015 : 23.50) Crores on conversion of the opening values with year end forex rates.

Reserves & Surplus before intra group elimination ₹ 476.25 (March 2015 : ₹ 660.41) Crores. (Refer Note 33).

5 Long Term Borrowings

(₹ Crores)

	Non Current		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Debentures *				
Unsecured				
32.15 Crores 10.5% Cumulative Compulsory convertible debentures of ₹10 each	321.45	-	-	-
Rupee Term Loans				
Secured				
From Banks	22,006.19	17,510.63	1,444.88	781.46
From Financial Institutions	9,326.83	9,232.54	522.39	634.00
Unsecured				
From Financial Institutions	-	199.29	-	84.16
Foreign Currency Term Loans				
Secured				
From Banks	6,668.11	5,334.59	66.22	8.96
From Financial Institutions	-	-	-	6.04
From Others	276.47	-	-	-
Deferred Payment Liabilities - Secured #	761.40	715.97	-	-
Finance Lease Obligations - Secured	-	-	-	2.86
Other Loans and Advances - Unsecured - Others	0.02	-	-	-
Loans and Advances from Related Parties (Refer Note 45)				
Unsecured - Other Loans and Advances	-	152.00	-	-
	39,360.47	33,145.02	2,033.49	1,517.48
" Amount disclosed under the head ""Other Current Liabilities"" (Note 11) "			(2,033.49)	(1,517.48)
Net Amount	39,360.47	33,145.02	-	-

The Board of Directors of the Company in its meeting held on July 27, 2013 had accorded its approval for restructure of the debts of the Company under Corporate Debt Restructuring (CDR) Mechanism of the Reserve Bank of India. CDR Empowered Group (CDR EG) in its meeting held on December 11, 2013 has approved the CDR scheme submitted by the Company and issued letter of approval on December 20, 2013.

* The details of Debentures and terms of repayment are as follows:

32.15 Crores 10.5% cumulative compulsory convertible debentures of ₹ 10 each, ₹ 321.45 (March 31,2015 : ₹ Nil) Crores have been allotted to Non-CDR lender after conversion of term Loan and interest payable on term loan upto March 10, 2016. These debentures are unsecured. However, collateral securities have been provided by way of pledge of shares of a subsidiary held by another subsidiary and also by pledge of shares of the Company held by one of the Promoters. Debentures are convertible into equity shares at the end of 12 months (i.e. March 14, 2017) from the date of allotment along with outstanding interest at the SEBI determined price or price applicable to CDR lenders whichever is higher.

Represents future consideration payable in respect of acquisition of step down subsidiaries GCM & CMM and refer note 93.

A. Rupee Term Loan from Banks & Financial Institutions #

(₹ Crores)

S. No.	Subsidiary/Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
1	Lanco Infratech Ltd. (LITL)	5,864.79 (4,727.50)	63.32 (64.29)
	Security & Terms and Conditions		
	a) from banks		
	<p>1. Term Loan of ₹ 657.68 (March 31, 2015 : ₹666.45) Crores out of which ₹104.34 (March 31, 2015 : ₹13.33 Crores) is current, WCTL- I of ₹ 985.62 (March 31, 2015 : ₹998.01) Crores out of which ₹157.28 (March 31, 2015 : ₹19.96) Crores is current, WCTL- II of ₹ 552.28 (March 31, 2015 : ₹556.56) Crores out of which ₹90.33 (March 31, 2015: ₹11.13) Crores is current, FITL of ₹517.15 (March 31,2015 : ₹532.16) Crores out of which ₹81.92 (March 31, 2015 : ₹10.64) Crores is current as per the CDR package approved by CDR EG and MRA dated December 27, 2013. These loans are having charge on the TRA of the Company and first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters , subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates. These loans are having moratorium period of 2 years from the cutoff date of April 1, 2013 and are repayable in 30 quarterly installments starting from June 30, 2015. Further Land admeasuring 924 acres (approx.) held by one of the step down subsidiary is offered as collateral security for ₹ 394.00 Crores of the Term Loan and shares of subsidiary held by another subsidiary are offered as collateral security for ₹ 213.43 Crores of the Term Loan.</p> <p>2. Priority Loan of ₹2284.14 (March 31, 2015 : ₹1,678.17) Crores out of which ₹625.16 (March 31,2015: ₹33.94) Crores is current classified as long term borrowings as per the CDR package approved by CDR EG and MRA dated December 27, 2013. These loans are having priority charge on the Trust and Retention Account (TRA) of the company and first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates. These loans are having moratorium period of 2 years from the cutoff date of April 1, 2013 and are repayable in 18 quarterly installments starting from June 30, 2015.</p> <p>3. Long Term Working Capital Loan of ₹432.16 (March 31, 2015 : NIL) Crores, All Non - Current classified as long term borrowings as per proposal appraised by the lead bank, IDBI and respective sanctions of the banks. These loans are having first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates. These loans are having moratorium period of 2 years from the cutoff date of April 1, 2015 and are repayable in 24 quarterly installments starting from June 30, 2017 to March 31, 2023.</p> <p>4. ₹35.41 (March 31,2015 : ₹ 40.76) Crores, Term Loan availed from Non-CDR lender, out of which ₹ 5.35 (March 31, 2015: ₹5.36) Crores is Current is secured by way of mortgage on immovable assets pertaining to solar projects and hypothecation of movable assets both present and future of the solar project of company on first charge basis and is being repaid in 48 quarterly installments ending on September 30, 2023.</p> <p>5. ₹400.35 (March 31,2015 : ₹ Nil) Crores, Term Loan availed from Non-CDR lender, out of which ₹ 30.81 (March 31,2015 : ₹Nil) Crores is Current are secured by way of first Charge on the cash flows, project documents pertaining to the solar projects and all accounts including TRA, DSRA for the solar projects, mortgage on the immovable assets pertaining to the solar power projects and hypothecation of movable assets both present & future of those projects on first charge basis and is being repaid in 82 structured quarterly installments starting from October 1, 2015 and ending on March 31, 2036. Further Land admeasuring 572.29 acres held by one of the associate company and personal guarantee of promoter of the company are offered as collateral security for this Term Loan.</p> <p>6. ₹Nil (March 31, 2015 : ₹ 255.39) Crores, Term Loan availed from Non-CDR lender, out of which ₹ Nil (March 31, 2015 : ₹22.17) Crores is Current are secured by way of mortgage on the immovable assets pertaining to the solar power projects and hypothecation of movable assets both present & future of those projects on first charge basis.</p>		

(₹ Crores)

S. No.	Subsidiary/Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
b) from financial institutions			
	1. ₹63.32 (March 31, 2015 : ₹ 64.29) Crores, out of which ₹9.96 (March 31, 2015 : ₹1.29) Crores is current, This Loan is having charge on the TRA of the Company and first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates. This loan is having moratorium period of 2 years from the cutoff date i.e. April 1, 2013 and is repayable in 30 structured quarterly installments starting from June 30, 2015.		
	2. ₹ NIL (March 31, 2015 : ₹ 283.45) Crores, term Loan availed from Non-CDR lender, out of which ₹ NIL (March 31, 2015: ₹84.16) Crores is Current were unsecured. However, collateral securities have been provided by way of pledge of shares of a subsidiary held by another subsidiary and also by pledge of shares of the Company held by one of the Promoters. The Company has not paid principal amount of ₹ 42.33 Crores and interest amount of ₹ 221.12 Crores and LC Devolved Amount ₹23.17 Crores.as at March 31, 2016		
2	Lanco Amarkantak Power Limited (LAPL)	4,059.91 (3,481.26)	4,651.79 (3,998.05)
	Security & Terms and Conditions		
	(a) Secured Rupee Term Loans from Banks and Financial Institutions represent the loans taken for all units which are secured by way of pari-passu first charge on all immovable properties and movable assets, both present and future and by pledge of equity shares held by promoters to the extent of 77% in case of Unit 1&2 and 60% in case of Unit 3&4. Further, some of the loans are covered by personal guarantees of promoter directors of the LAPL . The term loans of Unit 1&2 are repayable ranging from 28 to 53 quarterly installments. The term loans of Unit 3&4 are repayable in 48 quartely installments in term of the facility aggrement.		
	(b) Pursuant to the terms of Unit 1&2 Common Loan Agreement(s), Senior Debt "B " Lenders shall at any time after the Commercial Operation Date have the right to convert their respective portion of outstanding Senior Rupee Debt B Facility into fully paid up equity share value of ₹10 each. The outstanding amount of Senior Rupee Debt B facility as on March 31, 2016 is ₹ 172.55 Crores.		
	(c) Secured Rupee Term Loans include IDFC's term loan of ₹ 565 Crores (₹162.81 Crores outstanding as on March 31, 2016,) for Unit 5&6 which is secured by second charge by way of hypothecation of all movable properties of Unit 1&2 which shall be subordinate to Sr. Rupee Debt A & Sr. Rupee Debt B lenders of Unit 1&2 in addition to pledge of 10.93 Crore equity shares of the LAPL.		
	(d) IDBI Term Loan of ₹ 170 Crores (As on March 31, 2015 ₹ 150 Crores) to Unit 2 is secured by subservient charge on fixed & current assest of Unit 1&2 and personal guarantee of promotor director.		
	(e) The LAPL has un paid Principal dues of ₹ 38.11 Crores and Interest dues of ₹ 56.93 Crores to its Unit 1&2 lenders and ₹ 130.24 Crores to its Unit 3&4 lenders and ₹ 3.14 Crores to its Unit 5&6 lenders as at March 31, 2016.		
3	Lanco Kondapalli Power Limited (LKPL)	2,243.26 (2,119.54)	1,137.99 (979.63)
	Security & Terms and Conditions		
	Indian Rupee Term Loans from Banks and Financial Institutions are repayable in 48 equal quarterly instalments commencing after 6 months from project completion date. The LKPL has requested to the Project Lenders for the total existing facility to be repaid in 52 structured quarterly installments commencing from March 31, 2018 and end on December 31, 2030. The proposal has been approved in the consortium meeting held on February 12, 2015. As on the reporting date LKPL has received approvals from the Banks/Financial Institutions.		
	Indian Rupee Term Loans from Banks and Financial Institutions are repayable in 48 structured quarterly instalments commencing after 24 months from Scheduled Commercial Operations Date (SCOD). The LKPL has requested to the Project Lenders for the total existing facility to be repaid in 48 structured quarterly installments commencing from March 31, 2018 and end on December 31, 2029. The proposal has been approved in the consortium meeting held on February 12, 2015. As on the reporting date LKPL has received approvals from the Banks/Financial Institutions.		

(₹ Crores)

S. No.	Subsidiary/Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
	<p>Term Loans availed from Banks and Financial Institutions for Phase-II and Phase-III are secured by a pari passu first charge on all immovable properties of the LKPL both present and future, all the tangible moveable properties, including movable plant and machinery, machinery spares, equipments, tools and accessories both present and future relating to Phase-I, Phase-II and Phase-III projects, assignment by way of pari passu first charge on all the rights, title and interests to all the Receivables, commissions, revenues of whatsoever nature and whatever arising, intangibles, goodwill, uncalled capital, the accounts and book debts, both present and future, the rights, title and interest under the Project Documents duly acknowledged and consented to by the relevant counter parties to such Project Documents all as amended, varied or supplemented from time to time, all the rights, title, interest, benefits, claims and demands whatsoever in the Government approvals and clearances, all the rights, title interest, benefits, claims and demands of the borrower in any letter of credit, guarantee, performance bonds indemnities and securities that may be furnished by the various counter parties under such Project documents, all insurance contracts and insurance proceeds, the rights, title and interest on the Letter of Credit, if any / Escrow account, Retention Accounts including Debt Service accounts (2 quarters), other reserves and any other bank accounts of the Borrower wherever maintained subject to working capital loan, if any, floating charge on all other assets, present and future, of the Borrower including but not limited to goodwill and general undertaking of the Borrower in favour of the Lenders; Pledge of the shares held by Sponsors and Shareholder(s) representing 51% of the issued and paid up share capital of the Borrower. All the aforesaid mortgages, charges, assignments and pledges shall in all respects of Phase-II and Phase-III lenders along with Working Capital lenders Phase-II & III Term Loans are further secured by way of an unconditional and irrevocable corporate guarantee of the LKPL, the company subject to approval from CDR EG and Personal Guarantees of Promoter Directors.</p> <p>The LKPL has not paid principal amount of ₹37.71 Crores and interest amount of ₹106.79 Crores as at March 31, 2016.</p>		
4	Lanco Tanjore Power Company Limited (LTPCL)	Nil (9.68)	-
	<p>Security & Terms and Conditions</p> <p>Indian Rupee Term Loans are repayable in 40 quarterly instalments of ₹4.90 Crores each along with interest, from the date of loan, viz July 2005. The loan is secured by way of First Charge on pari passu basis on all the immovable properties of the LTPCL, both present and future situated at Karuppur village, near Kuttalam in Thiruvidaimaruthur Taluk, Tanjore district, Tamil Nadu and by way of hypothecation of all the movable properties of the LTPCL including its movable plant and machinery ,spares, tools, accessories and other movables, both present and future including book debts and future secured by personal guarantees of certain Promoters of the LTPCL.</p>		
5	Lanco Anpara Power Limited (LANPL)	1,348.43 (1,456.42)	2,027.68 (2,196.46)
	<p>Security & Terms and Conditions</p> <p>The LANPL availed Rupee Term loans from consortium lenders carrying interest rate as per loan agreements with the respective banks which are linked to the Bank's Base Rate + weighted average spread of 4.06%. The above loan is secured as follows :</p> <ol style="list-style-type: none"> 1. A first mortgage / hypothecation and charge on all the immovable and movable properties (including all receivables, tangible and intangible properties) of the LANPL both present and future. 2. A first charge / assignment/ security interest on rights, titles and interests of the LANPL in respect of all assets of the project. 3. A first charge/assignment/security interest on rights, titles and interests of the LANPL in all project documents/ contracts/ licenses including insurance contracts pertaining to the project. 4. A first charge/assignment / security interest of contractor guarantee, performance bonds and any letter of credit that may be provided by any party under the LANPL project. 5. A first charge /assignment/security interest on the irrevocable, no lien Trust and Retention Accounts (TRA) into which all cash inflows from the LANPL project. 6. Pledge of 61% of the fully paid up share capital of the project (Phase-I), as appraised by the Lenders, as collateral security. 7. The LANPL has not paid principal amount of ₹ 95.12 Crores and interest amount of ₹ 122.01 Crores as at March 31, 2016. 		
6	Udupi Power Corporation Limited (UPCL)	Nil (2,033.79)	Nil (1,655.02)
	<p>Security & Terms and Conditions</p> <p>During the year the entity sold.</p>		

(₹ Crores)

S. No.	Subsidiary/Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
7	Lanco Vidarbha Thermal Power Limited (LVTPL)	2,978.14 (Nil)	642.92 (Nil)
	Security & Terms and Conditions		
	<p>(a) LVTPL got sanctioned term loan from consortium of Bankers / Financial Institution for its Project amounting to ₹ 8,346.00 Crores and at the end of reporting financial year LVTPL has been disbursed loan amounting to ₹ 3,621.07 Crores. There are loans from multiple lenders and the carrying interest rate as per the loan agreement is linked to each of the Lender's Base Rate plus a weighted average spread of 3.47% as applicable.</p> <p>Indian Rupee Loan from Banks and Financial Institutions of ₹ 3,621.07 Crores is repayable in 48 quarterly installments. The repayment amount is ₹ 222.85 Crores per quarter for the first 3 quarters, ₹ 208.66 Crores per quarter for next 20 quarters, ₹ 187.79 Crores per quarter for next 4 quarters, ₹ 166.93 Crores per quarter for next 16 Quarters, and ₹ 41.73 Crores per quarter for next 2 quarters. The repayment shall commence on September 01, 2018.</p> <p>The loan is secured by:</p> <ul style="list-style-type: none"> (i) First mortgage and charge on all the immovable properties, present and future. (ii) First charge by way of hypothecation of all movable properties and assets, present and future. (iii) First charge on Borrower's book debt, operating cash flows, current assets, receivables, revenues, Intangible, goodwill and uncalled capital present and future. (iv) First charge by way of assignment or creation of charge in favour of the lenders of the project documents, duly acknowledged and consented to by the relevant counter parties to such project Documents, all as amended, varied or supplemented from time to time. (v) First charge on all letter of credit, escrow accounts, trust and retention account and any other bank accounts. (vi) Pledge of 51% of Paid up Share Capital of the LVTPL and Pledge of incremental shares issued after March 31, 2014. (vii) Corporate Guarantee by the LVTPL and personal guarantee of Mr. L. Madhusudan Rao, Mrs L. Ramalakshamma and promoter directors. 		
	(b) The LVTPL has not paid Interest amount of ₹ 148.20 Crores as at March 31, 2016.		
8	Lanco Babandh Power Limited (LBPL)	3,419.81 Nil	1,300.00 Nil
	Security & Terms and Conditions		
	<p>I. The LBPL has availed loans from consortium of lenders carrying interest rate(s) as per the loan agreements with the Lenders. The sanctioned loan of ₹ 8,344 Crores as part of the cost overrun proposal is repayable in 40 unequal quarterly instalments, commencing 12 months from COD or April 01, 2018. Approval from all lenders have been received as on the Balance Sheet Date for the restructuring.</p>		
	<p>II. Loans from banks and financial institutions are secured / to be secured by first ranking charge/ mortgage / hypothecation on the following:</p> <ul style="list-style-type: none"> a) Immovable Properties (incl. 711.4855 acres of Land) and movable properties including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicle and other movable assets, both present and future; b) all the Borrower's tangible and intangible assets, including but not limited to its goodwill, undertaking and uncalled capital, both present and future; c) assignment of all insurance policies, including but not limited to the Insurance Contracts, performance bonds, contractors' guarantees and any letter of credit provided by any person under the LBPL Documents; d) assignment of all of the Borrower's rights, title and interest under each of the LBPL Project Documents and Contracts, all the Borrower's rights under each letter of credit/guarantee or performance bond that may be posted by any party to a Project Documents for the Borrower's benefit and all the Borrower's rights under the Clearances (to the extent assignable under Applicable Law); e) all the book debts, operating cash flows, receivables, all other current assets, commission, revenues of the Borrower, both present and future; and f) all the Accounts and all other bank accounts of the Borrower (except the Distribution Account on which a floating charge shall be created which shall get converted to a fixed charge on the happening of an Event of Default); g) Further the loans (including ECB Loan) have been guaranteed by a corporate guarantee of the company, the Company and Personal Guarantee for the same have been given by Sh. L. Madhusudhan Rao and Smt. Ramalakshamma Lagadapati. h) Pledge of 46.46% of paid up Share Capital of the Phase 1 (1320 MW = 2 * 660MW) of the LBPL by Shareholders. The LBPL has not paid the Interest amount of ₹ 122.04 Crores as at March 31, 2016. 		

(₹ Crores)

S. No.	Subsidiary/Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
9	Lanco Thermal Power Limited (LTPL)	182.46 (85.00)	-
	Security & Terms and Conditions		
	(a) Indian Rupee Loan from Axis Bank of ₹85.00 Crores out of which 70% of the said loan is repayable in 62 ballooning quarterly instalments, from June 30, 2015 upto September 30, 2030. The balance 30% of the debt to be paid in a single installment on September 30, 2030, Further the loan has been guaranteed by the corporate guarantee of LPL. The loan is secured by hypothecation / Pledge / Mortgage / First Charge etc. on (i) First Charge on all immovable and movable assets of the LTPL.(ii) First Charge on all book debts, operating cash flows, revenue and escrow of receivables of the LTPL, present & future.(iii) First charge on all intangible assets of the LTPL including but not limited to goodwill, uncalled capital present & future.(iv) First charge by way of assignments or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of the LTPL in project documents.(v) All the rights, title, interest, benefits, claims and demands whatsoever of the project in the permits, approvals and clearances pertaining to the LTPL. (vi) All the rights, title, interest, benefits, claims and demands whatsoever of the LTPL in letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party.(g) Finance Lease Obligation is secured by the Plant & Machinery taken under Finance Lease Agreement.(vii) All insurance contracts / insurance proceeds related to the project.(viii) First charge on the trust & retention account, debt service reserve account and other reserves and any other bank accounts of the LTPL wherever mentioned.		
10	Lanco Hydro Power Limited (LHPL)	31.7 (33.60)	-
	Security & Terms and Conditions		
	(a) Indian Rupee Loan from Axis Banks of ₹38.00 Crores, the said loan is repayable in 60 ballooning quarterly instalments from June 30, 2014 upto March 31, 2029. The loan is secured by hypothecation / Pledge / Mortgage / First Charge etc. on (i) First Charge on all immovable and movable assets of the Project.(ii) First Charge on all book debts, operating cash flows, revenue and escrow of receivables of the project, present & future.(iii) First charge on all intangible assets of the project including but not limited to goodwill, uncalled capital present & future.(iv) First charge by way of assignments or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of the LHPL in project documents.(v) All the rights, title, interest, benefits, claims and demands whatsoever of the project in the permits, approvals and clearances pertaining to the project.(vi) All the rights, title, interest, benefits, claims and demands whatsoever of the project in letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party.(vii) All insurance contracts / insurance proceeds related to the project.(viii) First charge on the trust & retention account, debt service reserve account and other reserves and any other bank accounts of the project wherever mentioned.		
11	Lanco Mandakini Hydro Energies Private Limited (LMHEPL)	622.64 (521.16)	-
	Security & Terms and Conditions		
	The sanctioned loan of ₹ 622.64 Crs as a part of costover run is repayable in 48 quarterly instalments along with interest, from December 2017 (including moratorium of 15 months). The Loan is secured by hypothecation / Pledge / Mortgage / First Charge etc. on (i) All immovable and movable properties, both present and future. (ii) All intangible assets of the LMHEPL including but not limited to goodwill, uncalled capital present & future (iii) By way of assignments or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of the LMHEPL project documents (iv) All the rights, title, interest, benefits, claims and demands whatsoever of the LMHEPL in the permits, approvals and clearances pertaining to the LMHEPL project.(v) All the rights, title, interest, benefits, claims and demands whatsoever of the LMHEPL in letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party.(vi) All insurance contracts / insurance proceeds related to the project.(vii) On the trust & retention account, debt service reserve account and other reserves and any other bank accounts of the project wherever mentioned.The Loan is secured by pledge of the 100% of paid up Equity Share Capital of the LMHEPL, the total shares pledged as on March 31, 2016, equivalent to 75.59% The LMHEPL has not paid the interest amount of ₹ 13.57 Crs as at March 31, 2016.		
12	Lanco Teesta Hydro Power Limited (LTHPL)	Nil (1,246.12)	Nil (973.09)
	Security & Terms and Conditions		
	During the year the entity became Associate of the LHPL.		

(₹ Crores)

S. No.	Subsidiary/Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
13	Lanco Hills Technology Parks Private Limited (LHTPPL)	832.36 (748.10)	-
	Security & Terms and Conditions		
	<p>Phase II Term Loans from Banks of ₹ 832.36 Crs are repayable in 10 equal half yearly installments after 6 months from project completion date. The Loans are repayable in 10 equal half yearly installments after 6 months from project completion date. Term Loans availed from Banks are secured by way of hypothecation of all the movable assets of the Phase II Project ranking paripassu with the consortium members, First charge by way of mortgage of land measuring 60.84 Acres with the immovable assets of It Project both present and future constructed / devolped to be constructed / to be devolped by LHTPPL on the Phase II lands situated at Manikonda, Hyderabad. The Term Loans are further secured by way of corporate guarantee from the Company, LPL and personal guarantees of Promoters. The additional Term Loans are further secured by mortgage of land measuring 27 acres in Siruseri, Chegleput taluk, Kancheepuram Distrit Tamilnadu owned by M/s Lanco Horizon Properties Limited.</p> <p>The LHTPPL has not paid interest of ₹ 41.44 Crores as at March 31, 2016</p>		
14	Diwakar Solar Projects Limited (DSPL)	5.73 (346.08)	-
	Security & Terms and Conditions		
	<p>(a) Indian Rupee Term Loan from Axis Bank is repayable in 48 quarterly unequal installments with a moratorium period of 12 months from the date of COD and balance 20% shall be paid in single installment. The loan is secured by a way of pledge of 51% of total equity shares of the DSPL held by the the Company, Corporate Guarantee of Company and by way of rank pari passu charge of project on all mortgages, charges, assignments and pledges as per the standard security package and is identified by and between consortium members and LC/Escrow accounts, including inter-alia: First charge by way of mortgage on immovable properties, present & future of the DSPL. First charge by way of hypothecation on all movables including movable plant and machinery, machiney spaces, tools and accessories, furniture, fixtures, vehicles, present & future, of the DSPL. First charge on all book debts, operationg cash flows, recievables, commissions, revenues of whatsoever nature and wherever arising, of the DSPL present & future, of the DSPL. A first charge on all intangible assets, if any, of the DSPL including but not limited to goodwill, uncalled capital, present & future.</p> <p>(i) The DSPL has not paid principal amounting ₹ 5.72 and Interest amount of ₹ 14.76 Crs as at March 31, 2016.</p>		
15	Newton Solar Private Limited (NSPL)	8.83 (Nil)	25.52 (Nil)
	Security & Terms and Conditions		
	<p>(a) Indian Rupee Term Loan from PFC is repayable in 48 equal quarterly instalments starting from January 15, 2013. The loan is secured by first Charge by way of mortgage on all of the NSPL immovable properties and hypothecation on all of the movable properties including movable plant & machinery, tools & spares etc. (present or future). Further first charge on book debts, cash flows, commission and revenue of the NSPL. Further the loan is secured by way of corporate guarantee of the Company, and further collateral security in form of pledge of 60% equity & preference share capital of the NSPL.</p> <p>(b) Indian Rupee Term Loan from Axis Bank is repayable in 52 structured quarterly instalments starting from June 30, 2014 and ending at March 31, 2027. The loan is secured by First Charge by way of mortgage on all of the companies immovable properties and hypothecation on all of the movable properties including movable plant & machinery, tools & spares etc. (present or future). Further first charge on book debts, cash flows, commission and revenue of the NSPL. Further collateral security in form of pledge of 60% equity & preference share capital of the NSPL.</p> <p>(c) The NSPL has not paid Principal amount of ₹ 0.05 Crores and Interest amount of ₹ 0.09 Crores to Axis Bank Limited as at Mar 31, 2016. As the system of Bank is to recover the amount on the first working day of succeeding month, hence same is paid accordingly.</p>		

(₹ Crores)

S. No.	Subsidiary/Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
16	Khaya Solar Projects Private Limited (KSPPL)	45.89 (48.65)	-
	Security & Terms and Conditions		
	(a) Indian Rupee Term Loan from AXIS Bank is repayable in 56 quarterly structured instalments with a moratorium period of 6 months from the Commercial Operation Date (COD). The repayment started from September 30, 2012. The loan is secured by way of pledge of shares of the KSPL held by the LSEPL, Corporate Guarantee of the Company and are secured by way of first charge by way of hypothecation of KSPL's movable assets, book debts, Intangible Assets, Letter of Credit /Escrow Account.		
	(b) The KSPL has not paid interest amount of ₹0.50 Crores as at March 31, 2016.		
17	Lanco Solar Energy Private Limited (LSEPL)	50.00 (Nil)	-
	Security & Terms and Conditions		
	(a) Indian Rupee Loan of ₹ 50 crores is repayable in 9 years in 9 yearly instalments of ₹ 5.55 crores each along with interest, from the date of loan, viz June 30, 2015. The loan is secured by exclusive charge over retention money receivables from Mahagenco (₹ 87.93 Crores from 2016 to 2024)		
	The LSEPL has not paid Interest amount of ₹ 5.02 crores as at March 31, 2016.		
18	Omega Solar Projects Private Limited (OSPPL)	Nil (40.46)	-
	Security & Terms and Conditions		
	During the year entity sold		
19	Lanco Hoskote Highway Limited (LHHL)	462.07 (468.52)	-
	Security & Terms and Conditions		
	Loans are taken from Banks under common loan agreement dated January 30, 2008 and are secured by way of pari-passu first charge on all the assets, including both immovable (tangible and intangible) and movable assets of the LHHL, both present and future excluding Project assets as defined in Concession Agreement and pledge of equity shares held by the Company aggregating to 51% paid-up and voting equity share capital of LHHL.		
	During the year 2012-13 the term loans taken from banks were restructured and as per the revised terms, Loans are repayable in 52 unequal quarterly instalments beginning from June 30, 2013 to March 31, 2025 ranging from ₹0.11 Crores to ₹12.49 Crores per quarter.		
	During the year 2013-14 the LHHL availed a loan of ₹125 Crores from ICICI Bank, the loan repayable in 84 unequal monthly instalments beginning from April 30, 2018 to March 31, 2025 ranging from ₹0.63 Crores to ₹ 2.29 Crores per month. The Loan is secured by way of second charge by hypothecation of all tangible and intangible, movable assets (both present and future) of the LHHL excluding Project assets as defined in Concession Agreement.		
	The LHHL has due an amount of ₹7.73 Crores towards interest and ₹1.68 Crores towards principal installment to the Banks as at March 31, 2016		

(₹ Crores)

S. No.	Subsidiary/Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
20	Lanco Devihalli Highways Limited (LDHL)	322.11 (331.27)	-
	Security & Terms and Conditions		
	<p>Loans are taken from Banks under common loan agreement dated January 30, 2008 and are secured by way of pari-passu first charge on all the assets, including both immovable (tangible and intangible) and movable assets of the LDHL, both present and future excluding Project assets as defined in Concession Agreement and pledge of equity shares held by the the company aggregating to 51% paid-up and voting equity share capital of LDHL.</p> <p>Terms of Repayment Bank Loans:- During the year 2014-15 the term loans taken from banks were restructured and as per the revised terms, Loans are repayable in 59 unequal quarterly instalemnts beginning from June 30 , 2014 to December 31, 2029 ranging from ₹0.06 Crores to ₹3.21 Crores per quarter.</p> <p>Availed a loan of ₹90.00 Crores from ICICI Bank, the loan repayable in 44 unequal quarterly installments beginning from June 30, 2013 to March 31, 2023 ranging from ₹0.56 Crores to ₹ 2.81 Crores per quarter. The Loan is secured by way of second charge by hypothecation of all tangible and intangible, movable assets (both present and future) of the LDHL. Charges yet to be created with the office of the Registrar of the Companies. NOC from Senior Lenders and NHAI is yet to be obtained for creation of charge.</p> <p>Terms of Repayment of Unsecured Loans:- The loan shall be repaid within two years from the date of disbursement. The duration of this loan may be extended by mutual consent of the both the parties.</p>		
21	Lanco Solar Private Limited (LSPL)	972.94 (594.93)	-
	Security & Terms and Conditions		
	<p>(a) The LSPL availed loans from multiple lenders are repayable in 36 structured quarterly instalments along with interest, commencing from 12 month from the date of COD, repayment will start from December 31, 2017. The loan is secured by way of pledge of shares of the LSPL held by the LSEPL, Corporate Guarantee of the Company up to ₹940/- Crores and Corporate Guarantee of the LSEPL for balance amount and are secured by way of Hypothecation / Pledge / Mortgage / First Charge etc. of immovable properties both present and future, tangible movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, equipment, and all other movable fixed assets, both present and future, all the rights, title and interests of the Borrower in and to all the receivables, accounts, other bank accounts, retention accounts, book debts, operating cash flows, commissions, other revenues of whatsoever nature and wherever arising, and all intangible assets including but not limited to goodwill, uncalled capital, both present and future of the LSPL pertaining to Poly-silicon, Wafer and Module manufacturing plant with capacity of 1800 TPA, 100 MW and 75 MW respectively at Villages Mehrumkhurd and Chhawardal, Tehsil Rajnandgaon, District Rajnandgaon in the state of Chhattisgarh.</p> <p>(b) The LSPL has not paid the interest of ₹19.76 Crores as at March 31, 2016</p>		
	Total	23,451.07 (18,292.09)	9,849.22 (9,866.54)
#	In the Company and at each SPV there are many loans and many lenders. The Carrying interest rate is as per the respective loan agreements entered at Company / SPV level which is linked to each of the Lender's Bank Rate +/- Spread as applicable.		
*	Previous Year figures are mentioned within the brackets		

B. Foreign Currency Loan from Banks and Financial Institutions #

(₹ Crores)

S. No.	Subsidiary / Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
1	Lanco Infratech Limited (LITL) - the Company	432.61 (416.52)	-
	Security & Terms and Conditions		
	1. Foreign Currency Non - Resident (FCNR) Loan from banks of ₹432.61 (March 31, 2015: ₹416.52) Crores out of which ₹66.22 (March 31, 2015 : ₹8.33) Crores is current is having first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates. These loans are having moratorium period of 2 years from the cutoff date i.e. April 1, 2013 and are repayable in 30 quarterly installments starting from June 30, 2015.		
2	Lanco Amarkantak Power Limited (LAPL)	Nil (217.65)	-
	Security & Terms and Conditions		
	During the year the loan was repaid.		
3	Lanco Babandh Power Limited (LBPL)	411.81 (Nil)	-
	Security & Terms and Conditions		
	Please refer S.no 8 of Rupee Term Loans terms & conditions.		
4	Lanco Tanjore Power Company Limited (LTPCL)	Nil (0.63)	Nil (6.04)
	Security & Terms and Conditions		
	(a) The Foreign Currency Loan from Bank is repayable in 40 quarterly instalments of approximately ₹0.30 Crores (equivalent to \$ 0.005 Crores) each along with interest, from the date of loan, viz July 2005. The loan is secured by way of First Charge on pari passu basis on all the immovable properties of the LTPCL, both present and future situated at Karuppur village, near Kuttalam in Thiruvudaimaruthur Taluk, Tanjore district, Tamil Nadu and by way of hypothecation of all the movable properties of the LTPCL including its movable plant and machinery ,spares, tools, accessories and other movables, both present and future including book debts and future secured by personal guarantees of certain Promoters of the LTPCL.		
	(b) The Foreign Currency Loan from Financial Institution is repayable in 40 quarterly instalments of approximately ₹2.90 Crores (equivalent to \$ 0.048 Crores) each along with interest, from the date of loan, viz July 2005. The loan is secured by way of First Charge on pari passu basis on all the immovable properties of the LTPCL, both present and future situated at Karuppur village, near Kuttalam in Thiruvudaimaruthur Taluk, Tanjore district, Tamil Nadu and by way of hypothecation of all the movable properties of the LTPCL including its movable plant and machinery ,spares, tools, accessories and other movables, both present and future including book debts and future secured by personal guarantees of certain Promoters of the LTPCL.		
	(c) During the year the loan was repaid.		
5	Lanco Solar Private Limited (LSPL)	Nil (100.59)	-
	Security & Terms and Conditions		
	During the year the loan was repaid		
6	Lanco Resource International Pte Limited (LRIPL)	5,889.91 (4608.16)	-
	Security & Terms and Conditions		
	Loan is secured by pledge of equity shares and charge over all present and future assets of LRIPL and its subsidiaries. The obligations are further supported by an irrevocable and unconditional, joint and several guarantee from the LRIPL and its subsidiaries as the case may be and Corporate Guarantee directly from the company. The security shall be shared on Pari -passu basis with the lenders of existing acquisition facility and other SBLC issuers.		

(₹ Crores)

S. No.	Subsidiary / Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
	Total	6,734.33 (5,343.55)	Nil (6.04)
C.	Deferred Payment Liability	761.40 (715.97)	
	Security & Terms and Conditions		
	Refer Note 6 of Long - Term Foreign Currency Loans from Banks and Financial Institutions above.		
D.	Finance Lease Obligation		Nil (2.86)
	Security & Terms and Conditions		
	Secured by the Plant and Machinery taken under Finance Lease Agreement.		
E.	Unsecured Loans	Nil (Nil)	Nil (283.45)
	Security & Terms and Conditions		
	₹ NIL (March 31,2015 : ₹ 283.45) Crores, term Loan availed from Non-CDR lender, out of which ₹ NIL (March 31,2015: ₹84.16) Crores is Current were unsecured. However, collateral securities have been provided by way of pledge of shares of a subsidiary held by another subsidiary and also by pledge of shares of the Company held by one of the Promoters.		
F.	Other Loans & Advances	Nil (152.00)	-
	Security & Terms and Conditions		
	Other loans and advances are Inter Corporate Loans, Interest free unsecured loan of ₹ NIL (March 31, 2015 : ₹152.00) Crores received from Promoter Company as Promoter's contribution as per terms and conditions of CDR package with conversion option into equity and repayable at the end of 10 years after approval of the CDR lenders.		
#	In the Company and at each SPV there are many loans and many lenders. The Carrying interest rate is as per the respective loan agreements entered at Company / SPV level which is linked to each of the Lender's Bank Rate +/- Spread as applicable.		
*	Previous Year figures are mentioned within the brackets		

6.1 Deferred Tax Liability (net)

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liability		
Differences in Written Down Value in Block of Fixed Assets as per Tax & Financial Books	746.78	1,158.05
Recoverable from beneficiaries *	-	(397.44)
Gross Deferred Tax Liability	746.78	760.61
Deferred Tax Asset		
Provision for Employee Benefits	2.02	2.51
Unabsorbed Depreciation-Carry forward losses as per Income Tax Act 1961	646.52	375.19
Provision for Other Disallowances	1.79	1.79
Gross Deferred Tax Asset	650.33	379.49
Deferred Tax Liability (net)	96.45	381.12

* In case of UPCL, Deferred tax liability originated in as at the period end and reversing after the tax holiday period, falling within the tenure of power purchase Agreement and to the extent expected to be recovered through future tariff, has been disclosed as recoverable from beneficiaries (Power Buyers).

6.2 Deferred Tax Asset (net)

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liability		
Differences in Written Down Value in Block of Fixed Assets as per Tax & Financial Books	75.69	74.82
Gross Deferred Tax Liability	75.69	74.82
Deferred Tax Asset		
Provision for Employee Benefits	24.73	23.33
Provision for Doubtful Debts	3.92	4.90
Provision for Lease Equalisation Reserve	1.80	1.80
Carry Forward Losses as per the Income Tax Act 1961	64.76	64.76
Provision for Other Disallowances	56.26	76.95
Gross Deferred Tax Asset	151.47	171.74
Deferred Tax Asset (net)	75.78	96.92

* Based on the existing orders on hand, the Company has recognised Deferred Tax Asset on unabsorbed depreciation relating to previous years.

7 Other Long Term Liabilities

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Trade Payables (including acceptances)		
total outstanding dues of creditors other than micro enterprises and small enterprises	363.74	366.70
Others		
Advances from Customers	1,069.10	2,362.11
Other Liabilities	111.32	257.71
	1,544.16	2,986.52

8 Provisions

(₹ Crores)

	Long Term		Short Term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provision for Leave Encashment	32.43	30.06	16.35	16.45
Provision for Gratuity	19.84	16.54	7.25	5.72
Provision for Bonus	-	0.61	4.25	2.83
Provision for Retention Bonus	0.74	1.13	3.08	7.39
Provision for Taxation (Net of Advance taxes)	-	0.05	24.30	4.39
Provision for Operations and Maintenance	56.65	35.15	16.43	9.65
Provision for Lease Equalisation	0.21	0.18	0.31	3.78
Provision for Mine restoration	163.11	161.64	7.33	7.23
Provision for warranty	334.28	462.10	-	-
Other Provisions	-	-	19.91	25.95
	607.26	707.46	99.21	83.39

9 Short Term Borrowings

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Cash Credits and Working Capital Demand Loan from Banks (Secured)	2,161.61	2,712.61
Other Loans repayable on demand		
Secured From Banks	225.00	225.09
Unsecured From Banks	49.17	-
Rupee Loans and Advances - Secured From Banks	-	990.00
Foreign Currency Loans and Advances - Secured- From Banks	525.31	577.73
Other Loans and Advances	4.35	-
Secured Loan against Fixed Deposits	-	-
Unsecured From Others	-	2.93
Loans and Advances from Related Parties (Refer Note 45)		
Unsecured Rupee Loans and Advances	5.21	20.28
	2,970.65	4,528.64

A. Cash Credits and Working Capital Demand Loan#

(₹ Crores)

S. No.	Subsidiary / Company Name	Amount of Loan From Banks*
1	Lanco Infratech Limited (LITL) - the Company	1116.34 (1071.97)
	Security & Terms and Conditions	
	a) Cash Credits and Working Capital Demand Loans from Banks:- ` 1,116.34 (March 31,2015:`1,071.97) Crores is having first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge as per the CDR scheme approved by CDR EG. Further, this loan is secured by pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoter Guarantors, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, Company and its step down subsidiaries and associates.	
2	Lanco Kondapalli Power Limited (LKPL)	109.03 (28.63)
	Security & Terms and Conditions	
	Cash Credits and Working Capital demand loan from Banks secured by way of charge on LKPL's inventories, consumable stores, book debts and all the movable properties of the LKPL including its movable plant and machinery, spares, tools, accessories and other movables both present and future and further secured by way of a equitable charge by deposit of title deeds of all the immovable properties of the LKPL situated at Krishna District in the State of Andhra Pradesh, both present and future ranking pari passu with charges created for securing term loans of the LKPL and secured on a pari passu basis by way of registered mortgage of the LKPL's freehold properties in the State of Maharashtra and Tamil Nadu and assignment of project contracts. Further secured by pledge of a portion of shares held by promoters. The LKPL has not paid interest amounting to ₹ 13.23 Crores.	
3	Lanco Tanjore Power Company Limited (LTPCL)	10.43 (10.27)
	Security & Terms and Conditions	
	Cash Credits and Working Capital demand loan from Banks is secured by hypothecation of stocks and other current assets both present and future on parri passu basis on movable and immovable properties and also guaranteed by certain directors / others in their personal capacity and by issue of Letter of Comfort by the LTPCL.	
4	Lanco Amarkantak Power Limited (LAPL)	367.54 (282.61)
	Security & Terms and Conditions	
	(a) Working Capital Loans include Cash Credit (CC) availed from the consortium of Canara Bank and Allahabad Bank(Unit 1) in respect of the sanctioned CC limit of ₹ 135 Crores and from IDBI Bank Ltd (Unit 2) in respect of its sanctioned CC limit of ₹ 145 Crores. During the Year the LAPL has availed short term working capital loan of ₹ 79 Crs from PFC against the total sanctioned amount of ₹ 125 crores. The entire Working Capital Fund Based CC Loans including disbursed portion of short term working capital loan and Non Fund Based facilities to the extent of ₹ 144 Crores are secured by way of first charge on the project assets of Unit 1&2 ranking pari passu with the Term Lenders of Unit 1&2. Non Fund Based facilities in excess of ₹ 144 Crores are secured by way of a Second Charge on the project Assets of Unit 1&2.	

(₹ Crores)

S. No.	Subsidiary / Company Name	Amount of Loan
		From Banks*
5	Udupi Power Corporation Limited (UPCL)	Nil (665.72)
	Security & Terms and Conditions During the year the entity sold.	
6	Lanco Anpara Power Limited (LAnPL)	434.61 (491.60)
	Security & Terms and Conditions Cash Credits and Working Capital demand loan Secured as follows : 1. First pari-passu charge by way of hypothecation of entire Current Assets, namely, raw-materials, stock-in-process, semi-finished goods, and finished goods, stores and spares including relating to plant and machinery (Consumable Stores & Spares), Bills Receivable and Book Debts and operating cash flows, revenues and receivables of the Project and all other movables of the Borrower, both present and future; 2. First ranking pari-passu charge on project assets both present and future ranking pari-passu with other working capital lenders; 3. First pari-passu charge by hypothecation on all the movable fixed assets of the LAnPL, both present & future; 4. First pari-passu charge by way of equitable charge on all the immovable fixed assets of the LAnPL, both present & future; 5. First pari-passu charge/assignment/security interest of contractor guarantees, performance bonds and any letter of credit that may be provided by any party under the project; 6. First pari-passu charge/assignment/security interest of rights, titles and interest of the LAnPL in all project documents/contracts/licenses including insurance contracts pertaining to the project. 7. The Cash Credit is repayable on demand and carries interest rate which are linked to Bank's Base Rate + weighted average spread of 3.52%.	
7	Lanco Solar Energy Private Limited (LSEPL)	123.66 (161.81)
	Security & Terms and Conditions (a) Cash Credits and Working Capital demand loan from Banks is secured by first pari passu charge on all current assets both present and future of the LSEPL with all member banks under multiple banking arrangement.(b) The LSEPL has not paid ₹ 21.65 crores on account of letter of credit and interest on working capital loan amounting to ₹ 4.07 crores.	
	Total	2,161.61 (2,712.61)
#	In the Company and at each SPV there are many loans and many lenders. The Carrying interest rate is as per the respective loan agreements entered at Company / SPV level which is linked to each of the Lender's Bank Rate +/- Spread as applicable.	
*	Previous Year figures are mentioned within the brackets	

B. Rupee Term Loan from Banks / Financial Institutions #

(₹ Crores)

S. No.	Subsidiary / Company Name	Amount of Loan	
		From Banks*	From Financial Institutions*
1	Udupi Power Corporation Limited (UPCL)	Nil (740.00)	-
	Security & Terms and Conditions During the year the entity sold.		
2	Lanco Amarkantak Power Limited (LAPL)	Nil (250.00)	-
	Security & Terms and Conditions During the year the loan was repaid.		
3	Lanco Anpara Power Limited (LAnPL)	225.00 (225.09)	-
	Security & Terms and Conditions Short term Loan of ₹ 225 Crores from bank of India is secured by Subservient charge on the entire assets of the LAnPL and personal guarantee of promotor.The LAnPL has not paid principal amount of ₹ 225 Crores and interest amount of ₹ 7.76 Crores against short term loan from Bank Of India as at March 31, 2016.		
	Total	225.00 (1,215.09)	Nil (Nil)

C. Foreign Currency Loan from Banks #

		(₹ Crores)
S. No.	Subsidiary / Company Name	Amount of Loan From Banks*
1	Lanco Infratech Limited (LITL) - the Company	127.31 (1.04)
	Security & Terms and Conditions	
	Foreign Currency Term Loans (Buyers Credit) from banks out of ₹127.31 (March 31,2015: 1.04) Crores, Foreign Currency Term Loans (Buyers Credit) from banks is secured by hypothecation of movable assets both present and future of the project were having first pari passu charge on fixed assets and current assets (present and future) of the Company except assets with exclusive charge along with pledge of equity shares of the Company held by its Promoters, Corporate Guarantee given by Promoter Company, Personal Guarantee of Promoters, subservient charge on the asset of 7 SPVs / Subsidiaries and unencumbered shares of 8 SPVs held by Promoters, company and its step down subsidiaries and associates.	
2	Udupi Power Corporation Limited (UPCL)	Nil (576.69)
	Security & Terms and Conditions	
	During the year the entity sold.	
3	Lanco International Pte Limited (LIPL)	398.00 (Nil)
	Security & Terms and Conditions	
	Loan is secured by the Company's Corporate Guarantee.	
	Total	525.31 (577.73)
#	In the Company and at each SPV there are many loans and many lenders. The Carrying interest rate is as per the respective loan agreements entered at Company / SPV level which is linked to each of the Lender's Bank Rate / LIBOR +/- Spread as applicable.	
*	Previous Year figures are mentioned within the brackets	
D	Unsecured Rupee Loans and Advances	5.21 (20.28)
	Security & Terms and Conditions	
	(i) Interest free unsecured loan of ₹ Nil Crores (March 31, 2015 : ₹ 15.06) from holding company is repayable on or before March 31, 2016 and having an option to lenders to convert in to equity at price to be arrived as per SEBI guidelines.(ii) ₹ 5.21 Crs (March 31, 2015 : ₹ 5.22) Unsecured Loan has been taken from the SOPL which carries interest @ 12.75 % p.a and loan is repayable within 12 months from the date of disbursement.	

10 Trade Payables

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Trade Payables (including acceptances)		
total outstanding dues of micro enterprises and small enterprises	3.26	2.50
total outstanding dues of creditors other than micro enterprises and small enterprises	3,739.49	3,901.93
	3,742.75	3,904.43

11 Other Current Liabilities

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Current maturities of long term borrowings (Note 5)	2,033.49	1,517.48
Interest accrued but not due on borrowings	134.74	250.54
Interest accrued and due on borrowings	1,071.58	711.25
Advances recieved against sale of Investments	-	743.00
Income received in advance	0.28	0.13
Advances from Customers	425.74	1,969.67
Taxes Payable	93.47	99.25
Amount payable in respect of Purchase of Fixed Assets / EPC contracts	182.25	104.25
Salaries and Other Employee benefits Payable	93.84	78.19
Other Payables	400.46	571.26
	4,435.85	6,045.02

12 Tangible Assets

Particulars	Owned Assets										Assets Taken On Finance Lease		(₹ Crores)
	Leasehold Land \$	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures **	Vehicles	Office Equipment	Mine Properties ##	Total (A)	Plant and Equipment (B)	TOTAL ASSETS (A + B)		
Gross Block													
As at April 01, 2014	216.36	387.37	1,417.88	17,996.91	114.10	33.65	81.48	5,794.72	26,042.47	663.44	26,705.91		
- Additions	-	3.01	14.63	148.59	0.33	0.57	1.25	34.82	203.20	0.15	203.35		
Additions on inclusion of new subsidiaries	-	0.19	-	10.88	1.62	0.99	0.16	-	13.84	-	13.84		
Deletion on sale of subsidiaries /	0.02	0.87	60.52	623.98	0.23	0.23	0.50	-	686.35	-	686.35		
Conversion of the Subsidiary into Associate	-	-	-	-	-	-	-	-	-	-	-		
Disposals	-	-	2.01	72.97	7.11	2.54	2.51	-	87.14	-	87.14		
Adjustments	-	-	-	-	-	-	-	-	-	-	-		
- Exchange Difference	-	(6.64)	(14.13)	(52.13)	0.43	(0.06)	0.14	(727.49)	(799.88)	(92.65)	(892.53)		
- Other *	(2.44)	-	-	0.11	0.01	(0.11)	(0.01)	-	(2.44)	-	(2.44)		
As at March 31, 2015	213.90	383.06	1,355.85	17,407.41	109.15	32.27	80.01	5,102.05	24,683.70	570.94	25,254.64		
Additions	-	6.61	239.65	3,642.60	0.75	0.82	2.10	153.81	4,046.34	-	4,046.34		
Additions on inclusion of new subsidiaries	0.38	107.73	1.13	67.87	0.64	1.13	1.56	-	180.44	-	180.44		
Deletion on sale of subsidiaries /	81.67	0.35	166.99	6,019.08	0.62	0.89	2.57	-	6,272.17	-	6,272.17		
Conversion of the Subsidiary into Associate	-	-	-	-	-	-	-	-	-	-	-		
Disposals	6.21	0.46	8.74	66.24	31.05	6.59	10.23	-	129.52	-	129.52		
Adjustments	-	-	-	-	-	-	-	-	-	-	-		
- Exchange Difference	-	2.76	6.17	42.77	0.31	0.03	0.08	333.16	385.28	34.14	419.42		
- Other *	-	-	-	605.08	-	-	-	-	605.08	(605.08)	-		
As at March 31, 2016	126.40	499.35	1,427.07	15,680.41	79.18	26.77	70.95	5,589.02	23,499.15	0.00	23,499.15		
Depreciation													
As at April 01, 2014	6.05	-	296.81	3,877.68	45.78	15.57	33.91	308.15	4,583.95	419.11	5,003.06		
Charged For the Period	4.42	-	45.03	881.82	12.77	5.53	19.08	60.04	1,028.69	22.94	1,051.63		
Additions on inclusion of new subsidiaries	-	-	-	6.43	0.07	0.36	0.09	-	6.95	-	6.95		
Deletion on sale of subsidiaries /	0.00	-	3.31	67.37	0.14	0.10	0.38	-	71.30	-	71.30		
Conversion of the Subsidiary into Associate	-	-	-	-	-	-	-	-	-	-	-		
On Disposals	-	-	1.48	21.08	3.78	1.52	1.57	-	29.43	-	29.43		
Adjustments	-	-	-	-	-	-	-	-	-	-	-		
- Exchange Difference	-	-	(9.06)	(51.39)	0.18	(1.00)	0.12	(43.12)	(104.27)	(58.53)	(162.80)		
- Other *	-	-	0.02	2.05	0.02	(0.06)	7.84	-	9.87	(6.95)	2.92		
As at March 31, 2015	10.47	-	328.01	4,628.14	54.90	18.78	59.09	325.07	5,424.46	376.57	5,801.03		
For the Period	4.12	-	42.78	669.69	12.44	3.68	8.55	63.86	805.12	-	805.12		
Additions on inclusion of new subsidiaries	0.06	-	0.37	15.88	0.21	0.52	0.71	-	17.75	-	17.75		
Deletion on sale of subsidiaries /	0.29	-	11.74	1,090.05	0.29	0.38	1.10	-	1,103.85	-	1,103.85		
Conversion of the Subsidiary into Associate	-	-	-	-	-	-	-	-	-	-	-		
On Disposals	0.45	-	8.28	35.25	18.41	3.88	9.17	-	75.44	-	75.44		
Adjustments	-	-	-	-	-	-	-	-	-	-	-		
- Exchange Difference	-	-	6.02	17.89	0.11	0.03	0.07	37.22	61.34	22.52	83.86		
- Other *	-	-	-	399.09	-	-	-	-	399.09	(399.09)	-		
As at March 31, 2016	13.91	-	357.16	4,605.38	48.96	18.75	58.15	426.15	5,528.47	0.00	5,528.47		
Net Block													
As at March 31, 2015	203.43	383.06	1,027.84	12,779.27	54.25	13.49	20.92	4,776.98	19,259.24	194.37	19,453.61		
As at March 31, 2016 ^	112.49	499.35	1,069.91	11,075.03	30.22	8.02	12.80	5,162.87	17,970.68	(0.00)	17,970.68		

* On reclassification of asset class.

^ Out of the net block an amount of ₹19.02 Crores worth of assets are held for sale.

** Includes Leasehold Improvements of Gross Block as on April 1, 2014 - ₹54.84 Crores, as on March 31, 2015 - ₹54.96 Crores, as on March 31, 2016 - ₹30.62 Crores and Accumulated Depreciation as on April 1, 2014 - ₹21.09 Crores, as on March 31, 2015 - ₹27.61 Crores, as on March 31, 2016 - ₹20.08 Crores.

Includes Mine Lease, Noise Bund, Exploration & Development, Overburden Removal & Rehabilitation asset.

13 Intangible Assets

(₹ Crores)

Particulars	Computer Software	Toll Collection Rights	Other Intangible Assets **	Total
Gross Block				
As at April 01, 2014	36.29	-	35.09	71.38
Additions	0.04	3.84	-	3.88
Additions on inclusion of new subsidiaries	0.17	1,831.54	-	1,831.71
Disposals	0.09	-	-	0.09
Adjustments				
- Exchange Difference	0.00	-	(2.21)	(2.21)
- Others *	-	-	-	-
As at March 31, 2015	36.41	1,835.38	32.88	1,904.67
Additions	0.15	-	5.62	5.77
Additions on inclusion of new subsidiaries	0.34	-	-	0.34
Deletion on sale of subsidiaries / Conversion of the Subsidiary into Associate	0.67	-	-	0.67
Disposals	0.09	-	5.62	5.71
Adjustments				
- Exchange Difference	0.00	-	1.97	1.97
- Others *	-	(10.91)	(0.09)	(11.00)
As at March 31, 2016	36.14	1,824.47	34.76	1,895.37
Depreciation				
As at April 01, 2014	30.28	-	10.90	41.18
Charged For the Period	2.51	40.54	4.61	47.66
Additions on inclusion of new subsidiaries	0.12	22.94	-	23.06
On Disposals	0.09	-	-	0.09
Adjustments				
Exchange Difference	0.00	-	(0.97)	(0.97)
- Others *	0.00	-	-	0.00
As at March 31, 2015	32.82	63.48	14.54	110.84
For the Period	1.72	42.70	1.60	46.02
Additions on inclusion of new subsidiaries	0.33	-	-	0.33
Deletion on sale of subsidiaries / Conversion of the Subsidiary into Associate	0.61	-	-	0.61
On Disposals	0.09	-	-	0.09
Adjustments				
- Exchange Difference	0.00	-	0.87	0.87
- Others *	-	-	(0.16)	(0.16)
As at March 31, 2016	34.17	106.18	16.85	157.20
Net Block				
As at March 31, 2015	3.59	1,771.90	18.34	1,793.83
As at March 31, 2016	1.97	1,718.29	17.91	1,738.17

* * On reclassification of asset class

** includes Briquetting technology asset

14 Capital Work In Progress

(₹ Crores)

	As at and Upto March 31, 2016	As at and Upto March 31, 2015
Asset Under Construction	13,884.05	9,799.06
Other Direct Cost		
Salaries, Allowances and Benefits to Employees	303.43	229.35
Contribution to Provident Fund and Other Funds	18.52	12.85
Grid Connection Charges	2.00	2.00
Staff Welfare Expenses	6.98	4.72
Rent	21.59	13.21
Rates and Taxes	17.92	14.99
Socio Economic Development Expenses	42.03	42.93
Repairs and Maintenance - Others	9.72	3.37
Office Maintenance	6.33	6.64
Insurance	93.98	65.71
Printing and Stationery	1.48	1.63
Consultancy and Other Professional Charges	195.11	152.06
Electricity, Water and Fuel Charges	73.47	1.33
Travelling and Conveyance	39.07	30.04
Communication Expenses	4.87	3.63
Project Allotment Expenses	29.33	29.63
Interest	9,242.57	5,286.11
Loss / (Gain) on Foreign Exchange Fluctuation (net)	771.92	514.55
Bank and Other Finance Charges	312.47	142.29
Depreciation	20.89	17.35
Trial Run Cost -Fuel Consumed	21.47	-
Trial Run Cost - Finance Charges	-	0.99
Miscellaneous Expenses	39.90	30.77
	25,159.10	16,405.21
Less: Other Income		
Sale of Infirm Power	7.46	-
Miscellaneous Income	56.01	42.53
Insurance Claim Received	58.19	59.28
Claims Receivables	164.96	164.64
Interest Received (Gross) on Deposits and Others	154.72	128.41
	24,717.76	16,010.35
Less: Expenditure Apportioned over Cost of Fixed Assets	3,536.93	3.67
Less: Charged to Profit and Loss Account	4.29	2.13
	21,176.54	16,004.55

15 Intangible Asset Under Development

(₹ Crores)

	As at and Upto March 31, 2016	As at and Upto March 31, 2015
Other Direct Cost		
Salaries, Allowances and Benefits to Employees	-	9.21
Contribution to Provident Fund and Other Funds	-	0.11
Staff Welfare Expenses	-	0.07
Rent	-	0.93
Rates and Taxes	-	1.02
Repairs and Maintenance - Others	-	0.04
Office Maintenance	-	1.00
Insurance	-	0.25
Printing and Stationery	-	0.07
Consultancy and Other Professional Charges	-	3.13
Travelling and Conveyance	-	1.11

(₹ Crores)

	As at and Upto March 31, 2016	As at and Upto March 31, 2015
Communication Expenses	-	0.15
Project Allotment Expenses	-	0.06
Interest	-	24.58
Bank and Other Finance Charges	-	8.64
Depreciation	-	0.14
Miscellaneous Expenses	-	0.54
	-	51.05
Less: Other Income		
Miscellaneous Income	-	0.48
Claims Receivables	-	50.44
Interest Received (Gross) on Deposits and Others	-	0.13
	-	0.00

16 Non Current Investments

(At Cost unless otherwise stated)

	No. Crores		(₹ Crores)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(a) Investment in Equity Instruments				
(i) Investment in Associate Company (Unquoted) (At cost plus share of profits / losses based on equity accounting)				
Equity Shares @ ₹10/- each fully paid up				
Lanco Vidarbha Thermal Power Limited #	-	0.29	-	-
(After elimination of profit / (loss) of ₹ Nil (March 31, 2015: ₹ 2.91) Crores)				
Genting Lanco Power (India) Private Limited	0.05	0.05	14.77	12.19
(Including Share of profit / (loss) of ₹12.66 (March 31, 2015: ₹ 10.096) Crores)				
Regulus Power private Limited	0.02	0.02	0.22	0.21
(Including Share of profit / (loss) of ₹(0.0031) (March 31, 2015: ₹ (0.0055) Crores)				
Himavat Power Private Limited	0.00	0.00	-	-
(Including Share of profit / (loss) of ₹(0.01) (March 31, 2015: (0.01)) Crores & after elimination of profit / (loss) of ₹ 0.0073 (March 31, 2015: 0.0073) Crores)				
Lanco Teesta Hydro Power Limited	66.89	-	619.91	-
(Including Share of profit / (loss) of ₹ Nil (March 31, 2015: ₹ Nil) Crores & after elimination of profit / (loss) of ₹ 47.03 (March 31, 2015: ₹ Nil) Crores)				
Pragdisa Power Private Limited	0.00	0.00	-	-
(After elimination of profit / (loss) of ₹ 0.0026 (March 31, 2015: ₹ 0.0026) Crores)				
Vainateya Power Private Limited	0.00	0.00	-	-
(After elimination of profit / (loss) of ₹ 0.0026 (March 31, 2015: ₹ 0.0026) Crores)				
Avior Power Private Limited	0.00	0.00	-	-
(After elimination of profit / (loss) of ₹ 0.0026 (March 31, 2015: ₹ 0.0026) Crores)				
Mirach Power Private Limited	0.00	0.00	-	-
(After elimination of profit / (loss) of ₹ 0.0026 (March 31, 2015: ₹ 0.0026) Crores)				
Bay of Bengal Gateway Terminal Private Limited	0.00	0.00	-	-
(Including Share of profit / (loss) of ₹ (0.01) (March 31, 2015: ₹ (0.01)) Crores)				

	No. Crores		(₹ Crores)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Charon Trading Private Limited (Including Share of profit / (loss) of ₹ Nil (March 31, 2015: ₹ (0.0432)) Crores)	-	0.03	-	0.29
Mimas Trading Private Limited (Including Share of profit / (loss) of ₹ (0.0568) (March 31, 2015: ₹ (0.03)) Crores)	0.05	0.05	0.45	0.47
Ananke Properties Private Limited (Including Share of profit / (loss) of ₹ (0.1275) (March 31, 2015: ₹ (0.126)) Crores)	0.10	0.10	0.92	0.92
Tethys Properties Private Limited (Including Share of profit / (loss) of ₹ (0.1267) (March 31, 2015: ₹ (0.1251)) Crores)	0.10	0.10	0.91	0.92
Bianca Properties Private Limited (Including Share of profit / (loss) of ₹ (0.14) (March 31, 2015: ₹ (0.1251)) Crores)	0.10	0.10	0.90	0.92
Belinda Properties Private Limited (Including Share of profit / (loss) of ₹ (0.1414) (March 31, 2015: ₹ (0.12)) Crores)	0.10	0.10	0.91	0.92
Phoebe Trading Private Limited (Including Share of profit / (loss) of ₹ (0.0421) (March 31, 2015: ₹ (0.0315)) Crores)	0.03	0.03	0.33	0.31
Basava Power Private Limited (After elimination of profit / (loss) of ₹ (0.0026) (March 31, 2015: ₹ (0.0026)) Crores)	0.00	0.00	-	-
Siddheswara Power Private Limited (After elimination of profit / (loss) of ₹ (0.0026) (March 31, 2015: ₹ (0.0026)) Crores)	0.00	0.00	-	-
DDE Renewable Energy Pvt. Ltd. (After elimination of profit / (loss) of ₹ 0.31 (March 31, 2015: ₹ 0.31) Crores)	0.00	0.00	-	-
Electromech Maritech Pvt. Ltd. (After elimination of profit / (loss) of ₹ 0.64 (March 31, 2015: ₹ 0.64) Crores)	0.00	0.00	-	-
Finehope Allied Engg. Pvt. Ltd. (After elimination of profit / (loss) of ₹ 0.0038 (March 31, 2015: ₹ 0.0038) Crores)	0.00	0.00	-	-
KVK Energy Ventures Pvt. Ltd. (Including Share of profit / (loss) of ₹ Nil (March 31, 2015: ₹ Nil) Crores & after elimination of profit / (loss) of ₹ (0.41) (March 31, 2015: ₹ Nil) Crores)	0.49	0.49	4.47	4.88
Newton Solar Private Limited * (After elimination of profit / (loss) of ₹ Nil (March 31, 2015: ₹ 0.0026) Crores)	-	0.00	-	-
Saidham Overseas Pvt. Ltd (After elimination of profit / (loss) of ₹ 0.0035 (March 31, 2015: ₹ 0.0035) Crore)	0.00	0.00	-	-
Vasavi Solar Power Pvt Ltd (After elimination of profit / (loss) of ₹ 0.05 (March 31, 2015: ₹ 0.05) Crore)	0.00	0.00	-	-
(ii) Investment in Other Company (Unquoted)				
Unique Corporate Consultants Pvt Ltd.	0.15	0.15	1.50	1.50
Charon Trading Private Limited	0.04	-	0.40	-
Sub Total (a)			645.69	23.53

	No. Crores		₹ Crores	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(b) Investment in Preference Shares				
(i) Investment in Associate Company (Unquoted)				
0.001% Cumulative Compulsory Convertible Preference Shares @ ₹ 10/- each fully paid up				
Himavat Power Limited	55.27	55.27	552.59	552.61
(Including Share of profit / (loss) of ₹ (0.11) (March 31, 2015: ₹ (0.09)) Crore)				
Mirach Power Private Limited	0.03	0.03	0.29	0.29
(Including Share of profit / (loss) of ₹ (0.0108) (March 31, 2015: ₹ (0.01)) Crore)				
0.001% Optionally Convertible Cumulative Redeemable Preference shares @ ₹10/- each fully paid up				
Pragdisa Power Private Limited	1.07	1.07	10.65	10.65
Avior Power Pvt Ltd	0.44	0.44	4.37	4.37
(Including share of profit / (loss) of ₹ (0.0006) (March 31, 2015: ₹ (0.0015) Crore)				
Ananke Properties Private Limited	3.30	3.30	66.13	66.13
Belinda Properties Private Limited	3.30	3.30	65.92	65.92
Bianca Properties Private Limited	3.30	3.30	65.92	65.92
Tethys Properties Private Limited	3.30	3.30	65.92	65.92
Charon Trading Private Limited	-	1.09	-	10.85
Mimas Trading Private Limited	0.27	0.27	2.66	2.66
Phoebe Trading Private Limited	0.27	0.27	3.16	3.16
Regulus Power Private Limited	0.22	0.22	2.21	2.21
16% Compulsory Convertible Preference shares @ ₹10 each				
Electromech Maritech Private Limited	0.74	0.74	5.36	5.60
(Including Share of profit / (loss) of ₹ (2.13) (March 31, 2015: ₹ (1.86)) Crore & after elimination of profit / (loss) of ₹ 0.04 (March 31, 2015: 0.04 Crores)				
0.001% Compulsory Convertible Preference shares @ ₹10 each				
DDE Renewable Energy Private Limited	0.74	0.74	2.86	4.06
(Including Share of profit / (loss) of ₹ (3.85) (March 31, 2015: ₹ (2.61)) Crore & after elimination of profit / (loss) of ₹ (0.04) (March 31, 2015: ₹ (0.04)) Crores)				
Finehope Allied Engineering Private Limited	0.75	0.75	3.50	3.77
(Including Share of profit / (loss) of ₹ (2.38) (March 31, 2015: ₹(2.08)) Crore & after elimination of profit / (loss) of ₹ (0.03) (March 31, 2015: ₹ (0.03) Crore)				
KVK Energy Ventures Private Limited	10.86	10.86	111.35	111.35
Newton Solar Private Limited	-	0.75	-	5.56
(Including Share of profit / (loss) of ₹ Nil (March 31, 2015: ₹ (1.77)) Crore & after elimination of profit / (loss) of ₹ Nil (March 31, 2015: 0.02) Crore)				
Saidham Overseas Private Limited	0.75	0.75	3.79	3.97
(Including Share of profit / (loss) of ₹ (1.18) (March 31, 2015: ₹ (0.97)) Crore & after elimination of profit / (loss) of ₹ 0.03 (March 31, 2015: ₹0.03) Crore)				
Vasavi Solar Power Private Limited	0.75	0.75	3.30	3.79
(Including Share of profit / (loss) of ₹(3.32) (March 31, 2015: ₹(2.77)) Crores & after elimination of profit / (loss) of ₹0.07 (March 31, 2015: ₹ 0.04) Crores)				
Vainateya Power Private Limited	1.52	1.52	15.25	15.25
Mirach Power Private Limited	0.02	0.02	0.18	0.18

	No. Crores		(₹ Crores)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Basava Power Private Limited	0.01	0.01	0.09	0.08
Siddheswara Power Private Limited	0.02	0.02	0.15	0.15
0.01% Cumulative Compulsory Convertible Preference Shares @ ₹ 10/- each fully paid up Lanco Vidarbha Thermal Power Limited (Including Share of profit / (loss) of ₹ Nil (March 31, 2015: ₹ (1.69) Crores & after elimination of profit / (loss) of ₹ Nil (March 31, 2015: ₹ 80.97) Crores)	-	79.25	-	709.84
(ii) Investment in Other Company (Unquoted) 6% Optionally Convertible Redeemable Cumulative Preference shares @ ₹1/- each fully paid up Clarion Power Corporation Limited	0.25	0.25	0.25	0.25
Rithwik Energy Systems Limited	0.14	0.14	0.14	0.14
0.001% Cumulative Compulsory Convertible Preference Shares @ ₹ 10/- each fully paid up Lanco Babandh Power Limited	-	132.18	-	1,321.82
0.001% Optionally Convertible Cumulative Redeemable Preference Shares @ ₹ 10/- each fully paid up Banas Thermal Power Private Limited	0.28	0.28	2.78	2.78
Nekkar Power Private Limited	0.01	0.01	0.08	0.08
0.01% Redeemable Cumulative Convertible Preference Shares @ ₹ 10/- each fully paid up Lanco Horizon Properties Private Limited	7.25	7.25	72.51	72.51
Sub Total (b)			1,061.41	3,111.87
Total Trade Investments (I) (a+b)			1,707.10	3,135.40
II Non Trade Investments				
(c) Investment in Equity Instruments				
Investment in Other Company (Quoted) - Equity Shares @ ₹ 10/- each fully paid up Power Finance Corporation Limited	0.02	0.02	5.02	5.02
Rural Electrification Corporation Limited	0.00	0.00	0.99	0.99
Indian Bank	0.00	0.00	0.06	0.06
Andhra Bank	0.00	0.00	0.21	0.21
Bank of Baroda (sub divided into ₹ 2/- each)	0.00	0.00	0.17	0.17
Central Bank of India	0.00	0.00	0.02	0.02
Sub Total (c)			6.47	6.47
(d) Investment in Preference Shares				
Investment in Other Company 0.001% Optionally Convertible Cumulative Redeemable Preference shares @ ₹10 each - Charon Trading Private Limited	1.09	-	10.85	-
Sub Total (d)			10.85	-
(e) Investment in 9.2% Debentures (Unquoted) of ₹ 10 lakhs each, fully paid up				
Central Bank of India	0.00	0.00	1.00	1.00
Sub Total (e)			1.00	1.00
(f) Investment in Mutual Funds/ULIPs/Insurances (Unquoted)				
Birla Sunlife Insurance Platinum Premier Plan	0.06	0.06	1.15	1.15
MetLife-Met Smart One	0.00	0.00	0.05	0.05
Sbi Life Insurance Company Ltd	0.02	-	0.06	-
Star Union Dai-Ichi Life Insurance	-	-	1.03	1.03
Canara HSBC OBC Insurance ISP	0.02	0.01	0.35	0.26

	No. Crores		(₹ Crores)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
MetLife-Met Suvidha Non Par Single	-	-	0.30	0.30
Sub Total (f)			2.94	2.79
Total Non Trade investment (II) (c+d+e+f)			21.26	10.26
Total Non Current Investments			1,728.36	3,145.66
Provision for Diminution in Value of Investments			2.82	2.79
- (Aggregate Value)				
Total Non Current Investments (I + II)			1,725.54	3,142.87
Aggregate amount of Quoted Investments			6.47	6.47
Market Value of Quoted Investments			5.85	9.39
Aggregate amount of Non - Quoted Investments			1,719.07	3,136.40

* During the year these companies became subsidiaries

Details of Shares pledged with Banks and Financial Institutions

	No. Crores	
	As at March 31, 2016	As at March 31, 2015
Non Current Investment *		
Lanco Vidarbha Thermal Power Limited - Equity Shares	-	0.29
Lanco Teesta Hydro Power Private Limited - Equity Shares	19.57	-
DDE Renewable Energy Private Limited - Equity Shares	0.00	0.00
Electromech Maritech Private Limited - Equity Shares	0.00	0.00
Newton Solar Private Limited - Equity Shares	-	0.00
Saidham Overseas Private Limited - Equity Shares	0.00	0.00
Vasavi Solar Power Private Limited - Equity Shares	0.00	0.00
Himavat Power Limited – Equity Shares	0.00	0.00
Himavat Power Limited – Preference Shares	28.16	28.16
DDE Renewable Energy Private Limited - Preference Shares	0.74	0.74
Electromech Maritech Private Limited - Preference Shares	0.14	0.14
Finehope Allied Engineering Private Limited - Preference Shares	0.14	0.14
Newton Solar Private Limited - Preference Shares	-	0.14
Vasavi Solar Power Private Limited - Preference Shares	0.14	0.14
Saidham Overseas Private Limited - Preference Shares	0.74	0.74
KVK Energy Ventures Private Limited - Preference Shares	6.65	6.65
Lanco Vidarbha Thermal Power Limited - Preference Shares	-	70.47
Lanco Babandh Power Limited - Preference Shares	-	83.68

* The above shares were pledged with Banks and Financial Institutions who have extended Loan & Credit Facilities to the respective investee companies.

The Unencumbered shares in the investee company are being offered as collateral security to the CDR lenders of the company.

17 Current Investments

(At lower of cost and fair value)

	No. Crores		(₹ Crores)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Investment in Mutual Funds (Unquoted)				
TATA Money Market Fund	0.00	-	0.11	-
Birla Sunlife Cash Manager-Institutional Plan-Daily Dividend	0.00	0.00	0.01	0.01
Canara Robeco-Treasury Advantage Retail Dividend Fund	-	0.00	-	0.02
Canara Robeco Income Fund -regular growth	-	0.01	-	0.27
Canara Robeco Gold Saving Fund	-	0.03	-	0.22
HDFC Liquid Fund - Premium Plan Growth	-	0.00	-	0.01
HDFC Liquid Fund - Premium Plan Daily Dividend	0.00	0.00	0.02	0.02
Canara Robeco Treasury Advantage Retail Dividend Fund - ISIN	-	0.00	-	0.03
IDBI Liquid Fund - DDR	0.02	-	24.75	-
Axis Liquid Fund - Growth - Mutual	0.02	0.01	28.04	12.10
Total Current Investments			52.93	12.68

18 Loans and Advances

(₹ Crores)

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Capital Advances				
Secured, Considered Good	-	0.50	-	-
Unsecured, Considered Good (Refer Note 58 & 87)	73.22	74.66	-	-
	73.22	75.16	-	-
Security Deposit				
Unsecured, Considered Good	121.16	90.76	43.66	46.38
Doubtful	0.60	0.60	0.38	0.38
	121.76	91.36	44.04	46.76
Less: Provision for doubtful Security Deposit	0.60	0.60	0.38	0.38
	121.16	90.76	43.66	46.38
Loans & Advances to Related Party (Refer Note 45)				
Unsecured, Considered Good				
Loans Receivable	73.03	68.88	(0.00)	70.26
Advances Recoverable in Cash or in kind	0.00	0.00	9.23	56.82
	73.03	68.88	9.23	127.08
Other Loans & Advances (Unsecured, Considered good otherwise stated)				
Advance Tax (Net of Provision for Tax)	190.70	152.01	32.76	50.47
Minimum Alternative Tax Credit Entitlement	42.11	42.31	-	-
Loans and Advances to Employees	0.00	-	6.27	5.53
Advances for Investment	0.28	0.83	-	-
Prepaid Expense	0.35	0.24	97.95	51.87
Cenvat / Vat / Service Tax Credit Receivable	28.71	35.49	208.60	188.10
Taxes Paid Under protest	4.21	3.09	-	-
Loans Receivable- Unsecured, Considered Good	-	-	10.77	14.33
Advances Recoverable in Cash or in kind				
Secured, Considered Good	-	-	0.50	-
Unsecured, Considered Good	399.88	230.20	1,710.97	1,875.93
Doubtful	-	-	29.44	27.96
	666.24	464.17	2,097.26	2,214.19
Less: Provision for doubtful Other Loans and Advances	-	-	29.44	27.96
	666.24	464.17	2,067.82	2,186.23
	933.65	698.97	2,120.71	2,359.69

19 Trade Receivables and Other Assets

(₹ Crores)

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
19.1 Trade Receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, Considered Good			111.74	121.56
Unsecured, Considered Good			830.20	1,072.53
Doubtful			13.26	12.89
	-	-	955.20	1,206.98
Less : Allowance for bad & doubtful debts			13.26	12.89
	-	-	941.94	1,194.09
Other Receivable				
Unsecured, Considered Good	258.08	804.46	2,046.40	2,159.90
Doubtful	-	0.36	63.51	59.72
	258.08	804.82	2,109.91	2,219.62
Less : Allowance for doubtful debts	-	0.36	63.51	59.72
	258.08	804.46	2,046.40	2,159.90
Sub Total (A)	258.08	804.46	2,988.34	3,353.99
19.2 Other Assets				
Non Current Bank Deposits (as per Note 21)	60.60	213.19	-	-
Unamortised Premium on Forward Contract	-	-	-	3.75
Unbilled Revenue	-	-	251.31	236.60
Interest Accrued on Deposits	0.42	0.13	29.53	23.75
Others (Includes Claims Receivables)	-	3.42	231.73	342.03
	61.02	216.74	512.57	606.13
Sub Total (B)	61.02	216.74	512.57	606.13
Total (A + B)	319.10	1,021.20	3,500.91	3,960.12

20 Inventories

(At lower of cost and net realisable value unless otherwise stated)

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Raw Materials	290.10	311.77
Construction / Development Work In Progress	2,829.49	2,787.36
Finished Goods	6.46	3.18
Consumables, Stores and Spares	239.17	218.01
	3,365.22	3,320.32
Details of Closing Inventory		
Raw Materials		
Naptha	11.74	23.96
Coal	101.71	173.44
Oil - (HFO, LDO & HSD)	7.05	12.68
Material in Transit & Under Inspection	0.25	0.05
Semi Finished Goods	0.01	0.33
Solar Cells & other Solar Equipments	7.46	1.92
Steel	74.97	49.52
Inventory Others	86.91	49.87
	290.10	311.77
Finished Goods		
Solar Modules	3.30	0.67
Coal	3.16	2.51
	6.46	3.18

21 Cash And Bank Balance

(₹ Crores)

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents				
Balances with Banks				
-On Current Accounts			318.57	584.30
-On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)"			7.00	31.74
Cheques, Drafts and Stamps on hand			9.50	-
Cash on Hand			1.08	1.12
			336.15	617.16
Other Bank Balances				
On Deposit Accounts				
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	19.03	-	64.72	15.11
Having Maturity more than 12 Months from date of deposit	36.68	206.61	49.55	50.53
On Margin Money Deposit Accounts *	4.89	6.58	183.83	125.46
	60.60	213.19	298.10	191.10
Amount disclosed under other non Current assets (Note 19.2)	(60.60)	(213.19)	-	-
	-	-	634.25	808.26

* The Margin Money Deposits are towards Letters of Credit and Bank Guarantees

22 Revenue From Operations

(₹ Crores)

		For the Year Ended	
		March 31, 2016	March 31, 2015
Contract Operations	(A)	1,012.85	1,169.78
Property Development	(B)	146.90	69.12
Sale of Services			
Toll Collections		116.37	105.14
Management Consultancy		2.30	-
Operations and Maintenance		11.81	7.64
	(C)	130.48	112.78
Sale of Products			
Electrical Energy		6,039.62	7,433.16
Coal		492.61	545.87
Solar Modules and Other Goods		158.64	24.81
	(D)	6,690.87	8,003.84
Other Operating Revenue			
Income from Lease Rentals		6.18	6.62
Other Operating Income		4.07	9.77
	(E)	10.25	16.39
	(A+B+C+D+E)	7,991.35	9,371.91

23 Other Income

(₹ Crores)

	For the Year Ended	
	March 31, 2016	March 31, 2015
Interest Income on		
Deposits and Margin money	16.29	19.30
Inter Corporate Loans	15.30	21.76
Current Investments	0.00	-
Others (including Interest on MAT)	156.31	49.02
Dividend Income on		
Current Investments	0.43	0.13
Long Term Investments	0.44	3.92
Net Gain on sale of		
Current Investments	0.15	-
Long Term Investments	3.40	-
Other Non-Operating Income		
(Net of expenses directly attributable to such Income)		
Insurance Claims Received / Receivable	1.91	14.80
Liabilities and Provisions no longer required written back	29.24	1.43
Net Profit / (Loss) on Sale of Assets	0.19	-
Rental Income	0.26	0.53
Miscellaneous Income	12.29	27.95
	236.21	138.84

24 Cost of Materials Consumed

(₹ Crores)

	For the Year Ended	
	March 31, 2016	March 31, 2015
Construction Material Consumed	307.06	627.88
Property Development Cost	267.86	204.63
Coal for Power Generation	2,111.35	3,614.94
Gas and Naphta for Power Generation	1,162.62	500.53
Oil (HFO, LDO and HSD) for Power Generation	14.85	23.09
Other Consumables for Power Generations	17.44	29.28
Consumables for Coal Mining	133.36	35.31
Materials Consumed for Solar Modules & Solar Equipments and other goods	250.18	15.46
	4,264.72	5,051.12

25 Purchase of Traded Goods

(₹ Crores)

	For the Year Ended	
	March 31, 2016	March 31, 2015
Power Purchase	200.15	385.44
	200.15	385.44

26 Construction, Transmission, Plant/Site and Mining Expenses

(₹ Crores)

	For the Year Ended	
	March 31, 2016	March 31, 2015
Equipment / Machinery Hire charges	113.58	81.50
Transmission Charges	5.34	17.11
Repairs, Operations and Maintenance	173.01	218.64
Consumption of Stores and Spares	50.86	61.49
Insurance	34.02	44.14
Electricity	15.81	13.98
Security Charges	19.84	16.50
Coal Mining and transportation Cost	270.90	536.46
Others	38.06	36.09
	721.42	1,025.91

27 (Increase) / Decrease in Inventories of Finished Goods, Construction and Development Work in Progress

(₹ Crores)

For the Year Ended		
	March 31, 2016	March 31, 2015
Finished Goods		
Inventories at the beginning of the period	3.18	12.05
Less : Inventories at the end of the period *	6.46	3.18
(A)	(3.28)	8.87
Construction / Development Work in Progress		
Inventories at the beginning of the period	2,787.36	2,638.88
Add : Consolidation Eliminations	(314.69)	-
Less: Transfer to Capital Work in Progress	0.33	-
Less: Prior Period Adjustment	(0.34)	-
	2,472.68	2,638.88
Less : Inventories at the end of the period	2,829.49	2,787.36
(B)	(356.81)	(148.48)
(Increase) / Decrease in inventories	(A+B)	(139.61)

* For Details Refer Note 20

28 Employee Benefits Expenses

(₹ Crores)

For the Year Ended		
	March 31, 2016	March 31, 2015
Salaries, allowances and benefits to employees	326.37	318.91
Contribution to provident fund and other funds	19.56	17.34
Employee Stock Option Charge	0.64	4.37
Recruitment and training	2.39	2.18
Staff welfare expenses	16.82	17.83
	365.78	360.63
Less: Transferred to Development cost	11.92	9.43
	353.86	351.20

29 Other Expenses

(₹ Crores)

For the Year Ended		
	March 31, 2016	March 31, 2015
Rent	21.79	30.25
Rates and taxes	21.83	10.64
Donations	3.80	2.38
Corporate Social Responsibility Expenses	0.62	1.22
Repairs and Maintenance:		
Office Building	0.59	1.74
Others	21.02	15.37
Marketing and selling expenses	4.30	2.75
Office maintenance	10.18	8.02
Insurance	4.40	3.01
Printing and stationery	1.79	1.90
Consultancy and other professional charges	76.14	59.72
Directors sitting fee	1.02	0.51
Electricity charges	4.88	4.44
Net Loss on sale of - Long Term Investments	0.44	0.00
Net (Gain) / Loss on Foreign Exchange Fluctuations	(118.79)	479.52
Remuneration to auditors (As Auditor):		
Audit Fee	3.87	3.42
Tax audit fees	0.30	0.26

(₹ Crores)

For the Year Ended		
	March 31, 2016	March 31, 2015
Remuneration to auditors (In other capacity):		
Other Services (Certification)	0.23	0.11
Reimbursement of expenses to Auditors	0.13	0.11
Travelling and conveyance	26.63	30.22
Communication expenses	5.44	6.18
Net Loss on Sale of fixed assets and Assets write off	10.53	31.15
Provision for Advances / claims / debts	28.26	37.54
Business Promotion and Advertisement	4.86	5.68
Miscellaneous expenses	12.15	17.75
	146.41	753.89
Less: Recovery of Common Expenses	8.37	7.69
Less: Transferred to Development cost	0.90	0.76
Less: Elimination of Cost on Intercompany Management Consultancy Income	15.21	2.55
	121.93	742.89

30 Finance Cost

(₹ Crores)

For the Year Ended		
	March 31, 2016	March 31, 2015
Interest	2,299.67	2,817.64
Other Borrowing Cost (Upfront Fees, Commitment Charges, LC commission etc.)	214.28	256.51
Exchange Difference to the extent considered as an adjustment to borrowing costs	-	(13.94)
	2,513.95	3,060.21

31 Depreciation and Amortisation Expense

(₹ Crores)

For the Year Ended		
	March 31, 2016	March 31, 2015
Depreciation on Tangible Assets	790.90	1,050.58
Amortisation on Intangible Assets	46.64	63.17
	837.54	1,113.75

32 Earning Per Share (EPS)

(₹ Crores)

For the Year Ended		
	March 31, 2016	March 31, 2015
Net Profit/(Loss) after Taxation, Minority Interest and Share of profit of Associates	(265.60)	(2,036.74)
Net Profit/(Loss) for calculation of basic EPS (A)	(265.60)	(2,036.74)
Net Profit as above	(265.60)	(2,036.74)
Add : Interest on Debentures / Loan convertible into equity shares (Net of tax)	368.81	323.42
Net Profit/(Loss) for calculation of diluted EPS (B)	103.21	(1,713.32)
Weighted average number of Equity Shares for Basic EPS (C)	256.70	237.51
Effect of dilution : Stock options under ESOP *	0.29	0.19
Convertible loan into equity shares*	566.14	500.10
Weighted Average number of Equity shares for Diluted EPS (D)	823.13	737.80
Basic EPS (in ₹) (A) / (C)	(1.03)	(8.58)
Diluted EPS (in ₹) * (B) / (D)	(1.03)	(8.58)

*Diluted EPS is anti dilutive hence restricted to basic EPS.

33 Intra Group Turnover and Profits

The Group 'Revenue from Operations', 'Net Profit after taxation, minority interest and share of profits of associates', 'Net Cash flow from Operating Activities' and 'Reserves and Surplus' is after eliminating inter-company transactions as per Accounting Standard (AS) 21 Consolidated Financial Statements" and Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements". The impact of these eliminations on the said items is as under:

(₹ Crores)

For the Year Ended		
	March 31, 2016	March 31, 2015
Revenue from Operations		
Before Elimination	9,762.90	9,542.58
Less : Elimination of Intersegment Operating Income	1,771.55	170.67
After Elimination (As per Note 22)	7,991.35	9,371.91
Net Profit / (Loss) after taxation, minority interest and share of profits of associates		
Before Elimination	6.08	(2,065.06)
Less : Elimination for current year	271.69	(28.32)
After Elimination	(265.61)	(2,036.74)
Net Cash flow from Operating Activities		
Before Elimination	246.63	2,714.10
Less : Eliminated profit on transactions with subsidiaries	271.38	-18.56
After Elimination	(24.75)	2,732.66

(₹ Crores)

	As at March 31, 2016	As at March 31, 2015
Reserves and Surplus		
Before Elimination	476.25	660.41
Less : Elimination for current year	271.69	(28.32)
Less : Elimination for previous years	1,444.52	1,472.84
Depreciation Recoupment	(98.52)	(85.51)
Profit realised on sale of Subsidiaries	(94.72)	(5.73)
Subsidiary became Associate Impact	(50.41)	-
After Elimination (As per Note 4)	(996.31)	(692.86)

34 Effect of new subsidiaries acquired / disposed off subsidiaries on the Consolidated financial statements

The effect of acquisition (including newly formed) of stake in subsidiaries on the consolidated financial statements is as under:-

(₹ Crores)

Name of Subsidiary company	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2016	Effect on Net Assets as at March 31, 2016	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2015	Effect on Net Assets as at March 31, 2015
Indian Subsidiaries				
Lanco Hoskote Highway Limited	-	-	(50.00)	286.94
Lanco Devihalli Highways Limited	-	-	(25.92)	261.57
Lanco Vidarbha Thermal Power Limited	-	932.74	-	-
Lanco Babandh Power Limited	-	1,432.32	-	-
Lanco Energy Private Limited	-	3.08	-	-
Lanco Property Management Company Private Ltd	(0.00)	0.02	-	-
Newton Solar Private Limited	(1.02)	8.29	-	-
Lanco Kanpur Power Limited	-	0.10	-	-
	(1.02)	2,376.55	(75.92)	548.51

The effect of disposal / Status change in subsidiaries on the consolidated financial statements is as under:-

(₹ Crores)

Name of Subsidiary company	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2016	Effect on Net Assets as at March 31, 2016	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2015	Effect on Net Assets as at March 31, 2015
Indian Subsidiaries				
Udupi Power Corporation Limited	(61.43)	1,927.53	-	-
Omega Solar Projects Private limited	0.75	10.83	-	-
Lanco Teesta Hydro Power Limited	-	1,366.95		
Lanco Budhil Hydro Power Private Limited	-	-	(5.15)	173.80
Foreign Subsidiaries				
Lanco Solar International Ltd.(UK)	-	-	42.21	-
	(60.68)	3,305.31	37.06	173.80

- 35** Prior period item for the year ended March 31, 2016 is due to difference of ₹ 20.31 Crores between the management financials and audited financials of GCM, CMM and LRAPL financials under Australian GAAP for the year ended March 31, 2015.

Prior period item for the year ended March 31, 2015 is due to negative difference of ₹ 44.04 Crores between the management financials and audited financials of GCM, CMM and LRAPL financials under Australian GAAP for the year ended March 31, 2014. Further on review of LSHNBV managemnt accounts excess provison reversed amounting to ₹ 1.52 Cr. Net prior period item is ₹ 42.52 Crores.

- 36** Exceptional item of ₹209.74 Crores for the year ended March 31, 2016 includes

- During the year company along with its step down subsidiaries have completed the sale transaction of Udupi Power Corporation Limited (UPCL) on April 20, 2015. The profit arising on account of sale of shares treated as an exceptional item amounting to ₹ 115.02 Cr.
- During the year an associate of step down subsidiary and a fellow subsidiary to the company became subsidiaries to the step down subsidiary of the company and Consequent to the consolidation a sum of ₹ 70.12 Cr relevant loss related to these subsidiaries (being exceptional expenditure) is treated as an exceptional item.
- During the year a subsidiary of a step down subsidiary to the company had become an associate to the step down subsidiary. Consequently part of the profit eliminated in the past was brought back to the tune of ₹ 50.41 Cr, which is reported as an exceptional item.
- During the year one of the step down subsidiary (LKPL) reversed the transmission charges provisioned in earlier years ₹ 113.43 Cr up on receipt of favourable order from the Appellate Tribunal for Electricity (APTEL) and treated as an exceptional item.
- Exceptional item also includes reversal of PLF bonus provision ₹1.48 Cr in LKPL and Other Miscellaneous amounting to ₹(0.48) Crs. Exceptional item of ₹ 123.15 Crores for the year ended March 31, 2015 includes profit on sale of long term investments (Net) ₹ 34.40 Crores and reversal of excess provisions made in previous years for ₹ 88.75 Crores.

- 37** (a) On March 30, 2012, the Company has put in place two level power holding company structure wherein Lanco Power Limited (LPL) a wholly owned subsidiary of the Company as the power holding vehicle for the Group. LPL has further two wholly owned subsidiaries namely Lanco Thermal Power Limited (LTPL) and Lanco Hydro Power Limited (LHPL) as thermal power holding company and hydro power holding company respectively.
- (b) As approved by the members vide their resolution dated March 19, 2010 the Company has sold its shareholding in some of its Subsidiaries and Associate Companies (hereinafter referred as 'related entities') to its wholly owned step down subsidiaries i.e. Lanco Thermal Power Limited, Lanco Hydro Power Limited and to an associate, Regulus Power Private Limited (an erstwhile subsidiary) on March 30, 2012 for total cash consideration amounting to ₹ 6,815.51 Crores. As of March 31, 2016 ₹ 1,161.52 (March 31, 2015 ₹ 1,385.07) Crores representing the balance amount of consideration for sale of shares is receivable from the above entities and it includes further sale of shares of some of its subsidiaries to LTPL and LHPL.
- (c) The aforesaid transfer of shares in various subsidiaries and associates requires lenders / customer approvals. Pending the receipt of approvals, the Company has recorded the sale of investments in related entities in the financial statements. Up to the year ended March 31, 2016, the management has obtained approvals from the most of the lenders and the management is confident of receiving the residual approvals and share transfer is in progress. In case such approvals are not received, the loans given by the lenders to the respective related entities may become due if the Company still wants to pursue transfer of shares, or the sold investments will be purchased back by the company. Based on legal advice, the management is of the opinion that the Company complied with relevant laws and regulations.
- 38** During the year ended March 31, 2016 some of the foreign subsidiaries could not complete the audit of their financial statements, hence the financial statements prepared by the Management have been considered in consolidation. Accordingly total assets of ₹ 11,022.03 Cr as at March 31, 2016, the total revenue of ₹ 1,185.07 Cr and total net profit of ₹ 5.92 Cr for the year ended March 31, 2016, have been taken from the financials prepared by the Management under Indian GAAP.
- 39** In line with the Notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the group had selected the option given in Paragraph 46A of the Accounting Standard – 11, "The Effects of Changes in Foreign Exchange Rates", the foreign exchange (gain) / loss arising on revaluation of long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets to be depreciated over the balance life of such assets and in other cases the foreign exchange (gain) / loss to be amortised over the balance period of such long term foreign currency monetary items. On availment of option under this notification, foreign exchange difference remains unamortized is ₹ 1,747.39 (March 31, 2015 : ₹ 1,641.48) Crores.
- 40** As at March 31, 2016 the Group has receivables from various State Electricity Utility companies and other customers for sale of power aggregating to ₹ 1781.55 Crores, net current Assets of ₹ 459.04 Crores and current maturities of long term borrowings ₹ 2033.49 Crores. Based on internal assessment and various discussions had with the customers, the management is confident of recovery of receivables. At present the Group's operating assets are not generating envisaged revenues on account of various factors beyond the control of the company, such as short supply of coal, non availability of gas, pending tariff clarity and delayed payments from the customers is posing challenges for meeting the cash flow needs. However the Group has actively engaged in resolving in each of the aspects associated with the respective revenue generating units by effectively addressing the core issues which would enable a quick turnaround in the situation and the management is confident that the efforts would result in the operating units generating positive cash flows. The approved CDR scheme of the company and the aspects like inviting strategic investors, disposal of assets, additional funding from the lenders and exercising the conversion options available in the loan documents would reduce the obligations and / or bring in the additional cash flows into the system. Cumulatively, the Group is confident that the initiatives narrated above would address the bottlenecks and make the operating units viable, augmenting the construction and EPC activity to normal level and thus does not foresee any eventual cash flow mismatch in terms of meeting its financial obligations including that of to the lenders, vendor and others and also will have adequate cash flows to support the implementation of ongoing projects which are capitalising interest and expenses during the period of construction including the current low level period of construction.

41 Employee Benefits

Defined Benefit Plans

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. In certain subsidiaries the scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss / Capital Work in Progress / Intangible Assets Under Development and amounts recognised in the Balance Sheet for the respective plans.

(₹ Crores)

	Gratuity	
	March 31, 2016	March 31, 2015
Net Employee benefit expense recognized in the employee cost		
Current service cost	4.34	3.99
Interest cost on benefit obligation	1.90	1.69
Expected return on plan assets	(0.06)	(0.25)
Net actuarial (gain)/loss recognized in the year	1.34	1.10
Net benefit expense	7.52	6.53
Actual Return on the plan assets		
Balance Sheet		
Benefit asset/liability		
Present value of defined benefit obligation	28.87	25.02
Fair value of plan assets	1.76	3.15
Plan asset / (liability)	(27.11)	(21.87)
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	25.02	19.43
Current service cost	4.34	3.99
Interest cost	1.90	1.69
Actuarial (gain) / loss on obligation	1.34	1.25
Benefits paid	(2.85)	0.73
Changes due to inclusion of subsidiaries	0.89	0.27
Changes due to disposal of subsidiaries	(2.14)	(0.18)
Benefit transferred in	1.92	(0.37)
Benefit transferred Out	(1.55)	(1.79)
Closing defined benefit obligation	28.87	25.02
Change in the fair value of plan assets		
Opening fair value of plan assets	3.15	2.84
Expected return	0.13	0.25
Contributions by employer	0.08	0.33
Benefits paid	0.01	(0.42)
Actuarial gain/(loss)	(0.01)	0.15
Changes due to inclusion of subsidiaries	(1.61)	-
Closing fair value of plan assets	1.75	3.15
Investment details of the plan assets		
Investment with Insurer	100%	100%
Assumptions		
Discount Rate (%)	7.50	8.00
Estimated Rate of Return on Plan Assets	9.15	9.00
Attrition Rate	19.00	19.00
Expected rate of salary increase (%)	6.00	6.00
Expected Average Remaining Service/ MW (years)	3.98	3.97

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amount of defined benefit plan for the current and previous four periods are as follows*

(₹ Crores)

	Present value of Defined benefit obligation	Surplus / (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
March 31, 2016	28.87	(27.11)	(1.34)	-
March 31, 2015	25.02	(21.87)	(1.10)	-
March 31, 2014	19.43	(16.59)	1.43	-
March 31, 2013	19.17	(16.60)	3.52	-
March 31, 2012	20.43	(17.98)	1.41	-

Defined Contribution Plans

In respect of the defined contribution plan (Provident fund), an amount of ₹ 15.06 Crores (March 31, 2015 : ₹ 11.92 Crores) has been recognized as expenditure in the Statement of Profit and Loss / Capital Work in Progress.

Other Employee Benefits

During the year the group has provided Retention Bonus of ₹ (0.43) (March 31, 2015 : ₹ (1.07)) Crores.

The provision for compensated absences as per actuarial valuation as at March 31, 2016 is ₹ 48.78 (March 31, 2015 : ₹ 46.51) Crores

42 Employee Stock Option Scheme

The Company has till March 31, 2016 allotted 1.11 (March 31, 2015: 1.11) Crores equity shares of ₹10 each to LCL Foundation (ESOP - Trust) towards the Employee Stock Option Plan 2006 (The plan) which was formulated by the Company. The plan provides for grant of stock options of equity shares of the Company to employees of the Company and its subsidiaries subject to continued employment with the Company or group.

Each option comprises of one equity share which will vest on annual basis at 20% each over five years and shall be capable of being exercised within a period of ten years from the date of first annual vesting.

Each option granted under the above plans entitles the holder to one equity share of the Company at an exercise price, which is approved by the compensation committee.

The plan is in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999.

Consequent to the splitting of Equity Share of ₹10 each into 10 equity shares of Re.1 each in the year 2009-10, the number of shares allotted to the trust and the options granted, forfeited, exercised are disclosed at Re.1 each.

A summary of the status of the Company's plan is given below:

Particulars	March 31, 2016		March 31, 2015	
	No. Crores	Weighted Average Exercise Price (₹)	No. Crores	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	0.51	0.24	0.65	0.24
Granted during the year	-	-	-	-
Forfeited during the year	(0.10)	-	(0.06)	-
Exercised during the year	(0.10)	0.24	(0.08)	0.24
Expired during the year	-	-	-	-
Outstanding at the end of the year	0.31	0.24	0.51	0.24
Exercisable at the end of the year	0.31	0.24	0.42	0.24

The weighted average share price for the period over which stock options were exercised was ₹ 5.61 (March 31, 2015 ₹ 6.26)

The details of exercise price for stock options outstanding at the end of the year are:

Grant No. (Grant Date)	March 31, 2016			
	Range of Exercise Price	Number of Options outstanding (Crores)	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Grant 1 (24.06.2006)	0.24	0.00	-	0.24
Grant 2 (02.07.2007)	0.24	0.06	-	0.24
Grant 3 (26.09.2007)	0.24	0.01	-	0.24
Grant 4 (24.04.2008)	0.24	0.03	-	0.24
Grant 5 (04.07.2008)	0.24	0.02	-	0.24
Grant 6 (01.11.2008)	0.24	0.00	-	0.24
Grant 7 (19.02.2009)	0.24	0.01	-	0.24
Grant 8 (29.07.2009)	0.24	0.05	-	0.24
Grant 9 (27.01.2010)	0.24	0.02	-	0.24
Grant 10 (30.04.2010)	0.24	0.01	0.08	0.24
Grant 11 (13.08.2010)	0.24	0.10	0.37	0.24
Grant 12 (12.11.2010)	0.24	0.00	0.62	0.24
		0.31		

Grant No. (Grant Date)	March 31, 2015			
	Range of Exercise Price	Number of Options outstanding (Crores)	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Grant 1 (24.06.2006)	0.24	0.00	-	0.24
Grant 2 (02.07.2007)	0.24	0.10	-	0.24
Grant 3 (26.09.2007)	0.24	0.01	-	0.24
Grant 4 (24.04.2008)	0.24	0.04	-	0.24
Grant 5 (04.07.2008)	0.24	0.08	-	0.24
Grant 6 (01.11.2008)	0.24	0.00	-	0.24
Grant 7 (19.02.2009)	0.24	0.01	-	0.24
Grant 8 (29.07.2009)	0.24	0.07	0.33	0.24
Grant 9 (27.01.2010)	0.24	0.02	0.83	0.24
Grant 10 (30.04.2010)	0.24	0.02	1.08	0.24
Grant 11 (13.08.2010)	0.24	0.15	1.37	0.24
Grant 12 (12.11.2010)	0.24	0.01	1.62	0.24
		0.51		

The Group has calculated the compensation cost based on the intrinsic value method i.e. the excess of previous closing price of underlying equity shares on the date of the grant of options over the exercise price of the options given to employees under the employee stock option schemes of the Group and is recognised as deferred stock compensation cost and is amortised on a straight line basis over the vesting period of the options. Company is using Black Sholes Model for calculating fair values of ESOP granted for determining impact of the fair value method of accounting of employee compensation in financial statement, the impact on net income and earnings per share is provided below:

		March 31, 2016	March 31, 2015
Particulars			
Net Income - As reported	₹ Crores	(265.60)	(2,036.74)
Add: ESOP Cost under Intrinsic Value Method	₹ Crores	0.64	4.37
Less : ESOP Cost under Fair Value Method (Black Sholes)	₹ Crores	0.65	4.47
Net Income – Proforma	₹ Crores	(265.61)	(2,036.85)
Basic Earnings per Share:			
As reported		(1.03)	(8.58)
Proforma		(1.03)	(8.58)

	March 31, 2016	March 31, 2015
Diluted Earnings per Share:		
As reported	(1.03)	(8.58)
Proforma	(1.03)	(8.58)

The weighted average fair value of stock options granted during the year was N/A (Previous Year N/A) of share of Re.1 each.

Assumptions:-	March 31, 2016	March 31, 2015
Weighted average share price (in ₹)	NA	NA
Exercise Price (in ₹)	NA	NA
Expected Volatility	NA	NA
Historical Volatility	NA	NA
Life of the options granted (Vesting and exercise period) in years	NA	NA
Expected dividends (in ₹)	NA	NA
Average risk-free interest rate	NA	NA
Expected dividend rate	NA	NA

43 Leases

Finance Lease : As lessee

Assets acquired on finance lease mainly comprise Plant & Machinery which are used specifically for mining activities. The leases are non cancellable and non renewable. There is no escalation clause and majority of the lease expires in next 12 months.

The minimum lease rentals payable for the assets acquired under Finance Lease agreement and the present value of these rentals are as under:-

	March 31, 2016		March 31, 2015	
	Minimum Lease Payments	Present Value of MLP	Minimum Lease Payments	Present Value of MLP
Future minimum lease payments and their present values				
Not later than one year	-	-	2.86	2.65
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	-	2.86	2.65
Less : Future finance charges	-	-	0.21	-
Present value of Minimum Lease Payments	-	-	2.65	2.65

Operating Lease : As lessee

The group has entered into certain cancellable and non-cancellable operating lease agreements mainly for office premises. The lease rentals charged during the year and maximum obligations on long-term non-cancellable operating leases payable as per the agreements are as follows:-

	March 31, 2016	March 31, 2015
Lease rentals charged during the year		
Under Cancellable Leases	18.94	16.35
Under Non-Cancellable Leases	1.04	5.98
Future minimum lease payments under Non Cancellable Leases		
Not later than one year	1.80	4.61
Later than one year and not later than five years	2.53	4.11
Later than five years	0.45	0.40

There are no contingent rents in the lease agreement. The lease term is for 1 – 5 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements (other than those disclosed above). There are no restrictions imposed by lease arrangements.

Operating Lease : As lessor

One of the entity in the group has given buildings on operating lease. The lease rentals receivables during the year and maximum outstandings on long term non- cancellable operating leases receivables as per the agreements are as follows :-

(₹ Crores)

	March 31, 2016	March 31, 2015
Future minimum lease rentals receivable under Non Cancellable Leases		
Not later than one year	4.69	4.40
Later than one year and not later than five years	4.64	9.66

44 Segment Reporting

The details of primary segment information for the year ended March 31, 2016 and March 31, 2015 are given below:

- The segment report of LITL and its subsidiaries (the Group) has been prepared in accordance with Accounting Standard 17 Segment Reporting" as notified under section 133 of the Companies Act.
- The Group is currently focused on five business segments: EPC and Construction, Power, Property Development, Infrastructure and Resources
- In respect of secondary segment information, the Group has identified its geographical segments as (i) India, (ii) Singapore, (iii) Australia & (iv) Others. The secondary segment information has been disclosed accordingly.
- The business segments of the Group comprises of the following:

Segment	Details of Business
EPC and Construction	Construction of Industrial, Residential & Commercial Buildings and Roads etc., Engineering, Procurement and Commissioning (EPC)
Power	Generation of power and trading in power
Property Development	Development of integrated properties comprising of commercial and residential buildings
Infrastructure	Development of roads on Build, Operate and Transfer basis and other infrastructure.
Resources	Exploration, mining and marketing of coal
Others	Residual activities

- For the purpose of reporting, business segments are primary segments and the geographic segment is a secondary segment.

f) Segment wise Name of Companies

1	EPC and Construction		
1	Lanco Infratech Limited	4	Lanco Enterprise Pte Limited (China)
2	Lanco Solar Energy Private Limited	5	Lanco Solar International Pte Limited
3	Lanco International Pte Limited		
2	Power		
1	Lanco Infratech Limited	21	Orion Solar Projects Private Limited
2	Lanco Power Limited	22	Pasiphae Power Private Limited
3	Lanco Thermal Power Limited	23	Sabitha Solar Projects Private Limited
4	Lanco Kondapalli Power Limited	24	Helene Power Private Limited
5	Lanco Tanjore Power Company Limited	25	Omega Solar Projects Private limited *
6	Lanco Amarkantak Power Limited	26	Lanco Wind Power Private Limited
7	Arneb Power Private Limited	27	Amrutha Power Private Limited
8	Lanco Anpara Power Limited	28	Spire Rotor Private Limited
9	Lanco Vidarbha Thermal Power Limited	29	Emerald Orchids Private Limited
10	Lanco Babandh Power Limited	30	JH Patel Power Project Private Limited
11	Lanco Hydro Power Limited	31	National Energy Trading and Services Limited
12	Lanco Mandakini Hydro Energy Private Limited	32	Portia Properties Private Limited
13	Lanco Rambara Hydro Power Private Limited	33	Lanco Infratech Nepal Private Limited
14	Diwakar Solar Projects Limited	34	Lanco Power International Pte Limited
15	Lanco Solar Services Private Limited	35	Lanco Solar Holding Netherland B.V Utrecht
16	Lanco Solar Private Limited	36	Lanco Solar International US Inc.
17	Khaya Solar Projects Private Limited	37	Lanco IT PV Investments B.V.*
18	Bhanu Solar Projects Private Limited	38	Green Solar SRL
19	Newton Solar Power Limited	39	Bhola Electricity Private Limited
20	Lanco Solar Power Projects Private Limited	40	Sirajganj Electric Private Limited
		41	Lanco Kanpur Power Limited
3.	Property Development		
1	Lanco Hills Technology Park Private Limited	9	Nix Properties Private Limited
2	Uranus Projects Private Limited	10	Cordelia Properties Private Limited
3	Jupiter Infratech Private Limited	11	Deimos Properties Private Limited
4	Uranus Infratech Private Limited	12	Dione Properties Private Limited
5	Leda Properties Private Limited	13	Neptune Projects Private Limited
6	Coral Orchids Private Limited	14	Pearl Farms Private Limited
7	Thebe Properties Private Limited	15	Telesto Properties Private Limited
8	Cressida Properties Private Limited		
4.	Resources		
1	Lanco Resources International Pte Limited	5	Western Australia Coal Terminal Pty Ltd
2	Lanco Resources Australia Pty Limited	6	Mahatamil Mining and Thermal Energy Limited
3	The Griffin Coal Mining Company Pty Limited	7	Tasra Mining & Energy Company Private Limited
4	Carpenter Mine management Pty Limited	8	Lanco Energy Private Limited
5	Infrastructure		
1	Lanco Infratech Limited	4	Mercury Projects Private Limited
2	Lanco Hoskote Highway Limited	5	Lanco Kanpur Highways Limited
3	Lanco Devihalli Highways Limited	6	Lanco Property Management Company Private Ltd
6	Others		
1	LE New York - LLC	3	P.T Lanco Indonesia Energy
2	Lanco Holding Netherland B.V	4	Lanco Infratech (Mauritius) Limited

* During the year these companies had been sold / closed

g) Segment Reporting for the Year Ended March 31, 2016
The details of Primary Segments information for the Year Ended March 31, 2016 and March 31, 2015 are given below:

(₹ Crores)

Business Segments	EPC and Construction	Power		Property Development		Infrastructure		Resources		Unallocable		Eliminations		Total
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	
Revenue														
External Customers	1,179.14	1,192.84	6,216.15	7,524.76	162.57	116.89	105.25	493.07	565.81	2.30	0.00			8,170.12
Inter Segment Revenue	1,696.13	123.65	4.20		-	-	-	-	-	71.22	47.03	(1,771.55)	(170.67)	-
Total Revenues	2,875.27	1,316.49	6,220.35	7,524.76	162.57	116.89	105.25	493.07	565.81	73.52	47.03	(1,771.55)	(170.67)	8,170.12
Segment Result before Eliminations	462.51	(227.42)	1,758.55	1,561.74	3.71	25.75	22.46	(188.88)	(691.88)	(24.76)	(19.37)			2,036.88
Inter Segment Profit	274.30	(19.03)	(3.08)	(0.00)	-	-	-	-	-	0.19	0.47			271.41
Segment Result	188.21	(208.39)	1,761.63	1,561.74	3.71	25.75	22.46	(188.88)	(691.88)	(24.95)	(19.84)	-	-	1,765.47
Interest										2,513.95	3,060.21			2,513.95
Unallocated Other Income										267.21	165.97			267.21
Profit/(Loss) before tax														(481.28)
Provision for Current tax														33.36
Provision for Deferred tax														(263.35)
Net Profit/(Loss) after taxation														(251.29)
Other Information														
Segment Assets	5,557.88	6,730.62	35,200.39	34,603.45	2,582.35	1,980.38	1,586.43	7,938.72	7,079.41	353.77	248.08	-	-	53,613.49
Segment Liabilities	5,300.54	8,244.16	1,762.55	2,365.47	573.89	187.99	78.35	479.22	863.69	44,552.60	39,697.37	-	-	52,856.79
Capital Expenditure	27.49	19.17	4,375.22	1,596.38	3.11	0.01	5.53	410.45	562.31	-	-	-	-	4,816.27
Depreciation / Amortisation	78.17	89.55	566.77	860.67	3.32	43.91	41.34	146.03	118.92	(0.69)	(0.04)	-	-	837.53
Other Non Cash Expenses	30.42	45.51	7.71	24.53	0.08	-	-	-	453.07	-	-	-	-	38.21
														522.70

h) The group's secondary segments are the geographic distribution of the activities. Revenues and receivables are specified by location of customers while the other geographical information is specified by location of assets. The following table summarizes the geographical information for the period ended March 31, 2016 and March 31, 2015:

Geographical Segments Particulars	India		Singapore		Australia		Other		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
External Revenue by Location of Customers	7,676.84	8,900.95	-	-	493.07	530.26	0.21	36.72	8,170.12	9,467.93
Carrying Amount of Segment Assets by Location of Assets	44,784.57	44,467.67	1,091.72	1,293.77	7,720.67	6,874.57	16.53	37.01	53,613.49	52,673.02
Capital expenditure	4,405.82	1,780.84	0.00	5.00	410.45	397.67	-	-	4,816.27	2,183.50

45 Related Party Transactions

a) Name of the related parties and description of relationship:

Relation	S. No.	Related Party Name
Holding Company	1	Lanco Group Limited (LGL)
Fellow Subsidiary	1	Lanco Babandh Power Limited (LBPL) (till 02.06.2015)
Enterprises where Significant Influence Exists	1	Ananke Properties Private Limited (AnPPL)
	2	Avior Power Private Limited (AvPPL)
	3	Basava Power Private Limited (BPPL)
	4	Bay of Bengal Gateway Terminal Private Limited (BBGTPL)
	5	Belinda Properties Private Limited (BePPL)
	6	Bianca Properties Private Limited (BiPPL)
	7	Charon Trading Private Limited (CTPL) (till 30.05.2015)
	8	DDE Renewable Energy Private Limited (DREPL)
	9	Electromech Maritech Private Limited (EMPL)
	10	Finehope Allied Engg Private Limited (FAEPL)
	11	Genting Lanco Power (India) Private Limited (GLPIPL)
	12	Himavat Power Limited (HPL)
	13	KVK Energy Ventures Private Limited (KEVPL)
	14	Lanco Vidarbha Thermal Power Limited (LVTPL) (till 05.06.2015)
	15	Lanco Teesta Hydro Power Limited (LTHPL) (from 20.10.2015)
	16	Mimas Trading Private Limited (MTPL)
	17	Mirach Power Limited (MiPL)
	18	Newton Solar Private Limited (NSPL) (till 27.03.2016)
	19	Phoebe Trading Private Limited (PTPL)
	20	Pragdisa Power Private Limited (PrPPL)
	21	Regulus Power Private Limited (RPPL)
	22	Saidham Overseas Private Limited (SOPL)
	23	Siddheswara Power Private Limited (SiPPL)
	24	Tethys Properties Private Limited (TPPL)
	25	Vainateya Power Private Limited (VPPL)
	26	Vasavi Solar Power Private Limited (VSPPL)
Key Management Personnel	1	Sri L.Madhusudhan Rao (Chairman) (LMR)
	2	Sri G.Bhaskara Rao (Vice Chairman) (GBR)
	3	Sri G.Venkatesh Babu (Managing Director) (GVB)
	4	Sri. S.C. Manocha (Whole Time Director) (SCM) (till 15.03.2016)
Relatives of Key Management Personnel	1	Sri L.Sridhar (Brother of LMR) (LS)
	2	Smt L.Rajya Lakshmi (Spouse of LMR) (LRL)
	3	Smt. G.Padmavathi (Spouse of GBR) (GP)
	4	Smt. L.Sirisha (Spouse of LS) (LSi)
	5	Sri G.Avinash (Son of GBR) (GA)
Enterprises owned or significantly influenced by key management personnel or their relatives	1	Chatari Hydro Power Private Limited (CaPTL)
	2	Cygnus Solar Projects Private Limited (Csppl)
	3	Himachal Hydro Power Private Limited (HHPPL)
	4	Lanco Bay Technology Park Private Limited (LBTPL)
	5	Lanco Enterprise Private Limited (LEntPL)
	6	Lanco Foundation (LF)
	7	Lanco Horizon Properties Private Limited (LHrPPL)
	8	Lanco Kerala Seaports Private Limited (LKSPL)
	9	Lanco Rani Joint Venture (LR)
	10	Lanco Transport Network Company Private Limited (LTNCPL)
	11	LCL Foundation (LCL)
	12	Nekkar Power Private Limited (NePPL)
	13	Ravi Hydro Electric Private Limited (RHEPL)

b) Summary of transactions with related parties are as follows:

(₹ Crores)

Nature of Transaction	March 31, 2016											
	Holding Company		Fellow Subsidiary		Enterprises where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Contract Services Provided					LTHPL	6.39						
Shared Services Provided					HPL	0.28						
					LTHPL	0.20						
						0.48						
Interest Paid/ (Received)					DREPL	(0.75)						
					EMPL	(2.29)						
					FAEPL	(1.53)						
					VSPPL	(2.81)						
					SOPL	0.66						
						(6.72)						
Donations Paid											LF	4.14
Managerial Remuneration							GVB	3.85				
							SCM	2.26				
							GBR	0.60				
							LMR	0.60				
								7.31				
Employee Cost									GA	0.37		
Sitting Fee							LMR	0.01	LS	0.03		
Receipts/ Payments/ Adjustments (Net)+(-)					HPL	271.31	GVB	(0.01)			LF	0.01
					LTHPL	(0.16)	SCM	0.01				
					Others	0.46						
						271.61		0.00				0.01
Purchase / (Sale) of Shares					PrPPL	3.08	GBR	0.01	LS	0.01		
							LMR	0.01	LRL	0.01		
									GP	0.01		
									LSi	0.01		
						3.08		0.02		0.04		
Share Application Money Paid / shares allotted during the year					AnPPL	0.01						
					BPPL	0.01						
					LTHPL	16.63						
					MTPL	0.01						
					PTPL	0.01						
						16.67						
Management Consultancy Services Rendered					LTHPL	1.34						

Nature of Transaction	March 31, 2016											
	Holding Company		Fellow Subsidiary		Enterprises where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Operation & Maintenance Services Rendered / (Avalied)					DREPL	0.38						
					GLPIPL	(30.97)						
					EMPL	0.38						
					VSPPL	0.38						
					SOPL	0.38						
					FAEPL	0.38						
						(29.07)						-
Expenditure incurred by Company on Behalf of Related Parties - Reimbursed					LTHPL	0.01						
						0.01						
Loans given / novated from (taken / refunded) / Conversion into Equity during the year	LGL	(167.06)			EMPL	(7.83)						
					VSPPL	(13.33)						
		(167.06)				(21.16)						
Purchase of Fixed Assets					HPL	0.01						
					LTHPL	0.005						
						0.01						
Sale of Fixed Assets					LTHPL	0.00						
Mobilisation Advance refunded					KEVPL	57.59						
Mobilisation Advance received					VSPPL	1.68						
Bank Guarantee given to beneficiaries on behalf of Related Parties					HPL	99.10						
Corporate Guarantee given to Banks / Financial Institutions on behalf of Related Parties (balance as at the year end)					SOPL	48.11						
					DREPL	40.25						
					VSPPL	28.44						
					FAEPL	28.44						
					EMPL	25.52						
						170.76						
Balance Receivable at the year end- Share Application Money											CaPTL	0.03

Nature of Transaction	March 31, 2016											
	Holding Company		Fellow Subsidiary		Enterprises where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Balance Receivable at the year end - Other loans & advances					LTHPL	0.10						
					DREPL	0.17						
					FAEPL	0.07						
						0.34						
Balance Receivable at the year end - Loans					DREPL	5.48						
					FAEPL	11.17						
					EMPL	10.77						
					VSPPL	10.92						
					LTHPL	34.69						
						73.03						
Balance Receivable at the year end- Others (Trade Receivables, Interest receivable and Other Receivables)					LTHPL	116.02					LR	11.57
					HPL	3.67					Others	0.54
					VPPL	1.34						
					EMPL	1.55						
					VSPPL	3.72						
					SOPL	0.29						
					DREPL	2.17						
					FAEPL	3.57						
					KEVPL	52.37						
						184.70						12.11
Balance Payable at the year end-Loans					SOPL	5.22						
Balance Payable at the year end- Others (Trade Payables, Capital advances and Other Payables)					HPL	223.69	GVB	0.02			LF	0.17
					LTHPL	172.79					LR	0.89
					KEVPL	181.59					LCL	0.14
					GLPIPL	22.98					LHrPPL	0.07
					Others	190.25						
						791.30		0.02				1.27

(₹ Crores)

Nature of Transaction	March 31, 2015											
	Holding Company		Fellow Subsidiary		Enterprises where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Contract Services / Shared Services Provided/(Avalied)			LBPL	1.10	HPL	0.55					LF	0.46
Interest Paid/ (Received)					KEVPL	(2.82)						
					FAEPL	(1.54)						
					DREPL	(0.75)						
					VSPPL	(3.10)						
					NSPL	(1.36)						
					EMPL	(2.57)						
					SOPL	0.62						
						(11.52)						
Donations Paid											LF	2.10
Managerial Remuneration							GVB	4.20				
							SCM	2.23				
							GBR	0.88				
							LMR	0.81				
								8.12				
Sitting Fee							LMR	0.01	LS	0.02		
Receipts/ Payments/ Adjustments (Net)+(-)			LBPL	(165.31)	HPL	261.05	GVB	(0.01)			HHPPL	(0.12)
					PTPL	0.05	SCM	(0.01)			LR	(2.44)
					LVTPPL	(72.83)					RHEPL	(0.34)
											LF	(0.60)
											LBTPPL	(0.33)
				(165.31)		188.27		(0.02)				(3.83)
Purchase / (Sale) of Shares					AnPPL	46.85						
					BiPPL	46.85						
					TPPL	46.85						
					BePPL	38.50						
					PrPPL	10.65						
					AvPPL	0.01						
						189.71						
Share Application Money Paid / shares allotted during the year			LBPL	94.37	LVTPPL	85.94					CaPTL	0.13
					HPL	1.75						
					VPPL	0.04						
					AnPPL	0.01						
					CTPL	5.75						
				94.37		93.49						0.13

Nature of Transaction	March 31, 2015											
	Holding Company		Fellow Subsidiary		Enterprises where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Share Application Money Refunded by during the year					LVTPPL	11.72						
Operation & Maintenance Services Rendered / (Avalied)					GLPIPL	(15.42)						
					DREPL	0.36						
					EMPL	0.36						
					FAEPL	0.36						
					NSPL	0.36						
					SOPL	0.36						
					VSPPL	0.36						
						(13.26)						
Other Expenses / (Incomes) / (Recoveries)			LBPL	(0.16)	LVTPPL	0.02						
Loan and Advances taken during the year	LGL	15.06										
Purchase of Fixed Assets			LBPL	0.01	HPL	0.00						
Outstanding Bank Guarantee given to beneficiaries on behalf of Related Parties			LBPL	218.55	HPL	99.10						
					LVTPPL	39.75						
				218.56		138.85						
Corporate Guarantee given to Banks / Financial Institutions on behalf of Related Parties (balance as at the year end)			LBPL	4,064.65	HPL	262.50						
					SOPL	50.89						
					KEVPL	50.73						
					DREPL	42.38						
					FAEPL	31.69						
					VSPPL	31.69						
					EMPL	28.44						
					NSPL	28.44						
				4,064.65		526.76						
Balance Receivable at the year end- Share Application Money											CaPTL	0.03
Balance Receivable at the year end - Loans					DREPL	5.48					LEntPL	70.26
					EMPL	18.67						
					FAEPL	11.17						
					NSPL	9.87						
					VSPPL	23.69						
						68.88						70.26

(₹ Crores)

Nature of Transaction	March 31, 2015											
	Holding Company		Fellow Subsidiary		Enterprises where Significant Influence Exists		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount	Party Name	Amount
Balance Receivable at the year end- Others (Trade Receivables, Interest receivable and Other Receivables)			LBPL	208.95	LVTPPL	53.63					LR	11.57
					HPL	2.77					LF	0.52
					VPPL	1.34					LHRPPL	0.02
					CTPL	0.01					CSPPL	0.00
					KEVPL	60.27					LTNCPL	0.00
					DREPL	1.64					LKSPL	0.00
					EMPL	3.54						
					FAEPL	2.40						
					SOPL	0.43						
					VSPPL	4.85						
					NSPL	2.01						
				208.95		132.89						12.11
Balance Payable at the year end-Loans	LGL	167.06			SOPL	5.22						
Balance Payable at the year end- Others (Trade Payables, Capital advances and Other Payables)			LBPL	1,599.92	LVTPPL	930.58	SCM	0.01			LR	0.89
					HPL	494.57	GVB	0.01			LF	0.17
					KEVPL	239.18					LHRPPL	0.07
					AnPPL	46.85					LCL	0.14
					BiPPL	46.85						
					TPPL	46.85						
					BePPL	38.50						
					GLPIPL	14.76						
					PrPPL	4.21						
					PTPL	0.89						
					AvPPL	0.01						
					SOPL	0.74						
					NSPL	0.02						
					EMPL	0.06						
				1,599.92		1,864.07		0.02				1.27

46 Forward Contracts

(₹ Crores)

Particulars	March 31, 2016	March 31, 2015
Details of Forward Cover for amount outstanding as on Balance sheet date		
For Buy USD (Hedge for foreign currency loan repayment)	262.58	405.40

Details of Unhedged Foreign Currency Exposure	Currency	March 31, 2016		
		Exchange Rate	Amount in Foreign Currency (Crores)	Amount in INR (Crores)
Trade Payables	EURO	75.10	0.08	5.80
Trade Payables	USD	66.33	9.03	599.25
Secured foreign currency loans (Buyers Credit)	USD	66.33	4.17	276.54
Secured foreign currency term loans including interest	USD	66.33	117.58	7,799.30
Advance from Customers	USD	46.22	0.12	5.44
Trade receivables	USD	66.33	4.82	319.72

Advances Recoverable in Cash or in kind (Advance to Supplier)	USD	54.45	1.42	77.25
Advances Recoverable in Cash or in kind (Advance to Supplier)	EURO	75.10	0.01	0.75
Net Exposure				8,288.61

Details of Unhedged Foreign Currency Exposure	Currency	March 31, 2015		
		Exchange Rate	Amount in Foreign Currency (Crores)	Amount in INR (Crores)
Trade Payables	EURO	67.51	0.08	5.19
Trade Payables	USD	62.59	9.37	586.53
Secured foreign currency loans (Buyers Credit)	USD	62.59	14.60	913.75
Secured foreign currency term loans including interest	USD	62.59	85.06	5,324.15
Advance from Customers	USD	45.17	23.26	1,050.76
Trade receivables	USD	62.59	7.99	499.97
Advances Recoverable in Cash or in kind (Advance to Supplier)	USD	53.71	0.03	1.50
Advances Recoverable in Cash or in kind (Advance to Supplier)	EURO	67.51	0.007	0.48
Net Exposure				7,378.43

47 Movement in Provisions

(₹ Crores)

Particulars	March 31, 2016		
	Mine Restoration	Operations & Maintenance	Warranties
(a) Balance as on April 01, 2015	168.87	44.80	462.10
(b) Additional Provision made during the year	-	28.28	13.43
(c) Provision reversed / used during the year	(9.15)	-	(159.84)
(d) Foreign exchange rate variation	10.72	-	18.59
(e) Balance as on March 31, 2016 (a+b-c+d)	170.44	73.08	334.28

(₹ Crores)

Particulars	March 31, 2015		
	Mine Restoration	Operations & Maintenance	Warranties
(a) Balance as on April 01, 2014	197.36	11.26	445.05
(b) Additional Provision made during the year	-	33.54	(1.38)
(c) Provision reversed / used during the year	(0.14)	-	-
(d) Foreign exchange rate variation	(28.63)	-	18.43
(e) Balance as on March 31, 2015 (a+b-c+d)	168.87	44.80	462.10

48 Capital and Other Commitments

(₹ Crores)

	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for *	18,808.71	14,892.07
Investment Commitment in Associates	69.73	2,425.28
Commitments under fuel supply agreement	41.74	41.74
Contractual obligation for Long Term Access for transmission of power	160.00	160.00
Deferred Purchase consideration payable	-	5.50

* Capital commitments mentioned above is inclusive of Engineering, Procurement and Construction (EPC) Contracts which are under revision and this commitment may undergo change.

49 Contingent Liabilities - Not probable and therefore not provided for

(A) Claims disputed by Group *		(₹ Crores)
	March 31, 2016	March 31, 2016
Custom Duty	49.58	323.71
Sales tax Liability	621.42	208.35
Service tax Liability	140.44	140.23
Income tax Liability \$	262.00	280.22
Construction Cess under Building and Other Construction Workers Act, 1996	1.16	1.16
Claims against the group not acknowledged as debt	1,288.77	1,273.17

* The Group has internally assessed and / or been advised that the demands or claims are likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

\$ Does not include the amounts of Company not quantifiable at present pertaining to draft assessment order of AY 2012-13 which is under appeal with Dispute Resolution Panel.

(B) Company's share of contingent liabilities of associate companies is ₹ 2.68 (March 31, 2015: ₹0.08) Crores.

(C) Bond for SEZ - In case of LSPL, Bond Cum Legal Undertaking for Special Economic Zone (SEZ) has been entered between LSPL and President of India acting through the Development Commissioner of Visakhapatnam SEZ and the Special Officer for ₹171.24 Crores. As per the terms and conditions of the Bond cum Legal Undertaking, LSPL shall be obligated to pay all duties chargeable on the goods imported if LSPL carries any operations other than authorized operations as per SEZ Act 2005. The amount of utilisation till March 31, 2016 is ₹ 144.64 Crores.

(D) Outstanding corporate guarantees - ₹ 170.76 (March 31, 2015: ₹ 4,591.41) Crores.

(E) Claims not acknowledged as debts - amounts not Quantifiable

(i) In case of LKPL, with respect to the Phase I is selling electric energy under a Power Purchase Agreement (PPA) with Andhra Pradesh Power Co-ordination Committee (APPCC), APPCC has raised certain disputes regarding the installed capacity and the reduction in tariff as per the PPA which are subjudice at present. As these matters are technical and interpretational in nature, the management contends that it is not practicable to estimate the overall financial impact, if any, at this stage. Pending such disputes, the LKPL has recognized revenue to the extent accepted by the APPCC as in earlier years. Further, the management, based on its internal assessment and legal opinion, is confident that the above matters will be decided in its favour.

(ii) In case of LKPL, on December 15, 2005, APPCC raised a claim of liquidated damages amounting to ₹ 95.16 Crores towards alleged delay in commissioning of the Phase I project as stipulated in PPA by the LKPL and has unilaterally adjusted dues to extent of ₹46.25 Crores from the monthly tariff bill dated December 12, 2005 against this claim.

On June 13, 2011, APERC passed an order stating that there was a delay in the commissioning of the Phase I project and thus, the Liquidated damages amounted to ₹74.87 Crores. However, it is held that such claim by APPCC is barred by limitation. Whilst the matter stood thus, APPCC adjusted another ₹ 62.69 Crores against the tariff bill dated June 13, 2011 and informed the LKPL that an interest of ₹62.14 Crores accrued on their claim and demanded the balance amount of ₹ 28.07 Crores. The LKPL filed appeal with Appellate Tribunal for Electricity (APTEL) against the order dated June 13, 2011 and APTEL by its order dated January 12, 2015 allowed the appeal and directed APPCC to pay the adjusted amount with interest @ 12%. Aggrieved by the same Discoms filed Civil Appeal No. 4463 of 2015 before the Supreme Court. The Supreme Court vide its interim order dated July 27, 2015 directed Discoms to deposit ₹100.00 Crores which can be withdrawn by the LKPL on furnishing bank guarantee. Discoms complied the said Order and Supreme Court released ₹100 Crores to the LKPL on furnishing BG.

(iii) In case of LKPL, with respect to the Phase I, on September 23, 2004 the Andhra Pradesh Transmission Corporation (APTRANSCO) has informed the LKPL that by oversight or mutual mistake, wrongly calculated the tariff ignoring the stipulation imposed by Central Electricity Authority and claimed a refund of ₹ 224.00 Crores and bills will be paid at lower rate for future supplies. The LKPL has filed a petition in City Civil Court, Hyderabad for injunction orders. The Civil City Court allowed the petition by granting injunction on September 8, 2008 in favour of the LKPL. Later APTRANSCO filed an appeal in High Court of Andhra Pradesh against the injunction order of City Civil Court and the same is pending. Further, the management based on the legal opinion, is confident that the above matter will be decided in its favour.

(iv) In case of KSPPL an amount of ₹0.29 Crores is under dispute with NVVN Ltd. towards compensation for short supply of committed minimum power in contract year 2011-12 and the dispute is to be referred to arbitration. KSPPL have good merits to contest the matter and expect favourable award, hence not provided.

50 In case of LKPL, On March 13, 2012, APERC in its verdict held that the LKPL is entitled for reimbursements of Minimum Alternate Tax (MAT)

for the periods April 2006 and onwards with consequential reliefs i.e. with interest at the rate prescribed in the PPA till the realization of the said amount. During the pendency of claim by the LKPL the matter being subjudice, the revenue pertaining to MAT reimbursements from April 2001 has not been recognized as income in the financial records. Whereas in regard to claims prior to April 2006, the LKPL was in appeal before Appellate Tribunal for Electricity (APTEL) and the same was allowed in favor of the LKPL. Aggrieved by the APTEL Judgment dated July 02, 2012, DISCOMS/APPCC filed an appeal before the Hon'ble Supreme Court disputing the verdict of APTEL and also the Orders of APERC. The Hon'ble Supreme Court in its judgment dated October 16, 2015 dismissed all the appeals of APPCC and DISCOMS. Consequently MAT reimbursement entitlement of ₹ 174.80 cr has been recognized along with interest as revenue during the year.

- 51** In respect of the amounts billed by the LKPL, for sale of electrical energy and for other claims up to June 15, 2003, APTRANSCO has retained certain amounts. Recognition of this revenue has been postponed till acceptance by APTRANSCO. The LKPL has initiated proceedings in APERC for resolution of all such pending issues regarding outstanding amounts with APTRANSCO.
- 52** In case of LKPL,
- (a) LKPL is one of the successful bidders in the e-BID RLNG scheme of GOI, which enabled it to operate its Phase II Plant from June 09, 2015 and Phase III Module A from November 2015. Due to shortage of gas, these units are operating at partial load under e-BID RLNG Scheme. The said scheme is available up to March 31, 2017. The project lenders have approved the cost overrun funding and restructuring of the debt repayments for Phase-III and lenders approved refinance proposal for Phase-II debt.
 - (b) During the Financial Year 2015-16, the LKPL has capitalised ₹159.63 Crores (March 31, 2015 : ₹272.21 Crores) (from July 01, 2013 to January 09, 2016 ₹601.36 Crores) of borrowing costs incurred on loans pertaining to Module A and B of Phase III Plant which have declared COD on August 11, 2015 and January 09, 2016 respectively. Interest has been capitalised till COD. The commissioning of the plant was delayed due to non-availability of resources. The lenders of the project approved the above interest during construction as a part of the project cost. The LKPL has also approached Ministry of Corporate Affairs (MCA) to seek clarification on the applicability of provisions of AS 16 to continue the capitalisation of borrowing cost upto COD.
- 53** In case of LKPL, Phase-I PPA with AP/TS Discoms has expired on January 01, 2016, pending renewal of the PPA, AP Discoms have agreed to buy power on the same terms and conditions of the existing PPA till June 30, 2016 or renewal whichever is earlier. Further the differences in tariff if any as per renewed PPA will be tried up.
- 54** (a) In case of LAPL, entered into a Power Purchase Agreement ("PPA") with PTC India Ltd. (PTC) for sale of power generated from its Unit 2. PTC signed a Power Sale Agreement ("PSA") with Haryana Power Generation Corporation Limited ("HPGCL") for sale of power purchased from the LAPL. The LAPL terminated the aforesaid PPA, as PTC failed to fulfil certain condition precedent and its obligation under the PPA. PTC initiated arbitration proceedings against the aforesaid termination. PTC claimed a compensation of ₹ 162.55 Crores and any reimbursement towards any charge/ claim which HPGCL may claim from PTC. PTC also claimed damages from the LAPL for the loss of business due to termination of the PPA. The arbitral tribunal in an order dated May 23, 2015 passed majority award in favour of the LAPL thereby rejecting the claims of PTC and holding the legal validity of termination of the PPA by the LAPL. PTC had filed an appeal against the arbitral tribunal award in Delhi High Court. A single judge bench in its order dated September 09, 2015 has dismissed the appeal of PTC. Thereafter, PTC has filed appeal before the division bench of Delhi High Court. The appeal filed by PTC is pending for adjudication.
- (b) The LAPL, had signed another PPA with Chhattisgarh State Power Trading Company Limited ("CSPTCL") for sale of 35% of the capacity in accordance with the Implementation Agreement signed by the LAPL with the Government of Chhattisgarh. In an appeal against HERC order, APTEL vide its interim order dated March 23, 2011 directed that 35% of the power generated from LAPL's Unit 2 should be sold to the state of Chhattisgarh and the balance power is to be sold to PTC.

The LAPL commenced supplying power to PTC and CSPTCL w.e.f. May 07, 2011, as per interim order dated March 23, 2011 of APTEL. The LAPL filed a civil appeal along with an application for stay against APTEL final order dated November 04, 2011 in the Supreme Court. The Hon'ble Supreme Court in its order dated December 16, 2011 directed the LAPL to continue supplying electricity in terms of the APTEL interim order dated March 23, 2011. The said appeal is still pending for adjudication before the Hon'ble Supreme Court which has also stayed further proceedings of the petition filed by HPGCL before HERC challenging the termination of PPA. Further, the Hon'ble Supreme Court in its order dated December 16, 2011 also directed HERC to fix/ approve the tariff of sale and purchase of power for the period in dispute uninfluenced with any earlier orders. The LAPL had recognized revenue on the basis of CERC Tariff Regulations, 2009, whereas the payments were released by PTC (Haryana) on the basis of erstwhile PPA capped tariff rate resulting in closing receivables being higher by ₹213.71 Crores. APTEL in a judgement order dated January 03, 2014 directed the LAPL to file necessary details of project cost before HERC and directed it to re-determine the tariff dehorn the PPA in accordance with HERC Tariff Regulations 2008.

On January 23, 2015, HERC has re-determined the tariff as per HERC Tariff Regulations 2008 comprising of fixed charges and energy charges for FY 2011-12 to FY 2014-15. The LAPL has filed an appeal in APTEL challenging methodology followed by HERC in the computation of energy charges. The Management based upon its assessment and legal advice obtained, is confident of the outcome of the matter in its favour and recovery of the above said receivables.

- (c) In terms of PPA dated January 12, 2011, the LAPL commenced supply of power to Chhattisgarh (CSPTCL) w.e.f. June 22, 2011. The said PPA with CSPTCL provides for 5% of the net power to be supplied at Energy Charges and 30% of the net power at full Tariff (Fixed Charges + Energy Charges) computed as per CERC Tariff Regulations, 2009. The LAPL had recognized revenue on the basis of CERC Tariff Regulations, 2009, whereas the payments were released by CSPTCL at an adhoc rate resulting in closing receivables being higher by ₹ 20.25 crores. The LAPL requested the Chhattisgarh State Electricity Regulatory Commission (CSERC) to adjudicate on its claim for recovery of tariff. CSERC vide its order dated December 30, 2014 dismissed petition of LAPL by stating that the dispute between the parties could not be resolved without determination of tariff and has relied upon Section 64(5) of the Electricity Act to state that the State Commission would have the jurisdiction as power supplied by the LAPL has been utilized by the distribution licensee for meeting its requirements. The LAPL has requested CSPTCL to file a petition for determination of tariff before CSERC.
- (d) South Eastern Coalfields Limited (SECL) terminated the FSA dated December 31, 2005 entered into between the LAPL and SECL and invoked the bank guarantee which was challenged by the LAPL before the Arbitral Tribunal which held the termination and invocation as illegal & invalid. SECL challenged the order before the Hon'ble Court of District Judge Bilaspur its order dated March 11, 2013 allowed the application/objection filed by SECL & set aside the award of the Arbitral Tribunal. Being aggrieved by the order dated March 11, 2013 the LAPL filed an appeal before the Hon'ble High Court of Chhattisgarh at Bilaspur. The Hon'ble High Court vide its order dated April 25, 2013 admitted the appeal & issued notice to SECL. The appeal filed is pending for adjudication. Based on the legal opinion obtained in the matter it is found that the order dated March 11, 2013 passed by the Hon'ble Court of District Judge, Bilaspur is beyond the scope of interference with an arbitral award under section 34 of the Arbitration and Conciliation Act, 1996 as well as is contrary to the facts of the case at hand and thus is liable to be set aside. In view of the grounds raised in the appeal and the perversity of the order under challenge, the LAPL has reasonably fair chance of succeeding in the appeal.

- 55** In case of LAPL, the Government of India (Ministry of Power) issued a notification No.A-4/2011-IPC dated August 17, 2011 requiring all the existing eligible power projects, inter alia, to obtain Provisional Mega Project Status on satisfying certain conditions as stated in the said revised policy guideline for setting up of Mega Power Projects.

After obtaining the Provisional Mega Power Status for its under construction Units 3 & 4, the LAPL was required to furnish security in the form of Fixed Deposit Receipt (FDR) for an amount equal to the Customs Duty Payable on imports. As Unit 3&4's original Project Cost was estimated on Mega Status basis, the LAPL approached Lenders for sanction of additional loan to meet this unexpected interim fund requirement which took quite some time and after receipt of loan sanction, the LAPL started clearing the import materials lying at port. Subsequently, the Government permitted Bank Guarantees (BG) also as a form of security and the LAPL, keeping in view the differential savings, desired to minimize the cost of Interest During Construction (IDC) by opting for furnishing of BG in the place of FDR. The imported materials which reached the port and got accumulated for clearance (assessable value of ₹ 646.97 crores as computed at current customs exchange rate) has been cleared except goods with assessable value of ₹ 290 crores which are included under Asset Under Construction.

Further to the above, the project got delayed on account of reasons beyond the control of the LAPL. The LAPL approached its Lead Lender for reappraising the project cost with cost overrun. The Lead Lender reappraised the project cost (including cost overrun) at ₹ 10,815.24 Crores with revised SCOD of December 31, 2016. The LAPL has been successful in tie up of the entire CoR debt except ₹ 139 crores (₹ 129 crores from LIC & ₹ 10 crores from REC) & BG facilities of ₹ 189 crores. The BGs issued by the member banks has been utilised for clearing the material lying at port & for replacement of the FDRs deposited with Customs & Excise Department and for providing guarantees required for FSA, PPA, BPTA etc. Even after considering the cost and time overrun as stated above, the project is viable keeping in view the increasing power tariffs with the ever increasing power demand.

- 56** LAPL has filed writ petition before the Hon'ble High Court of Delhi on applicability of certain norms of CERC Tariff Regulations, 2014 for Unit 1. Pending disposal of the said writ petition by the Hon'ble High Court of Delhi, the LAPL has submitted duly filled tariff filing formats in accordance with CERC Tariff Regulations 2014-19 to PTC for onward submission to MP Power Management Company Ltd (MPPMC) for approval of tariff for the period 2014-19. Till such time the tariff is approved by MPERC, MPPMC has agreed for provisional tariff as per the tariff filing formats submitted by the LAPL to them.
- 57** LAPL and South Eastern Coalfields Limited (SECL) have signed FSA as per the Presidential Directive in Aug 2013, and thereafter linkage coal supply had been stopped by SECL stating that the PPA is sub-judice. Further, in the absence of linkage coal, the LAPL requested the Buyers to allow the power supply with alternate coal like e-auction/open market and has been declaring daily availability of the plant, however, PTC/Haryana did not schedule power citing higher cost of alternate coal. Thereafter, the LAPL has re-started its 300 MW Unit 2

and has re-commenced supply of 95% power w.e.f. December 05, 2015 to PTC for onward supply to Haryana on long term basis after the Hon'ble Supreme Court order dated September 18, 2015 directing SECL to supply linkage coal treating the sub-judice PPA as subsisting long term PPA and after PGCIL enabled its transmission infrastructure for long term supply of power to Haryana through PTC. CSPTCL w.e.f. April 17, 2016 has also started availing 5% power (home state share) from Unit 2 at variable cost.

- 58** The LANPL, is in the process of setting up a new project (Anapara phase-II) of 2x660 MW at Bhognipur, U.P. The land for setting up of the Plant has been acquired and most of the approvals have been received. Capital advance include an amount ₹ 8.13 Crores (Previous Year ₹ 8.13 Crores) paid to district land acquisition authorities in the state of Uttar Pradesh for acquiring land for implementation of the above project. Advance of ₹ 279.20 Crores has also been given to EPC contractor for procurement of BTG equipment. The same has been funded from equity. The approval for linkage Coal is yet to be obtained pending which the Financial Closure is yet to be completed.
- 59** In case of LANPL, received tariff order from Uttar Pradesh Electricity Regulatory Commission (UPERC) to compensate for changes in RFP / PPA conditions in respect of coal supply and power purchase payments. LANPL started its operations in December 2011 (COD) and plant had been operating at sub optimal levels during the stabilization phase on account of coal & infrastructure constraints which are due to non-fulfillment of certain obligations by buyers i.e. Uttar Pradesh State Power Distribution Companies under RFP / PPA with LANPL for sale of 1,100 MW power. LANPL had terminated the PPA and exercised the option available under PPA by filing petition before UPERC seeking resolution of its claims. Consequent to the above UPERC vide their order dated November 23, 2015 directed the UPPCL to pay - (a) compensation for recovery of past losses for ₹ 499.58 crores (b) compensatory levelised tariff of ₹0.226 /kWh for the sustainability of the project with effect from the date of order. LANPL recognized ₹ 499.58 Cr as one time tariff income during the year ended March 31 2016.
- 60** In case of LANPL, Management has evaluated impairment of assets as required by Accounting Standard – 28, Impairment of Assets. On the basis of evaluation, Management is of the opinion that there is no impairment of the LANPL assets as on March 31, 2016.
- 61** (a) The LANPL is in possession of 923.91 Acres of land for establishing of Anpara phase-II (660X2 MW TPP) at Tehsil Bhoginipur, District Kanpur Dehat (Ramabai Nagar). The LANPL has provided security by way of mortgage of land measuring 314.36 Acres and 609.55 Acres to Canara Bank and Punjab National Bank, taken by the Company.
- (b) The LANPL has created subservient charge over the assets of the LANPL in favour of Bank of India (against short term loan of ₹ 225 crores to LANPL) & CDR Lenders of the Company.
- (c) Pledge of 61% of the fully paid up share capital of the phase - 1 project to the Lenders, as collateral security. Balance share capital of the LANPL is pledged in favour of CDR Lender of the Company.
- 62** The LANPL filed a SLP before Hon'ble Supreme Court of India challenging the Order of High Court dated November 11, 2011 directing the LANPL to deposit transit fee on procurement of coal with State. The Hon'ble Supreme Court vide dated January 31, 2012 has stayed any demand and recovery of transit fee. The Hon'ble Supreme Court vide dated October 29, 2013 had modified the stay order that the State shall be free to recover transit fee for forest produce and any such recovery shall remain subject to the ultimate outcome of present petitions pending in the Court. Further the Hon'ble Supreme Court vide its Intrim order dated April 26, 2016 upheld the levy and collection of above transit fee. However any liability, if accruing on this account is recoverable from our Procurer "Uttar Pradesh Power Corporation Limited".
- 63** In case of LVTPPL, The Ministry of Power, Government of India issued a notification No.A-4/2011-IPC dated August 17, 2011, requiring all the eligible power projects, inter alia, to obtain Provisional Mega Project Status on satisfying certain conditions as stated in the policy guidelines for setting up of Mega Power Projects. The LVTPPL furnished security in the form of Fixed Deposit Receipt (FDR) initially (as applicable) for an amount equal to the Customs Duty payable on Offshore supplies/Excise Duty payable for On-shore supplies. Ministry of Power vide letter No. C-8/2011-IPC dated November 21, 2011 granted Provisional Mega Power Project Status to 1,320 MW (2 x 660 MW) Vidarbha Power Project. Subsequently, the Government of India permitted Bank Guarantees (BG) also as a form of security and hence, the LVTPPL furnished security in the form of Bank Guarantee for an amount equal to the Customs Duty payable on Offshore supplies and Excise Duty payable for On-shore supplies till the end of reporting date. The LVTPPL shall furnish additional security in the form of Bank Guarantees for future Offshore/Onshore supplies (as applicable). LVTPPL received twelve (12) consignments totalling to 16,111 tonnes, at Mumbai Port during the period October 22, 2011 to April 16, 2012. In the tripartite meeting on October 05, 2015 among Mumbai Port Trust (MPT) officials, LVTPPL representatives and officials of Lead Lender, M/s. Punjab National Bank, LVTPPL's proposal of one-time settlement of the port charges at ₹ 75 Crores (plus Service Tax) was accepted. LVTPPL has paid the first 50% instalment of ₹ 43.94 Crores (including the taxes) on January 06, 2016 as per the MPT stipulation and final installment yet to be paid. LVTPPL has lifted 6,488 MT of material from port upto the reporting date.
- 64** In case of LVTPPL execution of the construction activities at Project Site got affected stalled due to litigation on granted Environment Clearance leading to delay of around three years which was beyond the control of LVTPPL, which lead to time & cost overrun. LVTPPL approached power purchaser i.e. Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) to extend the scheduled commencement

date and provide the reliefs in accordance with PPA provisions on force majeure, which was not accepted by MSEDCL. MSEDCL encashed the Bank Guarantee of ₹ 51 Cr and unilaterally demanded liquidated damages of ₹ 300 Cr. LVTPPL made attempts for an amicable resolution, however MSEDCL didn't responded positively and hence, LVTPPL terminated the PPA with MSEDCL in September, 2014.

The LVTPPL has filed a writ petition before MERC for adjudication of dispute between LVTPPL & MSEDCL with the prayer to declare the PPA termination as valid, direct MSEDCL to return the PBG of ₹ 51 Cr and declare the additional LD claim of ₹ 351 Cr by MSEDCL as illegal and wrongful. The LVTPPL is confident of getting the refund of encashed bank guarantee and reversal of demanded Liquidated Damages, hence no provision has been made in the books of accounts on account of liquidated damages.

- 65** In case of LBPL, As per the Government of India (GoI) guidelines, Mega Power Status was granted to projects once 85% of the power is tied up through competitive bidding enabling the companies to import the equipment at nil Custom & Excise duty. However, Ministry of Power (MoP), in consultation with Ministry of Finance (MoF), has vide notification No.A-4/2011-IPC dated August 17, 2011 introduced a new provision wherein 'Provisional Mega Project Certificate' is issued which necessitated submission of fixed deposit receipts for an amount equal to the Customs/Excise duty payable, for a term of 36 months. MoP, GoI has amended the Mega Power Policy on January 20, 2014 wherein the time limit of 36 months has been extended to 60 months from the date of import for 25 projects which includes LBPL. This deposit will be returned upon receipt of Mega Project Certificate. Additionally, requiring power tie up of 100% out of which 65% of installed capacity/net capacity through competitive bidding and up to 35% installed capacity/net capacity under regulated tariff as per Host state policy, as the case may be, approved by the respective Regulators under long term PPA with Discoms/state designated Agency. MoP has Vide letter No. C-7/2007-IPC dated November 28, 2011 has granted Provisional Mega Power Project Status to LBPL 2 x 660 MW power project.

MoF has amended the provision of submission of customs duty / excise duty vide circular 43/2012 – Customs & 28/2012- Excise dated June 27 2012, giving the option to submit Bank Guarantee (BGs) equal to the custom and excise duty for clearance of the goods. This facility can be availed in respect of FDs already taken earlier and can be replaced with BGs. The LBPL cleared some imports against Fixed Deposits amounting to ₹ 1.78 Crores. The LBPL also cleared some imports against Bank Guarantees amounting to ₹ 186.64 Crores provided out of both the company (₹18.48 Crores) and LBPL (₹168.16 Crores) non fund based limits. The LBPL has approached lenders for sanctioning Bank Guarantees limits of ₹ 750 Crores against payment of Customs/Excise Duty. The Bank Guarantees approved limit of ₹ 574 Crores out of ₹750 Crores.

Imported consignments as at March 31, 2016 (assessable value ₹ 599.64 Crs, quantity 17,942 MT) which reached the port were pending for clearance due to non-availability of Bank Guarantee limits. On LBPL request to Paradip Port Authorities, a separate area was provided for storing the material. LBPL was provided 2 types of plots viz. Normal Plot and Transit Plot. The plot rent for normal plot is ₹ .084 Crores /month and that of transit plot is ₹ 0.0387 Crores per month. Currently, these imported consignments at the port pending clearance is classified under Capital Work in Progress.

- 66** In case of LBPL, it has filed 5 legal suits against various parties in the process of Land Acquisition at Dhenkanal Village where the Plant exists. 23 legal suits have been filed by various parties against the LBPL and Others, which are pending at various judicial forums on account of the Land Acquisition process. Based on the Expert Legal Opinion, the management is confident that the outcome would be favourable to the LBPL.
- 67** Four Public Interest Litigations were filed by a party against the LBPL which are pending at the High Court of Orissa against Memorandum of Understanding entered by the LBPL with Government of Orissa towards setting up of Power Project in Dhenkanal Village. Based on the Expert Legal Opinion, the management is confident that the outcome would be favourable to the LBPL.
- 68** LBPL participated in the Bid, towards procurement of 1000MW of power by Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPL), was issued Lol, among others, for supply of 350MW, which included additional 250 MW offered to the LBPL over and above the 100 MW. Consequently a Power Purchase Agreement was signed by the LBPL. However, Rajasthan Electricity Regulatory Commission (RERC) had adopted only 500MW out of the total Bid Capacity of 1000MW, whereby the capacity offered by the LBPL's was not considered. The LBPL has challenged the order of RERC adopting tariff for 500MW only, instead of 1000MW in APTEL. Certain co-bidders have also challenged the said order. Based on the Expert Legal Opinion, the management is confident that the outcome would be favourable to the LBPL.
- 69** In case of LBPL, based on the Request for Qualification (RFQ) floated by Haryana Power Generation Corporation Limited (HPGCL) for tariff based competitive bidding for procurement of power, the company and Lanco Kondapalli Power Limited (LKPL), fellow subsidiary of LBPL (collectively called the "Consortium") had participated in the bidding process and were declared qualified for supplying 389 MW of power from project in Odisha State namely Lanco Babandh Power Limited (LBPL). Lol was issued, which was not accepted due to various reasons attributing to delay in acquisition of the land, so the consortium expressed their inability to sign a Power Purchase Agreement (PPA) with HPGCL. HPGCL encashed the bid bond as per terms of the RFQ and filed a petition with Haryana Electricity Regulatory

Corporation (HERC) seeking specific performance of the consortium's obligations. The consortium challenged the jurisdiction of HERC, however HERC passed an order holding that it had jurisdiction and also restrained from contracting 389 MW of Power by LBPL. The consortium challenged the decision of HERC before the Appellate Tribunal for Electricity (APTEL), and APTEL also ruled in favour of HPGCL. Aggrieved by the APTEL's judgement, the consortium has filed a civil appeal under section 125 of the Electricity Act, 2003 before the Hon'ble Supreme Court of India. Based on the Expert Legal Opinion, the management is confident that the outcome at the Hon'ble Supreme Court of India would be favourable to the LBPL.

- 70** In case of LBPL, Power Grid Corporation of India Limited (PGCIL) has filed a petition in Central Electricity Regulatory Commission (CERC) for directing Independent Power Producers (IPPs) of transmission system of Phase-I in High Capacity Power Transmission (HCPTC) corridors in Odisha for opening of Letter of Credit as per CERC (Sharing of Inter-state transmission charges & Losses Regulations 2010) & LTA (Long Term Access) granted to them. The LBPL is one of the Respondents to the case and has taken up the Force Majeure issue. Hearings completed and Order is reserved by CERC. Based on the Expert Legal Opinion, the management is confident that the outcome is likely to be favourable to the LBPL.
- 71** LBPL has entered in Power Purchase Agreements (PPA's) with Power Procurers, consequent to which the power supply commitments starts at a certain specified date. Various factors have contributed to the delay in the Project execution, which has eventually resulted in the extension of the planned commercial operation date (COD). The revised COD, as approved by the lenders would fall after the supply commitment dates as per the PPA's. The management is confident of obtaining the time extensions for the committed supplies and therefore no adjustments have been made to the financial statements. The Management is also exploring opportunities to supply from alternative source.
- 72** In case of LMHEPL, one Public Interest Litigation has been filed by a party against hydro power developers located on the banks of river Mandakini and Alaknanda in the state of Uttarakhand which is pending in Uttarakhand High court. The LMHEPL is one of the respondent in the said case.
- 73** In the case of LMHEPL, Considerable damage was witnessed across the project site due to devastating flash floods that occurred in the Rudraprayag district of Uttarakhand in the month of June 2013. The LMHEPL Project was insured under CAR & ALOP policies to cover the damages including Act of God. Insurance Claims was lodged with the insurer during the year 2013-14. Against which, an interim payment of ₹25 crores was received by the LMHEPL. Management is confident that the potential damage to the carrying value of asset is unlikely to exceed the expected insurance claim. During the year, the LMHEPL was involved in Restoration activities at the site. The LMHEPL had also received a dispensation from RBI towards the time overrun, consequently, the lenders have also reappraised the Project cost and Commercial Operation date was extended. With the increased project cost and consequential time overrun, the management is confident that the project can be completed and achieve COD appropriately and therefore does not envisage any adjustments in the books of accounts.
- 74** In case of HPL (associate of the Company) , is in the process of setting up a Project of 2 X 660 MW at Bhognipur, U.P. Land required for setting up the Plant has been acquired and most of the approvals have been obtained. The lead Lender, IDBI, had sanctioned a Rupee Term Loan (RTL) of ₹1,500 Crores against which Interim Facility of ₹ 450 Crores had been received by the HPL periodically. This interim borrowing facility is repayable in 12 equal Monthly Instalments along with interest, commencing from November 01, 2014.

Accordingly, the HPL has paid ₹ 450 Crores upto March 31, 2016 as repayment of loan out of amount received from the EPC contractor, the Company as refund of advance. Interest on the Interim Facility has been capitalised during the year.

Financial closure of the project is still pending primarily on account of coal linkage which has been delayed by the Govt. of India. Notwithstanding the refund of the EPC advances, the management is confident that the construction activities shall start in the due course once coal linkage is obtained and financial closure is achieved consequently.

- 75** In case of HPL (associate of the Company) , has entered in Power Purchase Agreements (PPA) with Power Procurer, consequent to which the power supply commitments starts at a certain specified date. Various factors have contributed to the delay in the financial closure, which has eventually resulted in the extension of the planned commercial operation date (COD). Based on the HPL's request, the Power Procurer had provided extension towards supply commitment upto December 14, 2013, which was further extended to June 14, 2015. The power procurer has also conveyed that the additional Interest Costs incurred by the HPL after the extension period shall not be allowed for tariff determination. Based on the current level of low key project activities, the Management is confident of obtaining further time extensions for the committed supplies.

Based on Expert Legal advice obtained, the management is also confident that the Interest cost incurred, once the key project activities commence, after financial closure, will be allowed for tariff determination. The interest costs not being allowed during the interim period would not materially impact the recoverability of the Project cost.

Considering the above factors no adjustments have been made to the financial statements.

- 76** In case of LTHPL an associate of the Company, Due to delay in diversion of forest land, poor geology and earthquake, leading to substantial time and cost overrun, the LTHPL had requested the power purchaser to revise PPA Tariff for viability of the project. As there was no positive response from the power purchaser, the LTHPL filed a petition seeking tariff revision before the Regulatory Commission. The Hon'ble Commission after hearing the matter disposed off the petition through final order dated August 20, 2014 stating that the LTHPL may approach the Hon'ble Commission once the Project is nearing COD. With no immediate relief available regarding tariff increase, the LTHPL terminated the PPA with effect from September 18, 2014 in line with the provisions of PPA. The LTHPL is exploring power sale tie up with new power purchasers and PPA will be executed once the potential buyer is finalised. Ministry of Power, Government of India reviewed the project during the year and directed the committee appointed for this purpose to submit a revival plan in consultation with the LTHPL, Lenders and Government of Sikkim for which necessary submissions were made by the company pending finalisation of the revival plan. The Management is confident of getting the revised funding from the lenders, complete the project as per the revised timelines and resolution of PPA issues. Even after considering the cost overrun and delay in execution, there is viability in the project and hence the Management does not foresee any requirement for adjustment for carrying value of assets in the financial statements.
- 77** In case of LTHPL an associate of the Company, pursuant to RBI Circular DBR.BP.BC.No.101/21.04.132/2014-15 dated June 8, 2015, the consortium of Lenders of LTHPL, invoked Strategic Debt Restructuring Scheme (SDR) in the LTHPL, on July 24, 2015 (Reference Date). Post SDR Scheme, the Lenders are now collectively holding 51% equity shares of the LTHPL, which they are required to divest to a new investor as soon as possible to bring the Change in Management in the LTHPL to complete the SDR Process. The classification of Account with all the Lenders was "Standard" on the Reference Date.
- 78** In case of LTPL,
- Workers of two contractors engaged during the construction period by the LTPL, have filed a petition with the Payment and Wages Commissioner for non-payment of wages against the sub contractor. LTPL being the principle employer has been made respondent party in the said case.
 - A case was filed with the chief judicial magistrate by a worker who was employed by one of the contractor during the construction period, owing to injury suffered, requesting for suitable compensation. Management is confident that the outcome would be favourable to the LTPL.
- 79** In case of the LHPL,
- A case was filed with the Chief Judicial Magistrate by a worker who was employed by one of the contractors during the construction period, owing to injury suffered, requesting for suitable compensation. The management is confident that the outcome would be favourable to the LHPL.
 - Sixteen workers were employed by one of the sub-contractors during the construction period, these workers had filed a petition for employment with the LHPL before the Additional Sessions Judge, Labour cum Industrial Tribunal Courts, Dharamshala. The LHPL, being the principal employer has been made third party respondent in the said case. Management is confident that the outcome would be favourable to the LHPL.
- 80** In case of LTPL & LHPL has filed an appeal before Honorable High Court of Shimla contending the constitutional validity on HP tax on entry of Goods.
- 81** In case of LHTPPL, Telangana State Industrial Infrastructure Corporation (TSIIC) which was formed in lieu of APIIC on formation of new state i.e. Telangana out of united Andhra Pradesh, has extended the timeline for implementation of the project under development agreement upto November 2016. The LHTPPL is confident of completing the committed development of 1 million sft (of which 0.65 mn sft. Is already built) by November 2016.
- 82** The LHTPPL has obtained possession of land parcel of 100 acres at Manikonda, Hyderabad, as per the development agreement ('the agreement') dated November 6, 2006, entered into between Andhra Pradesh Industrial Infrastructure Corporation (APIIC) and the LHTPPL. The land has been obtained for developing residential and commercial space and amenities. The transfer of ownership to the LHTPPL of such land is subject to the fulfillment of the commitment to develop the land as stipulated in the agreement. Accordingly to the extent of development commitment already executed by the LHTPPL, proportionate land admeasuring 26.97 Acres has been transferred in favour of the LHTPPL on June 22, 2010. The management is hopeful that the balance land transferred in the favour of LHTPPL in due course, by fulfilling commitments in discussion with the appropriate Regulatory Authority.

The ownership of the land obtained as above is disputed by various parties stating that the land belongs to Dargah and consequently being administered by the Wakf Board. The disputes are presently pending at various levels of judiciary bodies. During the year 2010-11, The Andhra Pradesh Wakf Tribunal ('the tribunal') passed a temporary injunction against the LHTPPL and restrained the LHTPPL from alienating the land. The LHTPPL, in response to the temporary injunction, had filed review petitions in the High Court of Andhra Pradesh for setting aside the said injunction of the tribunal and the same was dismissed. Further the LHTPPL had appealed against the order of

the High Court before the Hon'ble Supreme Court, which granted an interim stay against the orders of Honourable High Court of Andhra Pradesh and the WAKF Tribunal. Pending the final outcome of Appeal before the Supreme Court, the Management of the LHTPPL, on the basis of an expert legal opinion, is of the view that no adjustments are required in the financial statements in respect of such disputes.

- 83** In case of LHTPPL, The management has multiple plans for devolpment of commercial, residential and office spaces in the land held by the LHTPPL. Considering the business plans the management is confident of recovering the cost incurred on devolpment of projects including interest cost which is grouped under Capital work in progress and Devolpment work in progress.
- 84** In case of LHTPPL, Cash Flows from the operations have got affected due to ongoing legal matter regarding the title of the land which was sold by Government of Andhra Pradesh under Competitive bidding for cash consideration. Currently the short fall in cash flows are supported by the Company. Consequent to the interim order of the Hon'ble Supreme Court, the management is estimating that the cashflows required for the project implementation and business requirements would be met from the customer collections and if any short fall in the cash flows arises, will be supported by the Company. Based on the support from the Company the management is confident of executing the on going project in the revised timeline.
- 85** In case of LHTPPL, As per the LHTPPL's business plan, of the total 100 acres allotted, land admeasuring 13.56 acres had been earmarked for the development of residential properties, land admeasuring 6.00 acres had been earmarked towards construction of Hanging Gardens, land admeasuring 29.08 acres has been earmarked for Special Economic Zone (SEZ) and land admeasuring 4.10 has been earmarked for Club house and shopping street. Out of the balance land admeasuring 47.26 acres, 1.6 acres has been converted into SEZ. The Balance 45.66 acres will be classified under fixed assets, investment properties and/or inventories, as the case may be, based on ultimate end use pattern as per final business plan of the LHTPPL. Pending such reclassification the cost incurred on development of projects including the interest cost is included under the head Development works in progress.
- 86** In case of LSPL, In view of the growing solar power generation market in India and the favorable policy initiatives for the growth of the sector, the LSPL has approached the Consortium of Lenders for the change in scope and capacity of the Polysilicon, Wafer and Module Plants. In accordance with that, Consortium of Lenders have sanctioned and documented the proposed change of scope and capacity. Thereby the revised capacity of Polysilicon Plant from 1250 TPA to 1800 TPA, Wafer Plant from 80 MW to 100 MW and added 75 MW of module line (in addition to the existing facility) respectively. Due to this change the project Scheduled Commercial Operation Date (COD) has also been revised from October 12, 2012 to October 12, 2014. After this change is taken place during the financial year 2014-15, the LSPL has approached the Lenders for the revision of COD and increase of project cost due to increased Interest During Construction from October, 2014 to October, 2016 and from ₹ 1,698 Crores to ₹ 1,921 Crores respectively. Based on the revised envisaged Project cost and along with independent assessment done by ITCOT Consultancy and Service Ltd (ITCOT stands for Industrial and Technical Consultancy Organization of Tamilnadu), the Project has been assessed to be technically feasible and financially viable. After this assessment has taken place, the Lead Lender – Axis Bank Limited has issued Information Memorandum and sanctioned for revised COD from October 12, 2014 to October 12, 2016, Cost Over Run (COR) funding, change of repayment start from December, 2017, has been sanctioned by all the Lenders. Hence the LSPL does not foresee any requirement for adjustment in carrying value of assets under construction as at March 31, 2016.
- 87** In case of LSPL, Capital advance includes an amount of ₹ 16.38 (Previous Year ₹ 16.38) Crores paid to Chhattisgarh State Industrial Development Corporation Ltd (CSIDCL) for acquisition of Land for future expansion of poly-wafer-module project.
- 88** In case of DSPL, On account of various factors beyond the control of the DSPL (like non-availability of additional land, non-availability of Heat Transfer Fluid (HTF), re-designing of the Project, fluctuations in forex), the project has undergone substantial time and also cost overrun. The DSPL has filed petition with Central Electricity Regulatory Commission (CERC) for extension of Commercial Operation Date (COD) and to revise the Power Purchase Agreement (PPA) Tariff for viability of the project. As per the petition filed with the CERC, the DSPL requested CERC for revised COD of 18 clear months from the date of increased tariff approval received by the DSPL. The Management is confident of obtaining permissions/approval for the requests made in the petition filed before CERC and also raising fund for executing the project, hence the DSPL does not foresee any requirement for adjustment in carrying value of assets under construction as at March 31, 2016
- 89** In case of DSPL, Assets Under Construction includes Materials (Steam Turbine Generator) amounting to ₹100.12 Crores, held as trust by the Original Equipment Manufacturer (OEM) at warehouse outside India.
- 90** In case of MMTEL, it had entered into Coal Mining Services (CMS) agreement with Mahatamil Collieries Limited (MCL) for developing and mining of Gare pelma II Coal block located in the state of Chhattisgarh, the said coal block was cancelled by the Hon'ble Supreme Court. As per CMS agreement MMTEL has incurred an amount of ₹ 204.66 Crores till March 31, 2015 towards exploration, infrastructure and earnest money deposit. The amount incurred has been claimed by MMTEL as per terms of the Coal Mines (Special Provisions) Ordinance, 2014 and the management is confident on recoverability of the claim.
- 91** Lanco Kanpur Highways Limited (LKHL), a subsidiary of the company had entered into concession agreement with NHAI for developing

a road project in Uttar Pradesh state under BOOT mechanism. The construction work is delayed due to pending approvals and right of way to be arranged by NHAI. During the previous year LKHL had received notice of termination of concession agreement from NHAI and issued a notice of termination of concession agreement to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. Based on the expert legal opinion, the management is confident on the recoverability of its claims submitted and is not expecting any liability on counter claims filed by NHAI.

- 92** Lanco Resources International Pte Limited (LRIPL) along with its subsidiary companies (Griffin Coal Mine Operations, Australia), a subsidiary of the company has been incurring losses from acquisition onwards. The management is taking necessary steps to optimise its mining cost and to improve the coal mining capacity by expanding the associated infrastructure including development of port to scale up the export sales. Upon implementation of long term initiatives, the management is confident of improving the profitability of the business in long period and carrying value of the assets are realizable at the value stated in the books.
- 93** In case of LRAPL, Deferred consideration payable in relation to the acquisition of GCM & CMM in March 2011 is due in March 2015. As on March 31, 2016 the deferred consideration remains unpaid by the LRAPL and is the subject of a dispute in the Supreme Court of Western Australia. Payment of the remaining deferred consideration is dependent on the financial support of LRIPL.

94 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	Name of the entity	Net Assets, i.e., total assets minus total liabilities *		Share in profit / Loss	
		As % of consolidated net assets	Amount	As % of consolidated Profit / Loss	Amount
Parent	Lanco Infratech Limited	232.06%	1,755.92	167.55%	-445.00
Subsidiaries	Indian				
	Lanco Power Limited	752.51%	5,694.06	0.66%	-1.76
	Lanco Thermal Power Limited	631.23%	4,776.34	1.36%	-3.61
	Lanco Kondapalli Power Limited	204.12%	1,544.56	-73.19%	194.40
	Lanco Tanjore Power Company Limited	70.53%	533.69	-4.56%	12.10
	Lanco Amarkantak Power Limited	293.53%	2,221.10	55.34%	-146.99
	Lanco Anpara Power Limited	127.21%	962.56	-194.57%	516.76
	Lanco Vidarbha Thermal Power Limited	123.27%	932.74	0.00%	-
	Lanco Babandh Power Limited	189.29%	1,432.32	0.00%	-
	Arneb Power Private Limited	0.27%	2.07	0.00%	-
	Portia Properties Private Limited	9.26%	70.05	-0.33%	0.87
	Lanco Hydro Power Limited	60.48%	457.61	-0.23%	0.60
	Lanco Mandakini Hydro Energy Private Limited	30.82%	233.24	0.00%	-
	Lanco Rambara Hydro Private Limited	0.00%	-0.00	0.00%	-0.00
	Diwakar Solar Projects Limited	31.50%	238.33	0.00%	-
	Lanco Solar Energy Private Limited	80.80%	611.42	-1.26%	3.34
	Lanco Solar Services Private Limited	-0.01%	-0.07	0.92%	-2.45
	Lanco Solar Private Limited	60.95%	461.22	1.32%	-3.51
	Khaya Solar Projects Private Limited	2.74%	20.74	0.09%	-0.24
	Bhanu Solar Projects Private Limited	0.00%	-0.02	0.00%	-0.00
	Lanco Solar Power Projects Private Limited	0.17%	1.31	0.00%	-0.00
	Orion Solar Projects Private Limited	0.06%	0.47	0.00%	-0.01
	Pasiphae Power Private Limited	0.00%	-0.01	0.00%	-0.00
	Sabitha Solar Projects Private Limited	0.03%	0.26	0.00%	-0.00
	Helene Power Private Limited	0.08%	0.60	0.00%	-
	Newton Solar Private Limited	1.10%	8.29	0.38%	-1.02
	Lanco Wind Power Private Limited	5.37%	40.62	0.00%	-
	Amrutha Power Private Limited	0.04%	0.29	0.01%	-0.02
	Spire Rotor Private Limited	0.01%	0.04	0.00%	-
	Emerald Orchids Private Limited	0.01%	0.08	0.00%	-
	JH Patel Power Project Private Limited	0.02%	0.16	0.00%	-
	National Energy Trading and Services Limited	11.79%	89.18	-0.79%	2.09
	Mahatamil Mining and Thermal Energy Limited	11.97%	90.59	0.00%	-
	Mercury Projects Private Limited	27.92%	211.23	-0.05%	0.13
	Tasra Mining & Energy Company Private Limited	0.95%	7.18	0.00%	-
	Lanco Hills Technology Park Private Limited	42.12%	318.72	-0.48%	1.28
	Lanco Property Management Company Private Ltd	0.00%	0.02	0.01%	-0.02
	Lanco Energy Private Limited	0.41%	3.08	0.00%	-
	Lanco Kanpur Power Limited	0.01%	0.10	0.00%	-
	Uranus Projects Private Limited	2.42%	18.31	0.00%	-0.01
	Jupiter Infratech Private Limited	0.19%	1.47	0.00%	-0.00
	Uranus Infratech Private Limited	0.17%	1.29	0.00%	-0.00
	Leda Properties Private Limited	0.88%	6.69	0.00%	-0.01
	Coral Orchids Private Limited	0.62%	4.69	0.01%	-0.03

		Net Assets, i.e., total assets minus total liabilities *		Share in profit / Loss	
	Name of the entity	As % of consolidated net assets	Amount	As % of consolidated Profit / Loss	Amount
	Thebe Properties Private Limited	1.76%	13.32	0.00%	-0.00
	Cressida Properties Private Limited	0.43%	3.24	0.00%	-0.00
	Nix Properties Private Limited	0.79%	6.00	0.00%	-0.00
	Cordelia Properties Private Limited	0.24%	1.85	0.00%	-0.00
	Deimos Properties Private Limited	0.45%	3.43	0.01%	-0.02
	Dione Properties Private Limited	0.54%	4.12	0.00%	-0.00
	Neptune Projects Private Limited	0.24%	1.84	0.00%	-0.00
	Pearl Farms Private Limited	0.91%	6.86	-0.01%	0.04
	Telesto Properties Private Limited	0.74%	5.63	-0.06%	0.15
	Lanco Hoskote Highway Limited	31.03%	234.78	19.64%	-52.16
	Lanco Devihalli Highways Limited	32.19%	243.55	6.78%	-18.02
	Lanco Kanpur Highways Limited	25.70%	194.47	0.76%	-2.03
	Foreign				
	Lanco International Pte Limited	143.84%	1,088.38	-52.13%	138.46
	Lanco Infratech (Mauritius) Limited	0.17%	1.26	0.03%	-0.07
	Lanco Enterprise Pte Limited	0.13%	1.02	-0.20%	0.52
	Lanco Infratech Nepal Private Limited	0.10%	0.74	0.00%	-
	LE New York - LLC	0.20%	1.53	0.00%	-0.00
	Lanco Power International Pte Limited	-1.51%	-11.43	0.01%	-0.04
	Lanco Solar International Pte Limited	-1.26%	-9.52	-0.26%	0.70
	Lanco Solar Holding Netherland B.V	-1.74%	-13.17	-0.33%	0.87
	Lanco Solar International USA Inc.	0.00%	0.01	0.00%	-
	Green Solar SRL	0.00%	0.01	0.00%	-
	Lanco Resources International Pte Limited	40.84%	309.01	46.44%	-123.34
	Lanco Holding Netherland B.V	-0.06%	-0.42	-0.01%	0.02
	P.T Lanco Indonesia Energy	0.00%	-0.03	0.00%	-
	Lanco Resources Australia Pty. Limited	-31.96%	-241.82	31.44%	-83.51
	The Griffin Coal Mining Company Pty Limited	422.52%	3,197.14	102.87%	-273.22
	Carpenter Mine Management Pty Limited	8.22%	62.17	-24.81%	65.90
	Western Australia Coal Terminal Pty Ltd	0.00%	-	0.00%	-
	Bhola Electricity Pvt Ltd	-0.36%	-2.75	1.03%	-2.75
	Sirajganj Electric Pvt Limited	0.00%	-0.01	0.01%	-0.02
Associates (Investment as per the equity method)					
Associates	Indian				
	Genting Lanco Power (India) Private Limited	1.95%	14.77	-0.97%	2.58
	Himavat Power Limited	73.03%	552.59	0.00%	-
	Pragdisa Power Private Limited	1.41%	10.65	0.00%	-
	Vainateya Power Private Limited	2.02%	15.25	0.00%	-
	Avior Power Private Limited	0.58%	4.37	0.00%	-
	Mirach Power Limited	0.06%	0.47	0.00%	-
	Bay of Bengal Gateway Terminal Private Limited	0.00%	-	0.00%	-
	Mimas Trading Private Limited	0.41%	3.11	0.01%	-0.02
	Ananke Properties Private Limited	8.86%	67.05	0.00%	-0.00
	Tethys Properties Private Limited	8.83%	66.84	0.00%	-0.01
	Bianca Properties Private Limited	8.83%	66.82	0.01%	-0.02
	Belinda Properties Private Limited	8.83%	66.83	0.00%	-0.01
	Phoebe Trading Private Limited	0.46%	3.50	-0.01%	0.02

		Net Assets, i.e., total assets minus total liabilities *		Share in profit / Loss	
	Name of the entity	As % of consolidated net assets	Amount	As % of consolidated Profit / Loss	Amount
	Basava Power Private Limited	0.01%	0.09	0.00%	-0.01
	Siddheswara Power Private Limited	0.02%	0.15	0.00%	-0.00
	Regulus Power Private Limited	0.32%	2.43	0.00%	0.01
	Lanco Teesta Hydro Power Limited	81.93%	619.91	0.00%	-
	DDE Renewable Energy Private Limited	0.38%	2.86	0.47%	-1.25
	Electromech Maritech Private Limited	0.71%	5.36	0.10%	-0.27
	Finehope Allied Engineering Private Limited	0.46%	3.50	0.12%	-0.33
	KVK Energy Ventures Private Limited	15.31%	115.82	0.00%	-
	Saidham Overseas Private Limited	0.50%	3.79	0.12%	-0.31
	Vasavi Solar Power Private Limited	0.43%	3.27	0.22%	-0.58
	Less: Total Eliminations	-3796.28%	-28,725.62	3.67%	-9.75
		100.00%	756.68	87.20%	-231.60
	Minority Interest in all subsidiaries		1,479.21	-12.80%	34.00
	Total		-722.53	100.00%	-265.60

* Includes Minority Interest in all Subsidiaries

95 As allowed under Schedule III of the Companies Act, 2013, financials are prepared in Crores and rounded off to two decimals. The amounts / numbers below fifty thousands are appearing as zero. Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date.

For Brahmayya & Co
Chartered Accountants
Firm Registration No. 0005115

Lokesh Vasudevan
Partner
Membership No. 222320

Place: Gurgaon
Date: May 27, 2016

**For and on behalf of the Board of Directors of
Lanco Infratech Limited**

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

T. Adi Babu
Chief Financial Officer

Place: Gurgaon
Date: May 27, 2016

G. Venkatesh Babu
Managing Director
DIN - 00075079

A. Veerendra Kumar
Company Secretary

MEMBER INFORMATION

To
Aarthi Consultants Private Limited
1-2-285, Domalguda
Hyderabad – 500 029
Telangana, India

Member Information-Update

I/We request you to record and update the following information against my/our Folio No.:

Folio No. / DP ID - Client ID	
Name of the first named Member	
PAN	
CIN/ Registration No. (applicable to Corporate Members)	
Tel No. With STD Code	
Mobile No.	
Email ID	

I/We hereby declare that the information given above is correct. I/We undertake to intimate changes to the above information as and when changes take place. I/We understand that the above details shall be maintained by you till I/we hold the equity shares under the above mentioned Folio No / DP ID - Client ID.

Date:

Place:

.....
Signature of sole/First holder

Notes:

1. Members holding equity shares in Physical form are requested to update the above information with the Registrar and Transfer Agent of the Company.
2. Members holding equity shares in demat mode are requested to update the above information with their respective Depository Participant.

[illegible]

Notes

[illegible]

CSR



Lanco Infratech Limited, a member of the UN Global Compact, is well recognized for its good corporate governance and CSR initiatives. Its CSR initiatives are led by the Lanco Foundation and it spearheads welfare and development activities in the fields of Education,

Health, Safe Drinking Water, Empowerment of the Physically Challenged, Neighbourhood Community Development and Environment across 12 locations in 10 states of India.



Always Inspiring

Lanco Infratech Limited

Registered Office:

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Phone: +91-40-4009 0400
Fax: +91-40-2311 6127

Corporate Office:

Plot No. 397, Udyog Vihar, Phase-3,
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